



Grant Thornton

An instinct for growth™

Our ref: SBC HBAP201819/JM/SMB

Housing Benefit Unit
 Housing Delivery Division
 DWP Business Finance & Housing Delivery Directorate
 Room B120D
 Warbreck House
 Blackpool
 Lancashire
 FY2 0UZ

Grant Thornton UK LLP

2 Glass Wharf
 Temple Quay
 Bristol
 BS2 0EL
 T +44 (0)117 305 7600
 F +44 (0)117 955 4934

22 May 2020

To: Housing Benefit Unit, Housing Delivery Division, DWP Business Finance & Housing Delivery Directorate, Room B120D, Warbreck House, Blackpool, Lancashire FY2 0UZ.

And: The Section 151 Officer of Slough Borough Council, Section 151 Officer.

Dear Sir

Housing Benefit (Subsidy) Assurance Process 2019 Module 6 DWP Reporting Framework Instruction (Applicable to England only) Reporting accountants' report for the Housing Benefit Subsidy claim form MPF720A, year ended 31 March 2019

This report is produced in accordance with the terms of our engagement letter with the Slough Borough Council dated 28 February 2019 and the standardised engagement terms in Appendix 2 of HBAP Module 1 2018/19 issued by the Department for Work and Pensions (DWP) for the purpose of reporting to the Section 151 Officer of Slough Borough Council and the DWP.

Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 30 April 2019.

This report should not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by the standardised engagement terms), without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the local authority and the DWP, we acknowledge that the local authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of Local Authority and the DWP as described in the DWP HBAP reporting framework instruction 2019.

This report should not therefore be regarded as suitable to be used or relied by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be

liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

Respective responsibilities of the Local Authority and the reporting accountant

We conducted our engagement in accordance with HBAP Modules 1 and 6 2018/19 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

The Section 151 Officer of the Local Authority has responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. The Section 151 Officer is also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

Our approach

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2018/19 dated 30 April 2019 by the Section 151 Officer. The Section 151 Officer remains solely responsible for the completion of the MPF720A and is the signatory on the local authority's certificate on claim form MPF720A.

Our engagement was carried out in accordance with the DWP reporting framework instruction which has been prepared in accordance with the *International Standard on Related (ISRS) 4400, Engagement to perform agreed-upon-procedures regarding financial information*. The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form MPF720A dated 30 April 2019, and to report the results of those procedures to the Local Authority and the DWP.

The results of these are reported on in appendices A, B, C and D.

Inherent limitations

The procedures specified in DWP's HBAP Reporting framework instruction does not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the contents of the local authority's claim for Housing Benefit subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the local authority's claim for Housing Benefit subsidy on form MPF720A in accordance with generally accepted auditing or review standards, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

This engagement will not be treated as having any effect on our separate duties and responsibilities as the external auditor of the Local Authority's financial statements. Our audit work on the financial statements of the Local Authority is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. Our audit report on the Local Authority's financial statements is made solely to the Local Authority's members, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work was undertaken so that we might state to the Local Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Local Authority and the Local Authority's members, as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of that audit.

Summary of HBAP report

Summary of Initial Testing

In accordance with HBAP modules an initial sample of cases was completed for all general expenditure cells. We have re-performed a sample of the Local Authority's testing and confirm the tests we have carried out concur with the Local Authority's results:

Cell 011 Non HRA Rent Rebate Misclassification of Expenditure

Initial Testing of Cell 011 identified that the Local Authority has incorrectly classified expenditure up to the lower of 90% of the appropriate LHA rate for the property and the upper limit, and above the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit, in cells 014 and 015. As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed for the error.

Cell 011 Non HRA Rent Rebate Misclassification of expenditure

Initial Testing of Cell 011 identified that the Local Authority has incorrectly classified expenditure up to the lower of the one bedroom self-contained LHA rate and the upper limit, and above the lower of the one bedroom self-contained LHA rate and the upper limit, in cells 012 and 013. As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed for the error.

Cell 011 Non HRA Rent Rebate Duplicate payments

Initial Testing of Cell 011 identified that the Local Authority has incorrectly duplicated payments in expenditure up to the lower of 90% of the appropriate LHA rate for the property and the upper limit, and above the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit, in cells 014 and 015. As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed for the error.

Cell 055 HRA Rent Rebate Working Tax Credit calculation error

1 claim was identified where the Local Authority has incorrectly calculated Working Tax Credit. As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed for the error.

Cell 055 HRA Rent Rebate Earned Income calculation error

1 claim was identified where the Local Authority has incorrectly calculated Earned Income. As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed for the error.

Cell 094 Rent Allowances

No claims were found to be in error.

