



Grant Thornton

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Dear Steven

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Certification work for the City of Westminster Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by the City of Westminster 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) took 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 2016/17 relating to subsidy claimed of £219.0 million. Further details are set out in Appendix A.

We identified one issue from our certification work in 2016/17 which we wish to highlight for your attention. For one case we identified a duplicate payment relating to the extended payment period. The Council tested all extended payment cases and identified one further error. The Council amended the claim accordingly.

In the previous year we identified an error in relation to the calculation of the claimant's earned income within the Housing Benefit calculation. Given the nature of the population the Council were required to test 40 cases where the claimant's earned income is included within the Housing Benefit calculation for 2016-17. Testing identified 6 cases where the Council has not used the appropriate earnings within the benefit calculation. The extrapolated financial impact on the claim, which we have reported to the DWP, was again relatively insignificant to the total subsidy receivable.

As a result of the errors identified, the claim was amended and qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2016/17 for the Council was based on the final 2014/15 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 PSAA for the Council for 2016/17 was £29,880. This is set out in more detail in Appendix B.

We have also undertaken an agreed upon procedures review of the Council's 2016/17 Teachers' Pensions contributions claim. The total contributions paid in 2016/17 was £6.2m. We identified one issue from this work. Our sample testing of 20 teachers selected to confirm the teacher's status on the portal as code 05 (Reckonable Service) indicating service is pensionable, identified teachers that were not on the portal, some teachers given incorrect codes and some dates not covering the 2016/17 period. Further details are set out in Appendix A.

For all 20 teachers sampled we were satisfied that the salary, and employee and employer contributions were correct. Therefore, no amendments have been made to the claim. We reported the above finding to teachers Pensions. There was no changes to the agreed fee of £3,500 as set out in Appendix B.

Yours sincerely

A handwritten signature in blue ink that reads "Paul Dosselt".

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2016/17

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£219,019,701	Yes	£139	Yes	*See below
Teachers' Pensions	£6,281,294	No	Not Applicable	Yes	** See below

***Findings from certification of housing benefits subsidy claim**

Extended Payments

For one case we identified a duplicate payment relating to the extended payment period. The Council tested all extended payment cases and identified one further error. The Council amended the claim accordingly. The total amendments was £139.

Claimant income

In the previous year we identified an error in relation to the calculation of the claimant's earned income within the Housing Benefit calculation. Given the nature of the population the Council were required to test 40 cases where the claimant's earned income is included within the Housing Benefit calculation for 2016-17. Testing identified 6 cases where the Council has not used the appropriate earnings within the benefit calculation. The errors were classified as:

- 3 cases where the claimant was overpaid (total value £159)
- 2 cases where the claimant was underpaid (total value £251)
- 1 case where there was no impact on the Housing benefit award.

Recommended actions for officers

We recommend that the Council as part of its internal quality assurance process, should increase its focus or level of testing in respect of the areas where we identified errors from our testing.

****Findings from agreed upon procedures testing for the Teachers' Pensions return**

Our sample testing of 20 teachers selected to confirm the status on the Teachers' Pensions portal as code 05 (Reckonable Service) indicating service is pensionable, identified the following issues within the employer's TPS portal reports:

- One instance where the status of the teacher was recorded as 08 (opted out) since 1 January 2013. However, this teacher was auto enrolled when they took up a post at a new school on 16/12/2013. We have confirmed that employee contributions were deducted from this teacher's salary during the year. The portal should record Code 05.
- Two reports did not contain any details beyond 2014/15 year.
- Five reports did not contain any details beyond 2015/16 year.
- Four reports classified the teachers as a status 05 during 2016/17, but the latest details were early in the 2016/17 year and prior to the month we selected for testing
- Two reports contained no breakdown by period so we were unable to confirm that the status was 05 for the months selected for testing.
- Two teachers were not on the portal so we were unable to complete the test.
- One teacher incorrectly shows status 00 (Not Confirmed – Appointment only) on the portal.

For all 20 teachers sampled we were satisfied that the salary, and employee and employer contributions were correct. Therefore, no amendments have been made to the claim.

Recommended actions for officers

We recommend that the Council work with Teachers Pensions to resolve data quality issues on the portal.

Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2015/16 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£29,880	£25,386	£22,410	£22,410	£0	Not Applicable
Teachers' Pensions	£3,500	£3,500	£3,500	£3,500	£0	Not Applicable