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

28 March 2018

Ref:
Your ref:

Direct line: 020 7951 2000

Email: Pking1@uk.ey.com

Dear Sir/Madam

**Worthing 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 26 March 2018**

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

Paul King
Associate Partner
Ernst & Young LLP
United Kingdom

Appendix – detailed qualification issues

Cell 121: Overpaid Rent Allowances (Prior Years) Eligible Overpayments

Cell Total: £444,321

Cell Population: 861

Headline Cell (94): £36,074,282

Testing of the initial sample of Rent Allowance cases identified one case where benefit was underpaid by £1,786 as a result of partner income in cell 121 being incorrectly calculated.

Given the nature of the population and the errors found, an additional random sample of 40 cases containing subsidy in cell 121 was tested to confirm whether partner earnings had been correctly calculated. It was agreed with the Council that this sample would be selected from all cases within cell 121 as it was not possible to determine which cases within the population contain partner earnings from relevant system reports.

This additional testing identified two further errors in the calculation of partner income within cell 121:

- One case where benefit had been overpaid by £241. Partner income had been understated in the calculation of the overpayment in cell 121, meaning that the prior year overpayment was understated. One case where benefit had been underpaid by £33.12.
- As there is no eligibility to subsidy for benefit which has not been paid, the underpayments identified in the initial and 40+ samples do not affect subsidy and therefore have not been classified as errors for subsidy purposes.

The effect of the overpayment error is to understate prior year overpayments in the subsidy claim with the understatement impacting cell 120, as the error arose from a mistake by the LA. There is no impact on cell 094.

The result of my testing is set out in the table below:

Sample	Movement / brief note of error	Original cell total:	Sample error:	Sample value:	Percentage error rate:	Cell adjustment
		[SP]	[SE]	[SV]	[SE/SV]	[SE/SV x CT]
Initial sample - 20 cases	Miscalculation of partner earnings.	444,321	0	3,242		
Additional Sample - 40 cases	Miscalculation of partner earnings.	444,321	241	14,154	1.7%	
Combined Sample - 60 cases	Miscalculation of partner earnings.	444,321	241	17,396	1.39%	6,156
Adjustment						6,156

Total corresponding adjustment	Cell 120 is understated.					6,156
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The percentage error rate in my sample reflects the individual cases selected. The value of the errors range from £33.12 to £1,786 and the benefit periods range from 1 to 4 weeks. Similar findings have not been included in my qualification letters in previous years.

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.