Completion of Modules

Completion of Module 2

We have tested the Up-rating performed by the Local Authority and no issues were identified.

Completion of Module 5

We have completed the questionnaire for the appropriate software supplier and no issues were identified.

Summary of testing arising from Cumulative Assurance Knowledge and Experience (CAKE)

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding years' Qualification Letter. Where appropriate we have completed testing of the sub populations for:

Non HRA Rent Rebates – Cell 011 Earned income calculation error

Non HRA Rent Rebates – Cell 011 Passported claim error

Non HRA Rent Rebates – Cell 012 and 013 Misclassification of Expenditure due to incorrect LHA rate

Non HRA Rent Rebates – Cell 014 and 015 Misclassification of Expenditure due to incorrect LHA rate

Non HRA Rent Rebates – Cell 011 Miscalculation due to change of address

HRA Rent Rebates – Cell 067 Misclassification of overpayments

HRA Rent Rebates – Cell 055 Earned income calculation error

Rent Allowances – Cell 094 Earned income calculation error

Rent Allowances – Cell 094 Rental liability miscalculation error

Rent Allowances – Cell 094 Incorrect LHA rate application

The results are outlined in the appropriate appendix.

The following CAKE tests have returned no errors and are considered as closed:

Non HRA Rent Rebates – Cell 011 Miscalculation due to change of address

Non HRA Rent Rebates – Cell 011 Passported claim error

Rent Allowances – Cell 094 Incorrect LHA rate application

Summary paragraph

For the form MPF720A dated 30 April 2019 for the year ended 31 March 2019 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the following results set out in Appendix A, B, C and D).

Firm of accountants.....Grant Thornton UK LLP

Office.....Grant Thornton UK LLP, 2 Glass Wharf, Temple Quay, Bristol, BS2 0EL

Contact details...Julie Masci – 02920 347546 – Julie.Masci@uk.gt.com

Grant Thornton UK LLP

Signature / stamp....

Date.....22/05/2020

Appendix A Exceptions/errors found**Cell 011 Overpaid benefit – Earned Income calculation error****Cell 011 – Non HRA Rent Rebates total expenditure****Cell Total: £3,701,953****Cell Total £1,633,527 sub population****Cell Population: 808 cases****Cell Population: 311 cases – sub population****Headline Cell: £ 3,701,953**

In 2017/18 it was identified that the Local Authority has incorrectly calculated Earned Income resulting in an overpayment of benefit. During our initial testing, there were 9 cases (value: £34,930) where the assessment was based on earned income, and no errors were identified.

However, given the nature of the population and the errors found in the previous claim, an additional sample of 40 cases where an assessment in the subsidy period was based upon Earned Income was tested. This additional testing identified:

3 cases which resulted in an overpayment of housing benefit to a total of £140.24 in 2018/19 due to miscalculating the claimants' Earned Income. The errors ranged from £2.12 to £92.22.

3 cases which had resulted in an underpayment of housing benefit to a total of £60.75 in 2018/19 due to miscalculating the claimants' Earned Income. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

Sample	Movement / brief note of error:	Original cell total: sub population (claims with Earnings)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 9 cases	Incorrect Income Calculation	£3,701,953	£0	£34,930		
CAKE sample – 40 cases	Incorrect Income Calculation	£1,633,527	£140	£207,906		
Combined sample – 49 cases	Incorrect Income Calculation	£1,633,527	£140	£242,836	0.06%	£943
Corresponding adjustment:	Cell 14 is overstated	£1,633,527	£2	£242,836	0.00%	-£14
	Cell 15 is overstated	£1,633,527	£14	£242,836	0.01%	-£98
	Cell 23 is overstated	£1,633,527	£124	£242,836	0.05%	-£831
Total corresponding adjustment	Total understatement of Cell 26	£1,633,527	£140			£943

Cell 012 Misclassification of Expenditure due to incorrect LHA rate
Cell 012 – Non HRA Rent Rebates - Expenditure up to the lower of the one bedroom self-contained LHA rate and the upper limit
Cell Total: £525,888 (Cell 012) and £340,505 (Cell 013)
Cell Total £866,393 – sub population
Cell Population: 808 cases
Cell Population: 750 cases – sub population
Headline Cell: £3,701,953

In 2017/18 it was identified that the Local Authority has misclassified expenditure where the incorrect LHA rate has been applied, resulting in a misclassification of expenditure between Cell 012 (Expenditure up to the lower of the one bedroom self-contained LHA rate and the upper limit) and Cell 013 (Expenditure above the lower of the one bedroom self-contained LHA rate and the upper limit. During our initial testing, there were 11 cases (value: £25,098) where the assessment was based on Cell 012 and 013, and no errors were identified.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed where an assessment in the subsidy period was based upon the LHA rate. This additional testing identified:

7 cases which resulted in a misclassification of housing benefit to a total of £1,835.94 in 2018/19 due to incorrect application of the LHA rate. The errors ranged from £2.88 to £1,187.51.

