

Our ref: 001/B00100029/1718/CL

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Dear Louise

## Certification work for Blackburn with Darwen Borough Council for the year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Blackburn with Darwen 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 £50.7 million. We issued a qualification letter to the DWP dated 27 November 2018. Further details of the qualification letter are set out in Appendix A.

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 £15,413 and the fee remains unchanged following completion of our work. This is set out in more detail in Appendix B.

Yours sincerely

*Grant Thornton UK LLP*

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

<b>Claim or return</b>	<b>Value</b>	<b>Amended?</b>	<b>Amendment value</b>	<b>Qualified?</b>	<b>Comments</b>
Housing benefits subsidy claim	£50,688,940	No	N/A	Yes	See below

**Findings from certification of housing benefits subsidy claim**

**Rent Allowance – Overpaid Rent Allowances (Current Year) – Eligible Overpayments (Cell 114)**

Our previous year’s testing identified one error relating to an overpayment included in Cell 114. The error occurred because an overpayment had been created in advance of the point when benefit should have been terminated in accordance with the relevant regulation.

In accordance with HBCOUNT Module 1, we tested a random sample of 40 cases drawn from Cell 114 to confirm that overpayments had been raised covering the correct assessment period.

This testing did not identify any further errors in relation to the above CAKE issue.

However, the authority advised that in one case, the overpayment had been incorrectly calculated resulting in an underpayment of benefit, totalling £80.92. Cell 114 (eligible overpayments) was therefore overstated. There was a corresponding understatement of eligible expenditure in Cell 102, total expenditure related to cases not requiring referral to the rent officer.

The value of the error was £80.92 and the benefit period was 7 weeks.

Given the nature of the population and the variation in the errors found, it was unlikely that even significant additional work would have resulted in an amendment to this cell that would enable us to conclude that it was fairly stated.

This was the 2nd year that we have reported errors for this cell

**Observations:**

**Rent rebates (Tenants of Non-HRA Properties) – Total Expenditure (Benefit granted), Cell 11**

Based on errors identified in our previous qualification letter dated 17 November 2017, all cases in Cell 11 were reviewed as part of the work undertaken this year. Testing of an initial sample of 14 cases covered all attributes of the benefit award in line with the relevant guidance. The remaining cases in the cell were tested as part of the programme of additional work required by paragraph 18 of Module 1. This states that if the population of cases affected by an error identified by the auditor is less than 100, all cases should be tested.

The additional testing undertaken focused on confirming the Authority had used the correct eligible rent, and accurately assessed claimant income, as these were the findings reported to you in our previous qualification letter. This testing did not identify any errors.

**Appendix B: Fees for 2017/18 certification work**

<b>Claim or return</b>	<b>2016/17 fee (£)</b>	<b>2017/18 indicative fee (£)</b>	<b>2017/18 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	£14,910	£15,413	£15,413	£0	Nil – PSAA scale fee
<b>Total</b>	<b>£14,910</b>	<b>£15,413</b>	<b>£15,413</b>	<b>£0</b>	