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Dear Richard

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Certification work for the London Borough of Croydon for the year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by the London Borough of Croydon ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) took on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit subsidy claim for the financial year 2016/17 relating to subsidy claimed of £226.8 million. Further details are set out in Appendix A.

We identified a number of issues from our certification work that we wish to highlight for your attention, which are set out in Appendix A. There were a small number errors from the extended testing that we carried out on this year's subsidy return which recurred from 2015/16. However, there was a reduction in the overall number of errors identified from the previous year. The extrapolated financial impact on the claim, which we have reported to the DWP, was relatively insignificant to the total subsidy receivable.

As a result of the errors identified, the claim was qualified and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2016/17 for the Council was based on the final 2014/15 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by PSAA for the Council for 2016/17 was £25,755. This is set out in more detail in Appendix B.

We were pleased with the improved outcome this year and we would like to thank the Council and the benefits team for their positive attitude and for all their support during this work.

Yours sincerely

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2016/17

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£226,811.598	No	Overall subsidy unchanged	Yes	See below

Findings from certification of housing benefits subsidy claim

Through our certification work we identified a small number of errors and other issues, which were consistent with the previous year. These are summarised below.

In-year reconciliation cells

We noted a £2 difference between Cells 011 and 037 on the subsidy claim form in respect of total Non-HRA rent rebates expenditure, and a £12,644 difference between Cells 094 and 130 on the subsidy form in respect of total Rent Allowance expenditure. The in-year reconciliation cells on the subsidy claim form should be internally consistent.

Rent allowances (incorrect input of earned income)

From the initial sample of 20 cases we identified two cases where benefit had been calculated incorrectly as a result of errors in the input of claimants' earned income. From testing of an additional sample of 40 cases we identified three further errors in calculation of earned income. The total value of overpayments identified in these samples was £241. This resulted in an extrapolated misstatement of £57,352 that we reported to the DWP.

Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£34,340	£25,755	£25,755	£0	n/a