This error, and the error in the following tables have been extrapolated separately for transparency and clarity, but should be considered together for the purposes of subsidy.

Sample	Movement / brief note of error:	Original cell total: sub population (claims within Cell 012 and 013)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 11 cases	Misclassification of Expenditure due to incorrect LHA rate	£866,393	£0	£25,098		
CAKE sample – 40 cases	Misclassification of Expenditure due to incorrect LHA rate	£866,393	£1,914	£106,865		
Combined sample - 51 cases	Misclassification of Expenditure due to incorrect LHA rate	£866,393	£1,914	£131,963	1.45%	£12,563
Corresponding adjustment:	Cell 013 is overstated	£866,393	£1,914	£131,963	1.45%	-£12,563
Total corresponding adjustment	Cell 012 is understated	£866,393	£1,914	£131,963	1.45%	£12,563

Sample	Movement / brief note of error:	Original cell total: sub population (claims within Cell 012 and 013)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 11 cases	Misclassification of Expenditure due to incorrect LHA rate	£866,393	£0	£25,098		
CAKE sample – 40 cases	Misclassification of Expenditure due to incorrect LHA rate	£866,393	£78	£106,865		
Combined sample - 51 cases	Misclassification of Expenditure due to incorrect LHA rate	£866,393	£78	£131,963	0.06%	£12,043
Corresponding adjustment:	Cell 012 is overstated	£866,393	£78	£131,963	0.06%	-£520
Total corresponding adjustment	Cell 013 is understated	£866,393	£78	£131,963	0.06%	£520

Cell 014 Misclassification of Expenditure due to incorrect LHA rate
Cell 014 – Non HRA Rent Rebates - Expenditure up to the lower of 90% of the appropriate LHA rate for the property and the upper limit
Cell Total: £1,679,111 (Cell 014) and £738,939 (Cell 015)
Cell Total £2,418,050 – sub population
Cell Population: 808 cases
Cell Population: 698 cases – sub population
Headline Cell: £3,701,953

In 2017/18 it was identified that the Local Authority has misclassified expenditure where the incorrect LHA rate has been applied, resulting in a misclassification of expenditure between Cell 014 (Expenditure up to the lower of 90% of the appropriate LHA rate for the property and the upper limit) and Cell 015 (Expenditure above the lower of the appropriate LHA rate for the property plus the management costs element and the upper limit. During our initial testing, 9 cases (value £56,567) where the assessment was based on the LHA rate were tested.

Initial testing showed 3 claims (value: £42,204) had an LHA rate incorrectly applied that resulted in a misclassification of £428.27.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed where an assessment in the subsidy period was based upon the LHA rate. This additional testing identified:

10 cases which resulted in a misclassification of housing benefit to a total of £2,752 in 2018/19 due to incorrect application of the LHA rate. The errors ranged from £11.55 to £2,907.50.

This error, and the error in the following tables have been extrapolated separately for transparency and clarity, but should be considered together for the purposes of subsidy.

Sample	Movement / brief note of error:	Original cell total: sub population (claims within Cell 014 and 015)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 9 cases	Misclassification of Expenditure due to incorrect LHA rate	£2,418,050	£135	£56,567		
CAKE sample – 40 cases	Misclassification of Expenditure due to incorrect LHA rate	£2,418,050	£3,534	£371,605		
Combined sample - 49 cases	Misclassification of Expenditure due to incorrect LHA rate	£2,418,050	£3,669	£428,172	0.86%	£20,795
Corresponding adjustment:	Cell 015 is overstated	£2,418,050	£3,669	£428,172	0.86%	-£20,795
Total corresponding adjustment	Cell 014 is understated	£2,418,050	£3,669	£428,172	0.86%	£20,795

Sample	Movement / brief note of error:	Original cell total: sub population (claims within Cell 014 and 015)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 9 cases	Misclassification of Expenditure due to incorrect LHA rate	£2,418,050	£563	£56,567		
CAKE sample – 40 cases	Misclassification of Expenditure due to incorrect LHA rate	£2,418,050	£782	£371,605		
Combined sample - 49 cases	Misclassification of Expenditure due to incorrect LHA rate	£2,418,050	£1,345	£428,172	0.31%	£7,496
Corresponding adjustment:	Cell 014 is overstated	£2,418,050	£1,345	£428,172	0.31%	-£7,496
Total corresponding adjustment	Cell 015 is understated	£2,418,050	£1,345	£428,172	0.31%	£7,496

