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Department for Work and Pensions
Housing Benefit Unit
Room B120D
Warbreck House
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Lancashire
FY2 0UZ

Our ref Let-CP/016/BEN01B

29 November 2017

Dear Sir / Madam

Wyre Borough Council
Housing benefit subsidy claim for the year ended 31 March 2017 (Form MPF720A)
Qualification Letter referred to in the Auditor's Certificate dated 29 November 2017

Details of the matters giving rise to my qualification of the above claim are set out in the Appendix to this letter.

The factual content of my qualification has been agreed with officers of the Authority.

No amendments have been made to the claim for the issues raised in this qualification letter.

Yours faithfully

KPMG LLP

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arm/audit/cr/18/1303/jb4

APPENDIX

Qualification

Cell 102: Rent Allowances – Total expenditure related to cases not requiring referral to the rent officer

Cell Total £12,759,229

Cell population: 3,237

Headline Cell £30,757,665

Overpaid benefit

Testing of the initial sample identified:

- one case (total value £30.36) where the Authority had overpaid benefit as a result of miscalculating the claimant's weekly income. The effect of this error is to overstate cell 102 and understate cell 113. There is no impact on the headline cell.

We have completed additional testing in respect of this error. Because it was not possible to 'drill down' into an identified sub-population (namely, those claims where the assessment has not been 'passportted'), we have completed our additional sample testing over a sample drawn from the detailed cell 102.

Testing of an additional sample of 40 cases identified:

- One case where benefit had been underpaid as a result the incorrect assessment of claimant income. As there is no eligibility to subsidy for benefit that has not been paid, this case has been included in the table below with an error value of £0;
- One case (total value £141.60) where benefit was overpaid as a result of the incorrect assessment of claimant income. The impact of this error is to overstate cell 102 and understate cell 113. There is no impact on the headline cell; and
- One case where, although claimant income was calculated incorrectly, the benefit payable was correct and there was no resultant impact on subsidy. This case has been included in the table below with an error value of £0.

The effect of the errors found within our initial sample is to overstate cell 102 by a total of £172. The result of my testing is set out in the table overleaf.

Sample:	Movement / brief note of error:	Original cell total:	Sample error:	Sample value:	Percentage error (to one decimal place):	Cell adjustment:	Revised cell total if cell adjustment applied:
		[CT]	[SE]	[SV]	[SE/SV]	$\frac{[SE/SV]}{[CT]} \times$	[RA]
Initial sample - 20 cases:	Incorrect calculation of claimant income	£12,759,229	(£30)	£36,072			
Additional sample - 40 cases	Incorrect calculation of claimant income	£12,759,229	(£142)	£147,618			
Combined sample - 60 cases	Incorrect calculation of claimant income	£12,759,229	(£172)	£183,690	(0.1%)	(£12,759)	
Adjustment	Cell 102 is overstated	£12,759,229	(£172)	£183,690	(0.1%)	(£12,759)	
Total Corresponding adjustment	Cell 113 is understated					£12,759	

The percentage error rate in my sample reflects the individual cases selected. The value of the errors found range from £30 to £142 and the benefit periods range from 48 weeks to 52 weeks. I have not included any similar findings in a qualification letter in previous years.

The impact of the underpayment has been excluded for extrapolation values in accordance with module 1.

Given the nature of the population and the variation in the errors found, it is unlikely that even significant additional work will result in amendments to the claim form that will allow me to conclude that it is fairly stated.