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7 January 2016

Dear Tracie

Certification work for London Borough of Haringey Council for year ended 31 March 2015

We are required to certify certain claims and returns submitted by London Borough of Haringey 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 four claims and returns for the financial year 2014/15 relating to expenditure of £334.6 million. Further details of the claims certified are set out in Appendix A.

We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification. However, for Housing benefits the Council continues to process a large number of benefit claims incorrectly.

Testing of an initial sample of benefit cases identified several errors on the calculation of the claimants benefit including earned income, self employed income, income from pensions, non dependents income, child tax credits, working tax credits, childcare costs and claimant's rent. These errors subsequently impacted on the amount of benefit awarded to claimants. We also identified issues with the classification of overpayments. The number of errors remained fairly high and consistent with last year.

As a result of these findings the Council were required to undertake testing of 760 additional cases (19 sets of 40 plus) which focus on the errors identified. We were required to review and re-perform this testing. The additional testing identified similar errors. We have extrapolated the findings of all the cases tested over the populations and included these in our Qualification Letter which we agreed with the Council. The number of errors impact on the amount of additional testing that is required to certify the claim and also potentially impact on the subsidy due to the Council.

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 decent homes backfunding claim 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 £45,900. This is set out in more detail in Appendix B.

The indicative fee set by the Audit Commission was based on the Council undertaking additional testing of 600 (15 sets of 40 plus) benefit cases as a result of errors identified from initial testing. The actual number of additional cases reviewed in 2014/15 was 760 (19 sets of 40 plus). Therefore we have agreed an additional fee of £5,064 for the extra work required in reviewing and reporting on the additional 160 cases (4 sets of 40 plus). The additional fee is subject to agreement from Public Sector Audit appointments.

Yours sincerely

For Grant Thornton UK LLP

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

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	£271,117,366	Yes	Amendment did not impact on the value of the claim	Yes	The Housing benefits claim was qualified as in previous years. The Council continue to process a large number of benefit claims incorrectly, but continue to support the audit process in an exemplary fashion. There were a high number of errors identified in the initial testing which has led to additional testing of 760 cases. The Council undertook this additional testing, but we were required to review and re-perform this work. The value of the additional work we undertook which was not required in 2012/13(the indicative fee is based on the 2012/13 year) is £5,064.
Decent Homes Backfunding claim	£25,480,000	No	Not Applicable	Not Applicable	None
Teachers' Pension	£15,990,086	No	Not Applicable	Not Applicable	None
Pooling of housing capital receipts	£21,993,680	No	Not Applicable	Not Applicable	None

Appendix B: Fees for 2014/15 certification work

Claim or return	2013/14 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	44,247	45,900	50,964	5,064	Increase explained by additional work carried out in 2014/15 for the 19 sets of 40 plus compared to the indicative fee which was based on 14 sets of 40 plus.
Decent Homes Backfunding claim	4,000	N/A	4,000	0	None
Teachers' Pension	3,500	N/A	3,500	0	None
Pooling of housing capital receipts	3,500	N/A	3,500	0	None