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Dear Barry

Certification work for Coventry City Council for year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim 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) 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 £116.07 million. We identified several errors from our certification work and, as a result of these, the claim was qualified, and we reported our findings to the DWP in our Qualification Letter dated 28 November 2018.

Further details of the matters we reported upon are set out in Appendix A. Those which we particularly wish to highlight for your attention are that there:

- were four error types from the extended testing that we carried out on this year's subsidy return which recurred from 2016/17, and
- three new error types were identified as a result of the testing undertaken.

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 £14,020 and we will seek no variation on this fee.

Yours sincerely

Grant Thornton

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Appendix A - Details of claims and returns certified for 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£116,066,391	No	N/A	Yes	See below for summary of issues reported in the Qualification Letter to the DWP.

Findings from certification of housing benefits subsidy claim

There were four error types that were identified in both the current and prior year, which were reported in the Qualification Letter to the DWP, these were as follows;

- Testing of non-HRA rent rebates identified three errors (£119) where the claimant's earnings had been incorrectly calculated, resulting in an overpayment of benefit and four errors where this resulted in an underpayment of benefit (total extrapolated error £439).
- Testing of non-HRA rent rebates identified six errors (£775) where deductions had been incorrectly included in the benefit calculation, resulting in an overpayment of benefit (total extrapolated error £8,442).
- Testing of non-HRA rent rebates identified four errors (£3,314) where the system had been unable to calculate part week entitlement correctly resulting in an overclaim of subsidy (total extrapolated error £37,112).
- Testing of rent allowances identified one error (£74) where an overpayment had been incorrect classified as claimant error when it should have been classified as Local Authority error (total extrapolated error £33,451).

There were also three new errors identified this year, which were reported in the Qualification Letter to the DWP, these were as follows;

- Testing of non-HRA rent rebates identified two errors (£697) where an overpayment had been incorrect classified as claimant error when it should have been classified as Local Authority error (total extrapolated error £4,013).
- Testing of rent allowances identified five errors (£282) where the claimant's earnings had been incorrectly calculated, resulting in an overpayment of benefit and two errors where this resulted in an underpayment of benefit (total extrapolated error £47,050).
- Testing of rent allowances identified two errors (£1,300) where the incorrect childcare costs had been included in the benefit calculation, resulting in an overpayment of benefit and three errors where this resulted in an underpayment of benefit (total extrapolated error £33,217).

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)	£13,523	£14,020	£14,020	£0	N/A