Cell 067 Expenditure misclassification – Incorrect classification of eligible overpayments

Cell Total: £236,131

Cell population: 985 cases

Cell 067 Total: £236,131

Headline Cell Total: £14,999,226

It was identified in the 2017/18 claim and reported in the qualification letter for that year that Cell 067 included overpayments that should properly have been classified as Cell 065 LA error and administrative delay eligible overpayments. Testing within the initial testing for 2018/19 included 6 cases (value: £1,093) within Cell 067 eligible overpayments and in all cases the overpayments were classified appropriately. Additional 40+ testing was undertaken of Cell 067 overpayments.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed where an assessment in the subsidy period was based upon Cell 067. This additional testing identified:

8 cases where the dates have been incorrectly applied and part of the overpayment should have been classified in cell 065 (LA error overpayments) not Cell 067. Consequently, Cell 067 is overstated by £611.97 and Cell 065 is correspondingly understated; there is no effect on Cell 055.

Values ranged in value from £2.75 to £212.66.

Sample	Movement / brief note of error:	Original cell total: sub population (claims within Cell 067)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 6 cases	Incorrect classification of eligible overpayments	£236,131	£0	£1,093		
CAKE sample – 40 cases	Incorrect classification of eligible overpayments	£236,131	£612	£8,713		
Combined sample - 46 cases	Incorrect classification of eligible overpayments	£236,131	£612	£9,806	6.24%	£14,735
Corresponding adjustment:	Cell 067 is overstated	£236,131	£612	£9,806	6.24%	-£14,735
Total corresponding adjustment	Total understatement of Cell 065					£14,735

Cell 055 Overpaid benefit – Earned income calculation error
Cell 055: Rent Rebates total expenditure
Cell Total: £14,999,226
Cell Total £2,418,390 – sub population
Cell Population: 3,536 cases
Cell Population: 696 cases – sub population
Headline Cell: £14,999,226

In 2017/18 it was identified that the Local Authority has incorrectly calculated Earned Income resulting in an overpayment of benefit. During our initial testing, 7 cases (value £22,214) where the assessment was based on Earned Income were identified.

Initial testing showed 1 claim (value: £5,319) where the Local Authority has incorrectly calculated Earned Income resulting in an overpayment of benefit of £1,288.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed where an assessment in the subsidy period was based upon Earned income figures was tested. This additional testing identified:

3 cases which resulted in an overpayment of housing benefit to a total of £2,123.38 in 2018/19 due to miscalculating the claimants' Earned Income. The errors ranged from £0.38 to £1,639.18.

1 case which had resulted in an underpayment of housing benefit to a total of £5.97 in 2018/19 due to miscalculating the claimants' Earned Income. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

Sample	Movement / brief note of error:	Original cell total: sub population (claims with Earned Income)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 7 cases	Incorrect Earned Income calculation	£2,418,390	£1,288	£22,214		
CAKE sample – 40 cases	Incorrect Earned Income calculation	£2,418,390	£2,123	£144,627		
Combined sample - 47 cases	Incorrect Earned Income calculation	£2,418,390	£3,411	£166,841	2.04%	£49,335
Corresponding adjustment:	Cell 61 is overstated	£2,418,390	£2,838	£166,841	1.70%	£41,037
Corresponding adjustment:	Cell 67 is overstated	£2,418,390	£573	£166,841	0.34%	£8,298
Total corresponding adjustment	Total understatement of Cell 65					£49,335

Cell 094 Overpaid benefit – Earned Income calculation error

Cell 094: Rent Allowances total expenditure

Cell Total: £48,140,092

Cell Total £20,415,235 – sub population

Cell Population: 7,489 cases

Cell Population: 3,328 cases – sub population

Headline Cell: £48,140,092

In 2017/18 it was identified that the Local Authority has incorrectly calculated Earned Income resulting in an overpayment of benefit. During our initial testing, 4 cases (value £17,946) where the assessment was based on Earned Income was tested, and no errors were identified.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed where an assessment in the subsidy period was based upon Earned income figures was tested. This additional testing identified:

5 cases which resulted in an overpayment of housing benefit to a total of £212.45 in 2018/19 due to miscalculating the claimants' Earned Income. The errors ranged from £0.13 to £109.20.

