

Our ref: RJB/HS/DW

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Dear Cath

Certification work for St Helens Metropolitan Borough Council for the year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by St Helens Metropolitan 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 Ltd (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 £63million without amendment. Further details are set out in Appendix A.

We identified several issues from our certification work which we wish to highlight for your attention which led to the issuing of a qualification letter. These related to the assessment of income and the determination of rent liability, further details are contained in Appendix A.

We reported our findings to the DWP. The DWP may require the Council to undertake further work or to provide assurances on the errors we have identified.

The indicative fee for 2017/18 for the Council was based on the actual 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 £14,696 and we do not intend to charge any additional fees for this work. This is set out in more detail in Appendix B.

We would like to acknowledge the fact that the Council completed the workbooks, documenting the detail of the claims tested. However, towards the end of the audit we experienced difficulty sharing the workbooks between each other and this will need investigating by both IT departments going forward.

Yours sincerely

Grant Thornton UK LLP

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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	£63,062,638	No	N/A	Yes	See below

Findings from certification of housing benefits subsidy claim

Claimant income

Testing of the initial random sample of 20 rent allowance cases, identified one case where the Authority had miscalculated the claimant's weekly income, due to the omission of an occupational pension deduction, which led to an underpayment of benefit to the claimant. In light of this error and the fact that we had reported errors in the area for the last 2 years, we tested an additional random sample of 42 cases. This extended testing identified two further cases where income was incorrectly assessed resulting in underpayments to the claimants.

As there is no eligibility to subsidy for benefit which has not been paid, the underpayments identified do not affect subsidy and have not, therefore been classified as errors for subsidy purposes.

Rent liability

No errors were identified from the testing of the initial random sample of rent allowance cases in the determination of rent liability. However, in last year's qualification letter, we identified three cases where rent liability had been incorrectly determined. These errors had resulted in underpayments to the claimants. Considering these circumstances, and the fact that we had reported errors in the determination of rent liability since 2014/15, we tested an additional 42 cases. No errors were noted as a result of this testing.

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 assessment of income.

Appendix B: Fees for 201718 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)	£14,696	£14,696	£14,696	£0	N/A
Total	£14,696	£14,696	£14,696	£0	