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Dear Jenny

**Certification work for Cotswold District Council for year ended  
31 March 2017**

We are required to certify the Housing Benefit subsidy claim submitted by Cotswold District 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) have taken 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 a claim for £19,415,380 of subsidy. Further details of the claim are set out in Appendix A. While we are satisfied that the Council has appropriate arrangements to compile a complete, accurate and timely return for audit certification, there are issues arising from our certification work which we wish to highlight for your attention.

The indicative scale fee for 2016/17 for the Council is based on the final 2014/15 certification fees, which reflect the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by the Audit Commission for the Council for 2016/17 was £4,403 and our proposed fee is in line with this amount. This is set out in more detail in Appendix B.

Yours sincerely

For Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2016/17**

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	19,415,380	Y	946	Y	One small amendment was made to the claim for a manual adjustment identified from the software supplier 'BENCHK' report.  Our report was qualified to highlight issues in relation to the reconciliation of benefit granted to benefit paid and earnings input errors.

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

**Benefit software: reconciliation of benefit granted to paid**

Our review of the Council's reconciliation of benefit granted to benefit paid from its housing subsidy system identified a discrepancy of £5,718. The Council did not investigate the difference and used the lower figure within the 2016/17 subsidy claim. There was therefore no risk of subsidy being over claimed.

**Recommended actions for officers**

The Council should investigate any discrepancies in future years.

**Earned Income errors**

As reported in previous years our testing identified some instances where claimants' earned income was miscalculated as a result of human error. Our testing of a random sample of 40 claims identified six errors resulting in excess benefit being paid totalling £495. The extrapolated effect of these errors across the claim was £10,515.

**Recommended actions for officers**

We recommend that the Council as part of its internal quality assurance process, should increase its focus or level of testing in respect of claims with earned income.

**Software supplier manual check reports**

Our review of the subsidy reconciliation process identified instances where manual adjustments identified from the benefit software supplier's reports had not been incorporated in the pre-audit claim.

**Recommended actions for officers**

These adjustments where applicable, should be processed as part of the claim compilation.

**Appendix B: Fees for 2016/17 certification work**

Claim or return	2014/15 fee (£)	2015/16 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	5,870	4,950	4,403	4,403	0	N/A