2 cases which had resulted in an underpayment (or nil impact) of housing benefit to a total of £7.20 in 2018/19 due to miscalculating the claimants' Earned Income. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

Sample	Movement / brief note of error:	Original cell total: sub population (claims with Earned Income)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 4 cases	Incorrect Earned Income calculation	£20,415,235	£0	£17,946		
CAKE sample – 40 cases	Incorrect Earned Income calculation	£20,415,235	£212	£228,212		
Combined sample - 44 cases	Incorrect Earned Income calculation	£20,415,235	£212	£246,158	0.09%	£18,374
Corresponding adjustment:	Cell 103 is overstated	£20,415,235	£212	£246,158	0.09%	-£18,374
Total corresponding adjustment	Total understatement of Cell 113					£18,374

Cell 094 Overpaid benefit – Rental liability miscalculation error

Cell 094: Rent Allowances total expenditure

Cell Total: £48,140,092

Cell Total £20,415,235 – sub population

Cell Population: 7,489 cases

Cell Population: 3,328 cases – sub population

Headline Cell: £48,140,092

In 2017/18 it was identified that the Local Authority has incorrectly calculated Rental Liability resulting in an overpayment of benefit. During our initial testing, 20 cases (value £129,433) where the assessment was based on Rental Liability was tested, and no errors were identified.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed where an assessment in the subsidy period was based upon Rental Liability figures was tested. This additional testing identified:

1 case which had resulted in an underpayment of housing benefit to a total of £736.82 in 2018/19 due to miscalculating the claimants' Rental Liability. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy extrapolation purposes.

Cell 055 Overpaid benefit - HRA Rent Rebate Working Tax Credit calculation error

Cell 055: Rent Rebates total expenditure

Cell Total: £14,999,226

Cell Total £2,418,390 – sub population

Cell Population: 3,536 cases

Cell Population: 696 cases – sub population

Headline Cell: £14,999,226

Initial Testing showed 1 claim (value: £133.12) had Working Tax Credit calculation errors that resulted in an underpayment of £6.51. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy purposes.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed.

This additional testing did not identify further errors.

Cell 011 Overpaid benefit – Non HRA Rent Rebate Duplicate payments

Cell 011 – Non HRA Rent Rebates total expenditure

Cell Total: £3,701,953

Cell Population: 808 cases

Headline Cell: £ 3,701,953

During our initial testing, 20 cases (value £100,875) where the assessment was based on Cell 11 were identified. Initial Testing showed 1 claim (value: £14,782) had duplicate payment errors that resulted in an overpayment of benefit of £606.90.

As it was not possible to correctly establish the error for amendment additional testing of 40 cases was completed.

This additional testing did not identify further errors.

Sample	Movement / brief note of error:	Original cell total: sub population (claims within Cell 011)	Sample error:	Sample value:	Percentage error rate (to two decimal places)	Cell adjustment:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV X CT]
Initial sample – 1 cases	Duplicate payment errors	£3,701,953	£607	£100,875		
CAKE sample – 40 cases	Duplicate payment errors	£3,701,953	£0	£207,905		
Combined sample - 41 cases	Duplicate payment errors	£3,701,953	£607	£308,780	0.20%	£7,404
Corresponding adjustment:	Cell 14 is overstated	£3,701,953	£26	£308,780	0.01%	-£312
Corresponding adjustment:	Cell 15 is overstated	£3,701,953	£581	£308,780	0.19%	-£7,091
Total corresponding adjustment	Total understatement of Cell 26					£7,404

Appendix B Observations

Cell 014 Misclassification of Expenditure additional issue

As a result of the additional testing on Cell 14 and 15 Misclassification of Expenditure, it was discovered that an overpayment had been classified as Cell 14 and Cell 15 when it should have been classified as Cell 23.

Should the Department decide that this error means that subsidy has been underpaid, the effect of this error is that Cell 14 is overstated by £3,938, Cell 15 is overstated by £111,442 and Cell 23 is understated by £115,380.

Cell 012 Underpaid benefit

Initial testing showed 1 claim (value: £2,697.86) had deductions incorrectly applied which the claimant was not entitled to, that resulted in an underpayment of £266.15. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment (or nil impact) identified does not affect and has not, therefore, been classified as errors for subsidy purposes.

Appendix C: Amendments to the claim form MPF720A

There are no amendments to report.

Appendix D Additional issues

In year reconciliation cells

Cells 037, 077 and 130 should agree to the entries in cells 011, 055, and 094 respectively. The following differences are noted:

Claim cell:	£ amount:	Claim-Reconciliation cell:	£ amount:	Difference:
011 – Non HRA Rent Rebates	£3,701,953	037	£3,703,744	(£1,791)
055 – Rent Rebates	£144,999,226	077	£15,000,206	£980
094 – Rent Allowances	£48,140,092	130	£48,142,516	£2,424