



# Grant Thornton

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Dear Anne

**Certification work for Oldham Metropolitan Borough Council for year ended 31 March 2017**

We are required to certify the Housing Benefit subsidy claim submitted by Oldham Metropolitan Borough 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 claimed of £78.3 million. Further details are set out in Appendix A.

We identified one issue from our certification work which we wish to highlight for your attention. There was one error from the extended testing that we carried out on this year's subsidy return which recurred from 2015/16. The extrapolated financial impact on the claim, which we have reported to the DWP, was again relatively insignificant to the total subsidy receivable.

As a result of the errors identified, the claim was qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

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 £16,305. 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	£78,340,530	No	N/A	Yes	See below

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

Our initial testing of a sample of individual benefit claims did not identify any errors that would require additional testing. However, errors had been identified in the previous year's claim (2015/16) relating to the incorrect treatment of deductible expenses against the claimant's self-employed income. In accordance with HBCOUNT guidance, we were required to carry out additional testing (40+ testing) in this area for 2016/17.

Additional testing of a sample of 40 cases of self-employed earners in receipt of rent allowances, identified one error where self-employed earnings had been understated, resulting in a total overpayment to the individual of £1,843.

As a result of our work we reported an extrapolated understatement of 'LA error and administrative delay overpayments' of £49,000.

In response to our audit findings last year where we found four errors in a sample of 40 cases the Council has provided officer training during 2016/17 to ensure self-employed earnings are correctly calculated.

We will need to carry out testing in this area again in 2017/18.

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

<b>Claim or return</b>	<b>2014/15 fee (£)</b>	<b>2016/17 indicative fee (£)</b>	<b>2016/17 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	£21,280	£16,305	£16,305	NIL	N/A
Total	£21,280	£16,305	£16,305	NIL	