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Dear Paul

Certification work for Cheltenham Borough Council for year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Cheltenham 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 2017/18 relating to subsidy claimed of £28.703 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. There were a number of errors from the extended testing that we carried out on this year's subsidy return which recurred from 2016/17. There was no new areas where we identified errors for 2017/18. 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 amended and 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 2017/18 for the Council was based on the final 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 £8,361. 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 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£28,702,799	Yes	£(5,358)	Yes	See below

Findings from certification of housing benefits subsidy claim

Amendment to Cell 28

We identified a number of errors within Rent Rebates expenditure in relation to the classification of overpayments. Officers were able to review the whole of the population and we agreed the amendment of £(5,358) required to the claim as a result.

Amendment to Cell 102

We identified a number of errors within Rent Allowances expenditure in relation to the classification of expenditure. Officers were able to review the whole of the population and we agreed the reclassification required to the claim as a result. There is no impact of this error on subsidy claimed.

Observations

We identified errors in two classes of benefit where no impact on subsidy was noted and therefore have not been classified as errors for subsidy purposes.

- One case where benefit was underpaid due to the Authority miscalculating the claimant's earned income, in respect of Rent Rebates
- Five cases where benefit was underpaid due to the Authority miscalculating the claimants' earned income, in respect of Rent Allowances.

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 the areas where we identified errors from our testing.

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)	£8,361	£8,361	£8,361	Nil	N/a
Total	£8,361	£8,361	£8,361	Nil	N/a