

Angela George
Interim S151 Officer
Copeland Borough Council
The Copeland Centre
Catherine Street
Whitehaven
Cumbria
CA28 7SJ

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

T+44(0161) 234 6394

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Dear Angela,

Certification work for Copeland Borough Council for year ended 31 March 2014

We are required to certify certain claims and returns submitted by Copeland 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.

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

For Copeland Borough Council we have certified one claim for the financial year 2013/14 relating to housing benefit subsidy. The total subsidy received by the Council from the Department of Works and Pensions (DWP) was £20.81 million with corresponding expenditure of £20.63 million on 6,375 cases. Within the £20.81 million subsidy received is £0.47 million for the administration of housing benefits. Further details of the claim certified is set out in Appendix A.

We are satisfied that the Council has appropriate arrangements to compile and complete accurate and timely claims for audit certification.

Certifying the Housing Benefit claim involved us testing an initial sample of 28 individual cases for 2013/14 taken from the two headline cells for non HRA and Rent Allowance, along with an additional sample of 5 modified scheme cases. Our initial testing identified the following errors:

- 2 cases where the claimant's weekly income figures were incorrectly input into the Academy system;
- 1 case where the Council had incorrectly deducted eligible service charges from a claimants weekly rent;
- 1 case incorrectly classified as a Regulated Tenancy case when it was a Registered Social Landlord case;
- 1 case where overpayments were incorrectly classified.

Where errors were identified in the initial sample another sample of up to 40 cases were tested for the error identified. We undertook 4 sets of additional testing and identified the following further errors:

- 3 cases where the claimant's weekly income figures were incorrectly input into the Academy system;
- 4 cases where overpayments were incorrectly classified.

From our testing we confirm no amendment was required to the claim form but it did require a qualification letter to the DWP reporting and extrapolating the errors identified.

We suggest in the instructions and training given to all benefits assessment staff that they are reminded of the importance of ensuring all data is input accurately into assessments to avoid errors. They also need to ensure all cases are correctly classified by their tenancy type and overpayments are correctly classified.

The indicative grant claim certification fee for 2013/14 for the Council is based on the final 2011/12 certification fee, reflecting the amount of work required by the auditor to certify the claims and returns in the year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fee for the certification of housing benefit subsidy claim was reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. The indicative scale fee set by the Audit Commission for the Council for 2013/14 after the reduction is £20,328. This is set out in more detail in Appendix B.

Yours sincerely

For Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2013/14

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?
Housing benefits subsidy claim (BEN01)	20,813,049	No	0	Yes

Appendix B: Fees for 2013/14 certification work

Claim or return	2012/13 fee (£)	2013/14 indicative fee (£)	2013/14 actual fee (£)	2013/14 Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	18,240	20,328	20,328	0	<p>No variance to indicative fee as the work undertaken in 2013/14 was comparable to that undertaken in 2011/12, on which the indicative fee was based.</p> <p>The 2013/14 fee is an increase of £2,088 against the 2012/13 fee. Although the number of errors identified in the initial testing in 2013/14 was similar to 2012/13 more additional 40+ testing was required in 2013/14 to reflect the increase in the different types or errors.</p>
National non-domestic rates return (NNDR3)	1,199	N/A	N/A	N/A	Note - No requirement to certify this return in 2013/14.
Total	19,439	20,328	20,328	0	