



Grant Thornton

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Dear Marc

**Certification work for West Lancashire Borough Council for year ended 31 March 2017**

We are required to certify the Housing Benefit subsidy claim submitted by West Lancashire 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 £27.571 million. Further details are set out in Appendix A.

We identified a number of issues from our certification work which we wish to highlight for your attention.

We identified one error from the initial testing we carried out for rent allowances on this year's subsidy return which recurred from 2015/16. We completed extended testing and identified one additional error.

We also completed extended testing in relation to another error type identified in our work on rent rebates on the 2015/16 claim, we found no further errors of this type.

The extrapolated financial impact on the claim, which we have reported to the DWP, was 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 £10,920. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP.

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

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£27,570,502	No	N/A	Yes	See below

#### **Claimant income**

We identified one error in relation to rent allowances where assessors had incorrectly calculated the claimants' average weekly earned income resulting in an overpayment of £25. We tested a further 40 cases and found one further error where the claimant had been underpaid. There were no further overpayments identified. However, because of the error, specific testing in this area will be required in 2017/18. Similar errors were reported in 2015/16.

In 2015/16 we identified 2 rent rebate errors in relation to incorrect earned income figures and working tax credits and as a result, this year an additional random sample of 40 cases was selected for testing from the headline cell. The additional testing identified no errors.

**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)	£14,450	£10,920	£10,920	£0	
<b>Total</b>	£14,450	£10,920	£10,920	£0	