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Dear Mark

Certification work for Herefordshire Council for year ended 31 March 2016

We are required to certify the Housing Benefit subsidy claim submitted by Herefordshire 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) have taken 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 2015/16 relating to expenditure of £48.4 million. Further details of the claims certified are set out in Appendix A.

There were no significant matters arising from our certification work. We are satisfied that the Council had in appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

However there has been some turnover of staff in your team and this resulted in some inconsistencies in the quality of the working papers to support the claim and some delays in the agreed procedures being completed. Some additional work was required by our team to complete the documentations to the required DWP standard. We therefore requested a small fee variation.

The indicative fee for 2015/16 for the Council is based on the final 2013/14 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 the Audit Commission for the Council for 2015/16 is £4,571. We requested a variation of £2,544 from the indicative fee and this was agreed with management. This fee variation is subject to ratification by Public Sector Audit Appointments Ltd. This is set out in more detail in Appendix B.

A new member of staff having responsibility for subsidy has recently joined your team. We are currently discussing with your team the approach to be adopted for the 2016/17 audit.

Other Claims and Returns

You also asked us to complete the audit on two other returns; Teacher's pension and Skills Funding Agency. The work was completed in line with published certification instructions. No significant matters arose from that work. Further details are contained in Appendix B

Yours sincerely

Phil Jones

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	£48.4m	No	N/A	Yes	<p>We identified a small number of errors in the benefits claim. As a result we issued a qualification letter. The errors were relatively minor, trivial when extrapolated over the value of the claim and consistent with the type of errors identified at similar councils.</p> <p>We agreed a fee variation for two main reasons:</p> <p>The fee was agreed to be low relative to the value of the claim and relative to the volume of work that we are required to undertake to certify a return of this value.</p> <p>Your finance team supported the audit by completing a number of the workbooks, an approach consistent with previous years. The work was not completed to the required DWP standard and additional work was required by our team to complete these workbooks.</p>

Appendix B: Fees for 2015/16 certification work

Claim or return	2014/15 final fee (£)	2015/16 indicative fee (£)	2015/16 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£7,320	£4,571	7,115	£2,544	see comments above
Total	£7,320	£4,571	£7,115	£2,544	

Other claims and returns

Claim or return	2014/15 fee (£)	2015/16 fee (£)	comments
Teacher's pension	£4,200	£4,200	fee agreed with officers
Skills funding agency	n/a	£3,000	2,544