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Dear Nick

### Certification work for Mole Valley District Council for the year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Mole Valley District 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 £20.6 million.

We identified one matter from our certification work, which we wish to highlight for your attention:

- For one case (value £7,878) it was discovered that the Council had entered an incorrect figure for the Eligible Rent applied in 2017/18. The impact of this error was an overpayment of £6.

In line with the HB COUNT methodology we performed testing on an additional 40 cases from the affected population and identified no similar issues. We have reported the extrapolated financial impact of this issue to the Department for Work and Pensions (DWP). The overall impact is not significant when compared to the total subsidy receivable.

Further details of these issues are included in Appendix A.

As a result of the issue identified, the claim was qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or to provide assurances on the issues 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 £15,953. This is set out in more detail in Appendix B.

Yours sincerely



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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	£20,625,421	No	N/A	Yes	See below

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

#### **Rent Allowances**

Our initial testing identified one case where the benefit had been overpaid as a result of the Council entering the incorrect figure for Eligible Rent. The value of the resulting overpayment was £6. In response to this error, the Authority performed 40+ testing on Rent Allowances cases and checked that the eligible rent amount agreed to supporting documentation. No further errors were identified.

#### **Recommended actions for officers**

The overpayment was caused by a transposition error between the source documentation and what was entered into the system. Given the nature of the process, it is not possible to eliminate entirely human error but through control procedures and training, the aim is to reduce this to an acceptably low level. This year we tested 80 cases and only found one instance of this issue. We recommend that the Council, as part of its internal quality assurance process, continue to focus on relevant training and internal detective controls to minimize the risk of human transposition error.

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

<b>Claim or return</b>	<b>2015/16 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)	£15,953	£15,953	£15,593	£nil	Not applicable