



Grant Thornton

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Dear Chris

Certification work for Coventry City Council for year ended 31 March 2016

We are required to certify certain claims and returns submitted by Coventry City 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) have taken 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 2015/16 relating to expenditure of £127 million. Further details of the claim certified is set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

The indicative fee for 2015/16 for the Council is based on the final 2013/14 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 the Audit Commission for the Council for 2015/16 is £13,523 but we are proposing to increase it to £14,546. The reason for this is set out in more detail in Appendix B. This proposed fee increase is subject to approval by PSAA.

Yours sincerely

For Grant Thornton UK LLP

Chartered Accountants

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Appendix A - Details of claims and returns certified for 2015/16

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	£127,050,095	Yes	£69,707	Yes	<p>The housing benefits subsidy claim was qualified because of errors found in:</p> <ul style="list-style-type: none"> - how non-HIRA rent rebates were being calculated, such as an incorrect date being recorded for when the claimants earnings ceased and incorrect rent figures being used. These errors resulted in both under and overpayments to claimants - how rent allowance overpayments were classified on the claim form. <p>The Council has estimated that this should not have a significant impact on the total amount of subsidy due but this will not be confirmed until the Department for Work and Pensions considers the qualifications on the Council's claim and determines the total amount of subsidy to be paid for 2015/16.</p>

Appendix B: Fees for 2015/16 certification work

Claim or return	2013/14 fee (£)	2015/16 indicative fee (£)	2015/16 actual fee (£)	Variance between actual and indicative fee (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	18,031	13,523	14,546	1,023	The errors reported above in respect of non-HIRA rent rebates resulted in additional testing having to be performed. This additional testing was above the level anticipated when the indicative fee was set.