



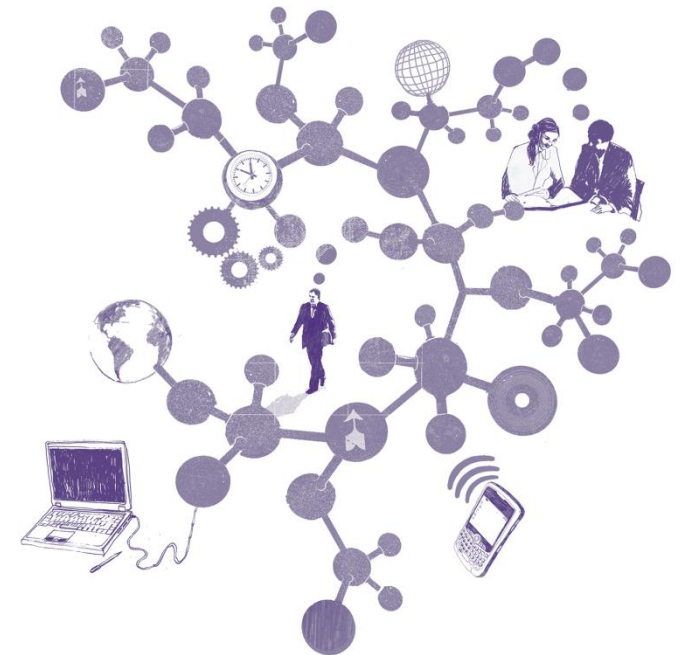
Certification report 2016/17 for Mole Valley District Council

Year ended 31 March 2017

February 2018

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Section 1: Summary of findings

01. Summary of findings

Summary of findings

Introduction

Certain claims and returns submitted by local authorities require auditor certification to help confirm the authority's entitlement to funding.

For 2016/17 the only claim requiring auditor certification at Mole Valley District Council ('the Council') was the Council's claim for housing benefit subsidy.

Auditors are required to report the outcomes of certification work to those charged with governance. This report summarises the outcomes from our certification work on the Council's housing benefit subsidy claim for 2016/17.

Approach and context to certification

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) have taken on the transitional responsibilities for HB COUNT (the framework used for the certification of housing benefit subsidy claims) issued by the Audit Commission in February 2015.

Our certification work has been completed using the HB COUNT framework.

In 2016/17 the Council's draft claim was for housing benefit subsidy of £21.4m, based on benefit granted of £21.6m.

Key messages

We certified the 2016/17 housing benefit subsidy claim ahead of the 30 November 2017 deadline specified by the Department of Work and Pensions.

There were no amendments to the claim and our certificate was unqualified. Further details of our work are included at Appendices A and B.

Previous year recommendations

We review action taken on recommendations arising from our previous year certification work. We concluded that you had taken appropriate action on the issues raised.

Certification fees

For each Council an indicative scale fee for certification work is set by PSAA. The 2016/17 indicative scale fee for the Council's housing benefit subsidy claim reported in our Audit Plan of June 2017 was £14,070.

We are not proposing any amendment to the indicative scale fee. Our final fee for the 2016/17 certification work will therefore be £14,070.

Acknowledgements

We would like to take this opportunity to thank officers for their assistance and co-operation with our 2016/17 certification work.

Grant Thornton UK LLP
February 2018

Appendices

Appendix A: Work performed 2016/17

Housing Benefit Subsidy Claim

Overall approach

The PSAA certification framework requires sample testing of benefit claims to confirm benefit has been awarded in accordance with regulations and correctly recorded for subsidy purposes. Two initial samples are tested (all transactions in year)

- 20 rent allowance cases
- 20 rent rebate (tenants of non-HRA properties) cases.

Where errors are identified from this initial testing, and there is not enough information to agree a claim amendment or assess the impact of the error across the population as a whole, then additional testing is performed (either on a further sample of 40 cases, or on all relevant cases, depending on the number of cases where the error could have occurred) for the issue giving rise to the error.

Under the PSAA framework auditors are also required to perform sample testing to cover previous year issues and confirm that these do not affect the current year's claim.

Where the impact of errors can be quantified exactly then the claim is amended. Where the potential impact on subsidy can only be estimated or extrapolated then the issue is reported to DWP using a qualification letter.

Appendix A: Work performed 2016/17

Housing Benefit Subsidy Claim

Rent allowances

Initial testing

Our testing of the initial sample of 20 rent allowance cases for 2016/17 did not identify any errors.

Additional testing

Additional work in 2016/17 was only required in respect of previous year issues.

Our work on the Council's 2015/16 subsidy claim identified two rent allowance cases with calculation errors relating to earned income. Therefore under the HBCOUNT framework follow-up testing for this issue was required in 2016/17.

Our follow-up testing in 2016/17 for a sample of rent allowance cases with earned income did not identify any errors. Further details of our work are at Appendix B.

Non HRA

Initial testing

Our testing of the initial sample of 20 non-HRA cases for 2016/17 did not identify any errors.

Additional testing

Additional work in 2016/17 was only required in respect of previous year issues.

Our work on the Council's 2015/16 subsidy claim identified one Non HRA case with a calculation error relating to child tax credit. Therefore under the HBCOUNT framework follow-up testing for this issue was also required in 2016/17.

Our follow-up testing in 2016/17 for a sample of Non HRA cases with child tax credit did not identify any errors. Further details of our work are at Appendix B.

Appendix B: Outcomes from testing of benefit claims

	Cases tested	Errors identified	
2015/16 Follow up testing			
Follow up testing was performed in the following areas to address issues arising from our 2015/16 certification work.			
<i>Rent allowances</i>			
Calculation errors relating to earned income	40	0	
<i>Non HRA</i>			
Calculation errors relating to child tax credit	37 (i.e. all relevant cases)	0	

Appendix C: Fees

Claim or return	2015/16 fee	2016/17 indicative fee	2016/17 actual fee	Variance with previous year	Explanation for variance
	£	£	£	£	
Housing benefit subsidy claim	15,953	14,070	14,070	(1,883)	Reduced work required on 2016/17 claim.
Total	15,953	14,070	14,070	(1,883)	



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