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Dear James

Certification work for Redditch Borough Council for year ended 31 March 2021

We have been appointed by Redditch Borough Council ('the Council') to certify the Housing Benefit subsidy claim submitted by the Council to the Department for Work and Pensions (DWP). 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. This timeline was extended in 2020/21 due to the impact of the Covid-19 pandemic.

We have certified the Housing Benefit subsidy claim for the financial year 2020/21 relating to subsidy claimed of £14.8 million. Further details are set out in Appendix A.

We identified a number of issues from our certification work which we wish to highlight for your attention. There were twelve sets of additional testing arising from the findings from the previous year. We also found errors in two new areas during our testing in 2020/21 which required additional testing.

Officers again completed the initial testing using the standard workbooks supplied by the DWP. We are pleased to be able to report that the workbook completion was to a 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 calculated / entered
- incorrect application of some allowances
- incorrect overpayment classification

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

As a result of the errors identified, the claim was amended, and we reported our findings to the DWP in our Reporting Accountant's Report. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

We agreed a fee of £28,000 agreed for 2020/21, which is the same as the previous year.

Yours sincerely



Grant Thornton UK LLP

Appendix A**Findings from certification of housing benefits subsidy claim****Table A - Details of amendments and qualifications**

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£14,764,872	Yes	£93	Yes	See below

Findings from certification of housing benefits subsidy claim**Workbook completion**

DWP 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 again of high 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.

Initial testing

Our initial testing of 60 cases identified five errors. These mainly related to incorrect entry of earnings, incorrect rent figures and incorrect classification of overpayments. The nature of the errors meant that we had to conduct testing in two additional areas, not covered by the testing arising from prior year 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 twelve areas (ten last year). In nine of those areas no errors were found and hence no additional testing will be required on these for 2020/21.

For one area, the Council agreed with DWP a delay to the testing whilst a bespoke report was prepared by the software provider. That report has since been received, and we intend to complete our work by the end of July.

Amount of testing and errors found

The table below shows the number of cases tested and the number of errors found in recent years.

	Cases tested	Errors found	% error rate
Year			
2016/17	409	28	7
2017/18	458	35	8
2018/19	489	63	13
2019/20	679	38	6
2020/21	530	15	3

DWP provided a global extension for submitting reports from 30 November 2021 to 31 January 2022. Officers agreed a number of further extensions, to 30 April 2022. We submitted our report to DWP on 3 May 2022.