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Dear Paul

Certification work for Maidstone Borough Council for year ended 31 March 2015

We are required to certify certain claims and returns submitted by Maidstone Borough 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 the certification of the Housing Benefit Subsidy claim using the HB COUNT methodology issued by the Audit Commission in February 2015.

We certified one return, the Council's Housing Benefit Subsidy for the financial year 2014/15 relating to grant payable of £46.6 million. Further details are set out in Appendix A.

We found the Council had put in place procedures to address the errors we identified in last year's claim relating to childcare costs and modified schemes.

- Officers reviewed all cases where childcare costs were taken into account in calculating benefit and reperformed a sample of cases. We were satisfied from our work that errors of the type we identified last year were corrected, and we identified no such errors in this year's claim
- We did not identify any cases this year, which were erroneously classified as modified schemes.

However, this year's testing identified errors in respect of the classification of overpayments relating to non-HRA rent rebates. In a number of cases, where the Council had paid rent in advance and the claimant had moved out, the overpayment was erroneously classified as eligible (which attracts subsidy) rather than technical (which does not). Officers reviewed all cases of this type and we reperformed a sample of their work. They concluded that the majority of overpayments were misclassified, resulting in a reduction to subsidy payable of £22,552.

Officers have agreed that they will review all overpayments relating to such properties raised during 2015/16 to ensure that these are correctly classified before completing that year's subsidy return.

The indicative fee for 2014/15 for the Council was 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 national non-domestic rates return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £13,910. We do not propose to vary the scale fee. This is set out in more detail in Appendix B.

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	£46,632,124	Yes	-£22,552	No	Amendment arose from the misclassification of overpayments relating to non-HRA rent rebates as eligible rather than technical.

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)	£15,224	£13,910	£13,910	(£1,314)	Reduction year on year reflects improvements in processes and lower volume of errors identified.
Total	£15,224	£13,910	£13,910	(£1,314)	