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Dear Asad

Certification work for Burnley Borough Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by Burnley 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 (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 2016/17 relating to total subsidy claimed of £34.1 million. Further details are set out in Appendix A.

There were a number of issues from our certification work which we wish to highlight for your attention.

- Initial testing identified one error (in the calculation of claimant earnings) where such an error had also been identified in the previous year;
- There were three further errors arising from areas of extended testing that we carried out on this year's subsidy return which recurred from 2015/16;
- One area of extended testing did not identify any errors.

The extrapolated financial impact of the errors on the claim, which we have reported to the DWP, was relatively insignificant to the total subsidy receivable.

As a result of the errors identified, the claim was qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2016/17 for the Council was based on the final 2014/15 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 2016/17 was £9,675. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2016/17

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£,34,091,154	No	N/A	Yes	See below

Findings from certification of housing benefits subsidy claim

Initial testing

Our initial testing of a sample of 27 individual's benefit claims identified one error:

- 1 case (total value £805.74) where benefit had been overpaid as a result of an incorrect earnings calculation being used to calculate the benefit.

Extended testing

Under the HB COUNT approach we are required to carry out additional testing as a result of the issue identified above and also in areas where errors were identified in the previous year (2015/16). These are set out below:

- Additional testing of 40 cases for classification of eligible overpayments identified 1 case (total value £204.57) where overpayment had not occurred and 2 cases (total value £13.00) where overpayments were incorrectly classified.
- Additional testing of 40 cases for incorrect award of carer's premium identified 1 case (total value £3,815.14) error where carer premium had not been removed when required.
- Additional testing of 40 cases for incorrect eligible rent did not identify any further cases of error.

We reported our extrapolation of errors identified in our Qualification Letter where we reported a projected overstatement of eligible overpayments by £3,725.

Other areas

Software supplier query

In our 2015/16 Qualification Letter to you, we informed you that in our initial testing of 20 cases in cell 94 we identified 1 case (total value £2.56) where we were unable to agree the cell 102 and cell 103 entries. Cell 102 appeared to be overstated by £2.56 and cell 103 appeared to be understated by the same amount. There was no explanation for this discrepancy and the query was referred to the software supplier Northgate. We can confirm that there has been no resolution offered by the software supplier to date.

Software supplier balancing discrepancy

The Authority uses the Northgate benefits software. The software supplier provides the Benefits Subsidy Balancing Workbook to reconcile benefit granted per the benefit software to benefit paid per the benefit software.

This includes a difference of £1,928.87 on the "PTEN OP" tab of the balancing workbook. The Authority has not performed further work to identify an explanation for the imbalance. We reported a similar issue to you in the previous year.

Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£12,900	£9,675	£9,675	NIL	N/A
Total	£12,900	£9,675	£9,675	NIL	