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Dear Louise

**Certification work for Blackburn with Darwen Council for the year ended 31 March 2016**

We are required to certify certain claims and returns submitted by Blackburn with Darwen 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) has taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit subsidy claim under PSAA arrangements for the financial year 2015/16 relating to expenditure of £55.2 million. The claim is both significant in value and technically complex and we wish to acknowledge the high level of co-operation that we received throughout the process from Council staff. Further details of this claim are set out in Appendix A.

As in previous years, the 2015/16 claim was subject to qualification as our review identified errors on five cells. The nature of the errors identified was similar to those reported in 2014/15. However, the errors and qualification issues identified in 2015/16 did not reduce the amount of subsidy claimed by the Council. We include a recommendation for improvement at Appendix A.

The most significant issue identified by our testing related to Rent Allowances where two errors out of a sample of 60 cases identified that an incorrect income figure had been used to calculate benefit. Under the HB COUNT methodology we are required to calculate a sample error rate (in this case 0.06%) and apply this to the relevant total cell monetary value to produce an extrapolated theoretical error. We calculated this as £33,141. We reported our findings to the Department of Works and Pensions (DWP) in line with the requirements of the methodology. DWP may require the Council to undertake further work or provide assurances on the errors identified.

The indicative fee for 2015/16 for the Council is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. The scale fee set by the Audit Commission for the Council for 2015/16 is £15,413 and that is the amount that we have billed the Council.

Yours sincerely

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	£55,185,142	No	N/a	Yes	See above.

### **Further findings from certification of housing benefits subsidy**

We identified two errors out of a total cell sample of 59 cases in respect of Non- HRA Rent Rebate where an incorrect eligible rent figure was used to calculate benefit. The error rate for the sample was 0.02% and this resulted in an extrapolated error of £51.

We identified two errors out of a total cell sample of 59 cases in respect of Non- HRA Rent Rebate where an incorrect income figure was used to calculate benefit. The error rate for the sample was 0.1% and this resulted in an extrapolated error of £254.

### **Recommended actions for officers**

Extend the programme of risk based checking to cover all high-risk areas identified in the 2015/16 certification testing