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Summary of findings

Introduction
We are required to certify certain claims and returns you submit. 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 your entitlement to funding.

We have certified one claim, the Housing Benefit subsidy, under the Audit Commission contract for the financial year 2014/15 relating to subsidy of £72.8 million.

We have also undertaken certification of claims outside of the Public Sector Audit Appointments (formerly the Audit Commission) contract for three central government bodies, relating to the pooling of housing capital receipts, teachers pension and GLA backlog funding. We have reported the findings against these grants separately.

This report summarises our overall assessment of your management arrangements in respect of the certification process and draws attention to significant matters identified.

Approach and context to certification
Arrangements for certification are prescribed by the Public Sector Audit Appointments which agrees the scope of the work with the Department of Work and Pensions and issues auditors with a Certification Instruction (CI) for the claim.

For grants required by other Central Government bodies, we follow the guidance requirements set out by the grant awarding body and following our own testing methodology dependent on the level of assurance required.

No material errors have been identified in any of the grants claims undertaken outside of the Public Sector Audit Appointments contract.

Key messages
A summary of all claims and returns subject to certification is provided at Appendix A. The key messages from our certification work are summarised in the table below.

<table>
<thead>
<tr>
<th>Aspect of certification arrangements</th>
<th>Key Messages</th>
<th>RAG rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission &amp; certification</td>
<td>The certification deadline for the Housing Benefit subsidy return was met.</td>
<td>Green</td>
</tr>
<tr>
<td>Accuracy of claim forms submitted to the auditor (including amendments &amp; qualifications)</td>
<td>The Housing Benefit Subsidy return was subject to qualification and amendment with an decrease in the number of the errors identified compared to the prior year. There was no change to the value of the overall claim as a result of the amendments.</td>
<td>Amber</td>
</tr>
<tr>
<td>Supporting working papers</td>
<td>Officers provided adequate and timely working papers to support each of the claims certified.</td>
<td>Green</td>
</tr>
</tbody>
</table>
Summary of findings

Certification fees
The indicative certification fee for your was set by the Audit Commission for 2014/15, based on final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. The indicative fee for certification of housing benefit subsidy claim compared to the 2013/14 indicative fee was reduced to reflect the changes to the scheme compared to the base year.

Your indicative certification fee for 2014/15 was £26,350 (£35,809 for 2013/14), and, due to there being no increase in additional testing compared to 2012/13, we have reflected this as the final fee for 2014/15.

Our fees for the three additional grant certifications undertaken this year was £9,200.

The way forward
Errors continue to be identified in relation to data input and expenditure classification on the subsidy claim form. We set out recommendation to address this at Appendix B.

Implementation of the agreed recommendation will assist you in compiling accurate and timely claims for certification. This will reduce the risk of penalties for late submission, potential repayment of grant and additional fees.

Acknowledgements
We would like to take this opportunity to thank your officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP
February 2016
## Appendix A: Details of claims and returns certified for 2014/15

### Public Sector Audit Appointments required claims

<table>
<thead>
<tr>
<th>Claim or return</th>
<th>Value</th>
<th>Amended?</th>
<th>Amendment (£)</th>
<th>Qualified?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Housing benefit subsidy claim          | £72,812,959 | Yes      | Amendment did not affect total subsidy       | Yes        | The certification work identified a number of errors in the claim which could not be quantified, even following additional testing, and the claim was qualified on this basis. Errors identified were in respect of data input issues relating to:  
  • earned income  
  • private pension income  
  • additional earnings disregard  
In addition, classification errors were identified in relation to non-HRA rent rebates  
A number of quantifiable issues were identified and you amended the claim for these. |
### Appendix B: Action plan

**Priority**
- **High** - Significant effect on arrangements
- **Medium** – Some effect on arrangements
- **Low** - Best practice

<table>
<thead>
<tr>
<th>Rec No.</th>
<th>Recommendation</th>
<th>Priority</th>
<th>Management response</th>
<th>Implementation date &amp; responsibility</th>
</tr>
</thead>
</table>
| 1      | Input data from claimant documentation accurately and ensure robust review of inputs so that benefit entitlement is correctly calculated. | High     | We are confident that we have clear processes and procedures in place in order to ensure that HB Officers have the correct guidance and support required to assess all claim types and scenarios.  
In addition to the 10% quality checking completed each month, we also do 100% quality checks on a random day for each HB officer, this is done on a rolling review.  
The results of all quality checking are fed back to the individual officers and their Team Leader, common errors result in refresher training for both Benefit Teams. Their quality checking results also form part of regular 121’s and annual appraisals.  
If the checking proves that the error is being committed by only one or two officers then, we arrange 121 training; this is covered over 2 stages:  
- Theory – the trainer talks through the procedures in place explaining the correct action to take e.g. payslips.  
- Practice – the trainer sits with the officer and selects a few cases from the HB Officers in-tray that have e.g. payslips and they work through the assessment together.  
However, some errors found appear to be due to HB officers not taking the time to check for typo’s etc…(human error) and therefore we are now making sure that they clearly understand the implication of these errors and how important it is to allocate enough time per claim to balance quality against quantity.  
Accuracy and the quality of processing is always a priority and this has led to a review of the milestones in the Benefit Officers job description effective from April 16 which requires a 96+% consequential accuracy level. This should ensure staff remain focussed on getting it right first time. | Mary Tam  
Head of Revenue,  
Benefit and Pension Service  
March 2016 |