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Private & confidential

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Our ref SHBC-01

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Dear Kelvin

Surrey Heath Borough Council - Certification of claims and returns - annual report 2017/18

Public Sector Audit Appointments requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2017/18.

In 2017/18 we carried out certification work on one claim: the Housing Benefit Subsidy claim. The certified value of the claim was £15.6million, and we completed our work and certified the claim on 29 November 2018.

Matters arising

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Our work identified three initial errors relating to miscalculating claimant income, not including eligible service charges to claimants rent and miscoding of the Housing Association provider. In addition, our extended sample testing due to these three errors identified two further errors in relating to calculating the claimant income. The total impact of the errors resulted in underpayments to the respective claimants. Therefore, the form has not been amended.

We did not raise any recommendations in relation to our work carried out in 2017/18.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2017/18 of £11,411 exc. VAT. Our actual fee was £11,411 exc. VAT. This compares to the 2016/17 fee for this claim of £8,430 exc. VAT.

Yours sincerely



Neil Hewitson
Director, KPMG LLP