

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO ACCOUNTS & AUDIT COMMITTEE

Agenda Item No: 11

meeting date: 24 JULY 2019  
title: AUDITOR APPOINTMENT – HOUSING BENEFIT ASSURANCE PROCESS  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

### 1. PURPOSE

- 1.1. To inform members of the appointment of Grant Thornton as the council's auditors for the Housing Benefit Assurance Process (HBAP).
- 1.2. Relevance to the Council's ambitions and priorities:
  - Community Objectives – none identified.
  - Corporate Priorities – a well-managed Council.
  - Other Considerations – none identified.

### 2. BACKGROUND

- 2.1. Following the abolishment of the Audit Commission, the statutory functions for the certification of the Department of Work and Pensions (DWP) Housing Benefit subsidy claims were delegated to the Public Sector Audit Appointments Limited until March 2018.
- 2.2. Following the expiration of the transitional arrangements, Local Authorities now have to appoint their own external accountant/auditor to provide assurance over their Housing Benefit Subsidy Grant claim.
- 2.3. The 2018/19 financial year was the first year where the council were responsible for this appointment, with Grant Thornton being appointed at a fee of £4,995 with the addition of a day rate of £835 for some known additional work that may need to be undertaken (specific timeframes unknown until the work is satisfactorily completed). The work for this first year is still ongoing.
- 2.4. The council have now been set a deadline of 31 July 2019 by the DWP for informing them of who we have appointed as our auditors for the 2019/20 claim.
- 2.5. The attached document provides details of the quote received from Grant Thornton for this work and we will be appointing them on this basis for the 2019/20 subsidy claim audit.

### 3. AGREED FEE

- 3.1. A fee has been accepted as detailed in the attached document based on Grant Thornton undertaking what is known as the 'discovery' testing. This fee is £5,145 with the addition of a day rate of £860 for some known additional work that will need to be undertaken (specific timeframes unknown until the work is satisfactorily completed).
- 3.2. The day rate will also be charged for other **potential** additional work which may not be needed to be undertaken and will be dependent on the findings as the audit progresses.

4. CONCLUSION

4.1 From the 2019/20 Housing Benefit Subsidy claim we are now required to appoint our own auditor. Grant Thornton will be appointed for 2019/20 at a rate of £5,145 plus a day rate of £860 for all additional work required.

4.2 We will be notifying DWP of our appointment within the required deadline.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA14-19/LO/AC  
12 July 2019

BACKGROUND PAPERS

None

For further information please ask for Lawson Oddie.

Our ref:  
Your ref:

Jane Pearson  
Director of Resources  
Ribble Valley Borough Council  
Church Walk  
Clitheroe

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**Grant Thornton UK LLP**  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB  
T +44 (0)161 953 6900  
F +44 (0)161 953 6901

12 July 2019

Dear Jane

## Housing Benefit Subsidy claim assurance for 2019/20 relating to Ribble Valley Borough Council

This letter comprises our proposals and indicative fee for the audit of the 2019/20 Housing Benefit Subsidy claim. The indicative fee will be £5,145; this will include the "discovery testing" and all other core requirements\* completed by Grant Thornton.

\*By core requirements we mean:

- all work necessary to audit the council's Housing Benefit Subsidy claim, assuming that the level of "40+ testing" required is unchanged from that in relation to the 2017/18 claim
- planning and liaison
- completion of Modules incorporated into the Housing Benefit Assurance Process (HBAP) as determined by the Department of Work and Pensions (DWP)
- discussing and agreeing the results of our work with officers
- keeping the Audit Committee informed of progress in delivering this work and reporting the outcome of our work
- drafting and agreeing qualification letters, if necessary
- sharing our insights from our work with other councils, where relevant, and from our liaison with DWP

Our core work does not include work relating to additional 40+ testing that may be required when testing for prior year issues, or for errors identified in-year. Such additional work, and any further work that may be requested by DWP after the submission of the audited claim would be chargeable at a day rate of £860 plus VAT.

We propose the same day rate for additional work, whether the work is undertaken by us, as the reporting accountant, or performed by the Council. However, the key difference will be the time required to undertake the quantum of work. Therefore, if the Council undertakes the work, in the workbooks to the DWP required standard, we will only need to re-perform a sample to gain the appropriate assurance, meaning less input from us and less cost to you.

All figures quoted are exclusive of VAT.

Please get in touch to advise if this quote is acceptable to yourselves, or if there is any aspect of the quotation above which you would like to discuss.

Yours sincerely

Mark Heap