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Dear Gary

Certification work for Chorley Borough Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by Chorley 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 2016/17 relating to subsidy of £25.3 million. Further details are set out in Appendix A.

We identified only minor issues from our certification work that we wish to highlight for your attention. The issues relate to:

- a miscoding between non-HRA rent rebates and rent allowance; and
- the incorrect inclusion of an uncashed payment

As a result of the issues identified, we reported our findings to the Department of Works and Pensions (DWP). The DWP may require the Council to undertake further work or provide assurances on the issues reported in our qualification letter.

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 £6,683. This is set out in more detail in Appendix B.

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	£25,297,732	No	0	Yes	See below for details.

Findings from certification of housing benefits subsidy claim

Misclassification between cells

Testing of the initial sample identified one case where the benefit type had been miscoded, when adjusting for a recovered overpayment of £36.17. The adjustment was recorded as non-HRA rent rebate expenditure rather than rent allowance. As eligible rents and benefit entitlement were correctly calculated and the total subsidy claimable remained the same, no additional testing was required and no amendment was made to the claim form. We did however include the issue in our qualification letter to the DWP.

Uncashed payments

Testing of the prior year uncashed payment of £895 recorded on the claim actually related to an overpayment that did not occur. The Authority contacted the bank prior to the payment being made, but an overpayment had already been raised on the system. The system posting to remove the technical overpayment resulted in an incorrect entry being made to uncashed payments. The issue was included in the qualification letter.

Self-employed earnings

As a result of errors in 2015-16 relating to self-employed earnings in rent allowance expenditure, further testing was required on income assessment. No issues were identified from this additional testing.

Recommended actions for officers

We have no specific recommendation relating to the claim.

Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance between indicative fee and actual (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£8,910	£6,683	£6,683	£0	No variance between indicative fee and actual
Total	£8,910	£6,683	£6,683	£0	