

Graeme Clark
Director of Finance and Resources
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9 February 2016

Dear Graeme

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

We are required to certify certain claims and returns submitted by Waverley Borough 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 your 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 HB COUNT issued by the Audit Commission in February 2015

We have certified one claim and return for the financial year 2014/15. This is your Housing Benefit Subsidy return, and relates to expenditure of £30.5 million. Further details of the claim certified are set out in Appendix A.

There were issues arising from our certification work which we wish to highlight for your attention. These were identified as a result of our detailed testing on your Housing Benefit Subsidy Return.

- A number of individual errors were identified with respect of claimants' Housing Benefit calculations, including: incorrect entry of earned income values, incorrect entry of rent values and incorrect application of Local Housing Authority (LHA) rates. Under the HB COUNT approach, where we identify errors of this type we are required to undertake additional testing before determining if we are able to adjust and/or issue a qualification letter.
- These errors led to a significant increase in the level of additional testing required in comparison to previous years, which is likely have an impact on the final fee for this work.
- Due to the range of errors identified, we were required to issue a qualification letter which was sent to the Department for Work and Pensions and PSAA on the 30th of November.

Except for the above issues, we are satisfied that you have appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

Your indicative scale fee set by the Audit Commission for 2014/15 is £13,240. The additional work that we were required to perform in 2014/15 to certify your Housing Benefit Subsidy Return has resulted in agreed additional fees of £9,000. This is set out in more detail in Appendix B. All agreed fees are subject to final determination by PSAA.

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 Return (BEN01)	£30,545,148	Yes	-£7,329	Yes	We identified a number of individual errors which significantly increased the level of work required to certify the return.

Appendix B: Fees for 2014/15 certification work

Claim or return	2012/13 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing Benefits Subsidy Return (BEN01)	16,250	13,240	22,240	9,000	The additional fee relates to additional work required in response to the errors identified in Appendix A. The additional fee is yet to be approved by Public Sector Audit Appointments but has been agreed with officers.
Total	16,250	13,240	22,240	9,000	