

Mrs Jenny Poole
Chief Finance Officer
Cotswold District Council
Trinity Road
Cirencester
Gloucestershire
GL7 1PX

Grant Thornton UK LLP
2 Glass Wharf
Bristol BS2 0EL
T +44 (0)117 305 7600
F +44 (0)117 305 7784
DX 78112 Bristol

www.grant-thornton.co.uk

www.grant-thornton.co.uk

16 January 2019

Dear Jenny

Certification work for Cotswold District Council for the year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Cotswold District Council 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 Ltd (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 2017/18 relating to subsidy claimed of £18.4million. Further details are set out in Appendix A.

We identified a small number of errors from our certification work which we wish to highlight for your attention. Our report was qualified to highlight issues in relation to the reconciliation of benefit granted to benefit paid. Due to errors identified in 2016/17, we undertook extended testing of claims where the claimant was in receipt of earned income and found three errors, however each of the errors identified had no impact on the amount of housing benefit received and therefore did not result in a subsidy error in the claim and no extrapolation was required.

As a result of the issue identified in relation to the reconciliation of benefit granted to paid, the claim was qualified, and we reported our findings to the DWP on the 28 November 2018.

The indicative fee for 2017/18 for the Council was based on the actual 2015/16 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 2017/18 was £4,950. Our final proposed fee is in line with the scale fee. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

© 2019 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Appendix A - Details of claims and returns certified for 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£18,393,310	No	n/a	Yes	See below

Findings from certification of housing benefits subsidy claim

1. Benefit software: reconciliation of benefit granted to paid

As in previous years our review of the Council's reconciliation of benefit granted to benefit paid from its housing subsidy system identified a discrepancy of £5,116. The Council did not investigate the difference and used the lower figure within the 2017/18 subsidy claim. There was therefore no risk of subsidy being over claimed.

Recommended actions for officers

We recommend that the Council should investigate any discrepancies in future years.

2. Claimant income

In 2016/17, we identified one error where assessors had incorrectly calculated claimants' earned income from evidence provided in respect of claims in receipt of rent allowances. We found three errors out of 43 cases tested this year, however each of the errors identified did not result in a subsidy error in the claim and no extrapolation was required.

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.

3. Software supplier manual check reports

In 2016/17, 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. We found that the manual adjustments had been correctly processed as part of the claim compilation process in 2017/18 and no further issues were identified.

Appendix B: Fees for 2017/18 certification work

Claim or return	2015/16 fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£4,950	£4,950	£4,950	£0	n/a