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Dear Tom

### **Certification work for Wirral Council for the year ended 31 March 2015**

We are required to certify certain claims and returns submitted by Wirral 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 one claim and return under PSAA arrangements for the financial year 2014/15 relating to expenditure of £139.8 million Further details of the claim certified are set out at Appendix A.

The claim has been qualified for several years and was again subject to qualification in 2014/15. Overall, we are satisfied that the arrangements the Council has in place to compile the Housing Benefit claim remain appropriate as the claim is high value and complex. However, the Council should implement further appropriate actions to secure improved performance, for the issues we identified in 2014/15 .

The main issues identified include:

- The software supplier provides instructions for the compilation of the claim. These instructions include the initiation, and investigation of established batch reports. We identified that a number of cases requiring investigation and clearing from one such report which had not been addressed prior to the submission of the claim. The Council should ensure that all compilation procedures are followed prior to initial claim submission to avoid the need for retrospective adjustments.
- As reported in the previous year, there were a number of cases incorrectly classified between 'normal' and 'exceeding cap' expenditure on Non-HRA board & lodgings and Non-HRA leased properties. However, the volume of errors had decreased from 2013/14.

- We again identified problems with backdating errors and errors in relation to the application of the appropriate LHA rate.
- There were a number of other errors included within the qualification letter as a result of incorrect calculations applied to claimants income, household composition or weekly rent liability based on our review of supporting documentation.

The indicative fee for 2014/15 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. Fees for schemes no longer requiring certification under the Audit Commission regime (such as the national non-domestic rates return, teachers pensions return and pooling housing capital receipts return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £31,800. This is set out in more detail at Appendix B.

Yours sincerely

For Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2014/15**

<b>Claim or return</b>	<b>Value</b>	<b>Amended?</b>	<b>Amendment (£)</b>	<b>Qualified?</b>	<b>Comments</b>
Housing benefits subsidy claim	£139,822,877	Yes	£5,808	Yes	Number of issues identified and included in qualification letter as set out above.

**Appendix B: Fees for 2014/15 certification work**

<b>Claim or return</b>	<b>2012/13 fee (£)</b>	<b>2014/15 indicative fee (£)</b>	<b>2014/15 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	£42,,600	£31,800	£31,800	-	Fees for schemes no longer requiring certification under the Audit Commission regime (such as the national non-domestic rates return, teachers pensions return and pooling housing capital receipts return) have been removed from the fee.
<b>Total</b>	<b>£42,600</b>	<b>£31,800</b>	<b>£31,800</b>	<b>£0</b>	<b>-</b>