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Dear James

Certification work for Shropshire Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by Shropshire 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 £69.2 million. Further details are set out in Appendix A.

We identified two issues from our certification work which we wish to highlight for your attention. These are detailed in Appendix A. 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 £10,620. 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?	Qualified?	Comments
Housing benefits subsidy claim	£69,203,026	Yes	Yes	See below

Findings from certification of housing benefits subsidy claim

Application of occupational pension increase from incorrect date

We identified one case (total value £113), from a sample of 40 cases, where a pension increase, with regard to an occupational pension, had been applied from the incorrect date. This resulted in an extrapolated error of £2,564 to correct the over payment.

We will have to perform specific testing in respect of this issue as part of our certification work on the 2017/18 housing benefits subsidy claim.

Use of incorrect earnings figures to calculate benefit entitlement

We identified four cases, from a sample of 40 cases, where the Council had incorrectly input earnings resulting in an underpayment of £88. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and has not, therefore, been classified as an error for subsidy purposes.

We also identified four cases (total value £531), from a sample of 40 cases, where the Council had incorrectly input earnings resulting in an overpayment. This resulted in an extrapolated error of £43,903.

We will have to perform specific testing in respect of this issue as part of our certification work on the 2017/18 housing benefits subsidy claim.

Use of incorrect rent figures to calculate benefit entitlement

We identified 1 case (total value £5), from a sample of 60, where the Council had used an incorrect rent figure to calculate benefit entitlement. This resulted in an extrapolated error of £101 to correct the overpayment.

We will have to perform specific testing in respect of this issue as part of our certification work on the 2017/18 housing benefits subsidy claim.

Recommended actions for officers

We recommend that the Council, as part of its internal quality assurance process, increase its focus or level of testing in respect of the areas where we identified errors from our testing.

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)	£15,340	£13,945	£10,620	£10,620	£0	n/a
Total	£15,340	£13,945	£10,620	£10,620	£0	n/a