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Dear Jayne

Certification work for Redditch Borough Council for year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Redditch Borough Council ('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 2017/18 relating to subsidy claimed of £21.7 million. Further details are set out in Table A.

We identified a number of issues from our certification work which we wish to highlight for your attention. There were eight lots of additional testing arising from the findings from the previous year. We also found errors in one new area, and completed additional testing. In 2016/17 we tested 409 cases, identifying 28 errors (7% error rate). This year we tested 458 cases, identifying 35 errors (8% error rate). Officers again completed the initial testing using the standard workbooks. We are pleased to be able to report that the workbook completion was good quality, and we agreed with the testing conclusions reached. We received very good support from officers throughout our audit.

Sample testing found the following issues included in the subsidy claim:

- Earnings incorrectly entered
- Incorrect treatment of working tax credit
- Incorrect treatment of child tax credit
- Misclassification of overpaid benefit
- Incorrect rent figure used

The nature of these errors is very similar to the previous year.

As a result of the errors identified, the claim was amended and 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 2017/18 for the Council was based on the final 2015/16 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 2017/18 was £18,199. We are not proposing to vary this fee.

Yours sincerely

A handwritten signature in blue ink that reads "Grant Thornton UK LLP". The signature is written in a cursive, flowing style.

Grant Thornton UK LLP

Table A - Details of claims and returns certified for 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£21,744,200	Yes	(£23)	Yes	See below

Findings from certification of housing benefits subsidy claim

Workbook completion

PSAA provides workbooks to all audit suppliers to complete in order to ensure consistency and high quality in documentation. Many councils now complete these workbooks using Quality Assessment Officers or Supervisors who have not initially been involved in assessing claims. Auditors then re-perform some of the work that officers have completed. This reduces the cost of the work compared to auditors doing it all, and gives officers better information on any training needs or quality issues regarding the initial claim assessments.

We again provided support and guidance to officers on workbook completion to help improve the quality of workbook completion. We are pleased to be able to report that the workbook completion was of higher quality, and we agreed with the testing conclusions reached. As officers had previous experience of completing the workbooks, we were also able to reduce the level of re-performance we carried out.

Non HRA Rent Rebate testing

These are short term or bed and breakfast claims. Our initial testing of 13 cases identified four errors relating to incorrect entries in respect of rent, earnings and working tax credit. Testing of a further 57 cases, covering the whole population, did not identify any further errors.

HRA Rent Rebate testing

These are claims by tenants in HRA properties. Our initial testing of 20 cases identified one error due to incorrect child tax credit. Testing of a further 40 cases identified two additional errors.

Rent Allowance testing

These are claims by tenants in private housing. Our initial testing of 20 cases identified three errors in respect of the omission of National Insurance/Tax and earnings. Testing of a further 40 cases identified a further four errors.

Testing arising from prior year errors

Where testing identifies errors in one year, DWP requires us to undertake further testing in the subsequent year. The testing focuses on cases with the same characteristics as the original error. This year, because of errors in previous years, we had to carry out testing in eight areas. We found additional errors in seven areas. This means that, in 2018/19, the amount of testing required will be similar to this year.

Table B: Fees for 2017/18 certification work

Claim or return	2015/16 fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£25,328	£18,199	£18,199	£7,129	Decrease in fee set by PSAA.
Total	£25,328	£18,199	£18,199	£7,129	