

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 15

meeting date: 25 NOVEMBER 2020
title: HOUSING BENEFIT ASSURANCE PROCESS – INCREASED FEES
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1. PURPOSE

- 1.1. To inform members of an increase to the previously agreed fee 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. Local Authorities now have to appoint their own external accountant/auditor to provide assurance over their Housing Benefit Subsidy Grant claim.
- 2.2. 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.
- 2.3. For 2019/20 committee were informed at their July 2019 meeting that the fee had been agreed with Grant Thornton at a rate of £5,145 plus a day rate of £860 for all additional work required.

3. FURTHER CHANGES

- 3.1. Since your meeting in July 2019, Grant Thornton informed the Council in May 2020 that they have been considering the fee levels for the housing benefits subsidy certification work against the cost of actually completing this work.
- 3.2. They concluded that the continuation of this work within current fee levels was unsustainable and that they were therefore proposing to increase the fee for 2019/20 to £16,000. It was explained that the fee took into consideration that they complete the discovery sample for the various types of cases (Rent Allowance, Non-HRA rent rebate and local scheme cases) and was on the basis that no 40+ testing would be required.
- 3.3. It was highlighted that Grant Thornton would need to charge more if any errors were found resulting in additional work.

4. CONCLUSION

- 4.1 The 2019/20 Housing Benefit Subsidy audit fee for 2019/20 has increased from a previously agreed fee of £5,145 plus a day rate of £860 for all additional work required, to £16,000 plus further fees should further testing or work be needed.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA12-20/LO/AC

13 November 2020

BACKGROUND PAPERS

None

For further information please ask for Lawson Oddie.