



Grant Thornton

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Dear Tim

Certification work for Thanet District Council for year ended 31 March 2015

We are required to certify certain claims and returns submitted by Thanet District 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) has taken on the transitional responsibilities for the Housing Benefit Subsidy claim issued by the Audit Commission in February 2015. The certification of other claims and returns is subject to separate engagement with the Council.

We have certified one claim under the PSAA regime for the financial year 2014/15, the Housing Benefit Subsidy claim with expenditure of £68.8 million. Further details are set out in Appendix A. The claim was qualified due to a number of errors in assessing and classifying benefit payment. Also, amendments were made to the Housing Benefit Subsidy claim which reduced the claim by £607, and the extrapolated testing results in the qualification letter, if agreed by the Department of Work and Pensions (DWP), would reduce the claim by a further £26,697. There may be further adjustments if the DWP requires additional work to resolve other matters reported in the qualification letter.

The indicative fee of £35,280 for the 2014/15 Housing Benefit Subsidy claim is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claim in that year. Due to the additional work resulting from the errors identified on the Housing Benefit Subsidy claim, we are proposing an addition of £11,230 to the indicative scale fee (Appendix B).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Willis'.

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	£68,867,054	Yes	£607 reduction	Yes	<p>Qualification related to errors in assessing and classifying benefit payments for a number of categories on the claim.</p> <p>The amendment was the overall result of correcting benefit classifications where testing results were sufficiently conclusive to allow this.</p>

Appendix B: Fees for 2014/15 certification work

Claim or return	2013/14 fee (£)	2014/15 indicative /agreed fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing Benefits Subsidy	£27,698	£35,280	£45,510	£11,230*	Reflects additional samples required due to errors being identified during testing of the 2014/15 claim. Testing of 214 more cases was required compared to the 2012/13 baseline on which the indicative fee was set.

* Agreed with Thanet officers, but subject to approval by Public Sector Audit Appointments