



Grant Thornton

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Dear Andrew

Certification work for Mid Devon District Council for year ended 31 March 2016

We have undertaken work on three claims for the Council:

- Housing benefits subsidy claim – covered by the Public Sector Audit Appointments (PSAA) responsibilities
- Pooling of Capital Receipts (Pooling claim) – Engagement letter dated 20 September 2016
- Housing & Community Agency, Affordable Homes Programme 2015-2018 (HCA claim) – Engagement letter dated 20 September 2016

We are required to certify the Housing Benefit subsidy claim submitted by Mid Devon District 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 £18.9 million. Further details of the claims certified are set out in Appendix A.

We have qualified the claim, and reduced the subsidy reclaimable by £35, in respect of the following:

Testing of the initial sample identified

- One case where the Council had overpaid benefit as a result of miscalculating the claimant's weekly income, resulting in an error in classification. Testing of an additional sample of 40 cases did not identify any further errors.
- One case where benefit had been underpaid as a result of the Authority using an incorrect Local Housing Allowance (LHA) rate as a result of assessing a property in the incorrect Broad Rental Market Area (BRMA) due to the property being close to the boundary between two areas. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy. However, because errors miscalculating the LHA could result in overpayments an additional random sample of 40 cases was tested. No further underpayments and no overpayments were identified.
- One case where the overpayment of a benefit type for a particular case had been miscoded by the Authority; as a result, the eligible overpayment was misanalysed in the claim. There is no subsidy impact.

- One case where overpayment has been misclassified as prior year overpayment when it should be current year overpayment. As the eligible rents, benefit entitlement and overpayment amounts have been correctly calculated, and the detail cells involved attract the same subsidy values, no additional testing has been undertaken. There is no subsidy impact.

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 £7,418. This is set out in more detail in Appendix B.

As part of our work we identified two errors that resulted in additional testing, in line with Department of Works and Pension instructions, to demonstrate that there were no systematic errors that would affect the claim. This has led to an additional charge of £ 1,925.

Both the Pooling claim and the HCA claim were signed off with no errors and there are no matters to bring to your attention.

Yours sincerely



Geraldine Daly
For Grant Thornton UK LLP

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

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	18,949,708	Yes	(35)	Yes	Initial testing identified some errors that required additional testing.
Pooling of Capital Receipts	148,900	No	n/a	No	
Housing & Community Agency, Affordable Homes Programme 2015-2018	120,000	No	n/a	No	Fir close scheme selected for audit.

Appendix B: Fees for 2015/16 certification work

Claim or return	2014/15 fee (£)	2015/16 indicative fee (£)	2015/16 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	9,210	7,418	9,343	1,925	Additional testing as a result of errors identified in initial sample testing.
Pooling of Capital Receipts	1,400	1,400	1,400		
Housing & Community Agency, Affordable Homes Programme 2015-2018	n/a	2,000	2,000		
Housing & Community Agency, Decent homes grant	1,500	n/a	n/a		