



Grant Thornton

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Dear Paul

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

We are required to certify certain claims and returns submitted by Ashford 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 Ltd (PSAA) have taken on the transitional responsibilities for Housing Benefit Subsidy certification requirements (HB COUNT) issued by the Audit Commission in February 2015.

We have certified one claim for the financial year 2014/15 relating to expenditure of £36.7 million. Further details of the claim certified are set out in Appendix A.

We wish to highlight the following issue arising from our certification work which we identified as a result of our detailed testing on the Council's Housing Benefit Subsidy Return. As part of our initial testing we identified one error as detailed below. Under the HB COUNT approach, where we identify errors we are required to undertake additional testing before we determine if we are able to adjust the claim or issue a qualification letter.

- Non-HRA Rent Rebates: initial testing identified one case where the incorrect determination of earned income resulted in an underpayment of benefit. Further testing of the full population of 31 cases identified one further error, also resulting in an underpayment. As a result no amendment or qualification to the claim was required.

In addition, we are required to complete testing of an additional 40 cases for errors identified in prior years that could remain in the population. We completed additional testing in the following areas:

- HRA Rent Rebates: testing of 40 cases to confirm correct occupational pension rates were used in calculating benefit entitlement identified no errors
- HRA Rent Rebates: testing of 40 cases to confirm correct classification of overpayments as claimant error identified no errors.

Aside from the above issues, we are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

The indicative fee for 2014/15 for the Council is 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, teachers pensions return and pooling housing capital receipts return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £14,200. This is set out in more detail in Appendix B. The level of additional work required to certify the Council's Housing Benefit Subsidy Return, is in line with the level required in 2012/13 and we therefore propose no additional fee.

Yours sincerely

Emily Hill
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)	£36,746,125	No	N/A	No	One error identified in initial testing resulted in an underpayment. Testing of full population identified one further error which also resulted in an underpayment. As a result no amendment or qualification is required.

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)	16,130	14,200	14,200	-1,930	The fee level for 2014/15 was as set by the Audit Commission based on the level of work required in 2012/13. The reduction also includes the Audit Commission overall reduction in fee levels for 2014/15.
Total	16,130	14,200	14,200	-1,930	