



**DRAFT PORTFOLIO HOLDER DECISION NOTICE**

**PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE**

**TOPIC – USE OF FRAMEWORK TO PROCURE EXTERNAL AUDIT OF HOUSING BENEFITS CLAIM**

**PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Head of Legal and Democratic Services, the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Democratic Services Officer by 5.00pm on Wednesday 4 July 2018.**

**Contact Officers:**

**Case Officer:** Liz Keys (Finance Manager)

**Democratic Services Officer:** Nancy Graham, 01962 848 235,  
[ngraham@winchester.gov.uk](mailto:ngraham@winchester.gov.uk)

**SUMMARY**

Approval is sought for the use of a procurement framework to enable the appointment of external auditors to undertake the assurance work on the Housing Benefit (HB) Subsidy claim.

**Background**

Following the abolition of the Audit Commission, the then Department for Communities and Local Government (DCLG) delegated statutory functions for the certification of HB subsidy claims to Public Sector Audit Appointments Ltd (PSAA Ltd) for a temporary period. This included responsibility for the appointment of auditors to the local authorities. On 5 October 2016, the DCLG confirmed that it would extend the arrangement with PSAA Ltd until March 2018. In line with the

government's overall localisation strategy, when the transitional arrangements expired, local authorities are now required to appoint their own external auditor for the assurance of their subsidy claims.

Since the introduction of the Local Audit and Accountability Act 2014, any audit provider wishing to carry out work on public sector accounts must be registered with the Institute of Chartered Accountants of England and Wales (ICAEW). The ICAEW is the recognised supervisory body and are responsible for licensing, registering and monitoring auditors for local public bodies. Licensing stipulates certain requirements on auditors, meaning that local authorities are limited to select from those who are registered and fulfil ICAEW's prescribed criteria (currently 10 firms).

As reported to Audit Committee on the 31 May 2018, Winchester City Council joined with other Hampshire authorities in exploring a framework tender being led by Portsmouth City Council. This framework enables each authority (all those in Hampshire and the Isle of Wight as well as those in West Sussex and Surrey) to appoint an approved external auditor to undertake the assurance work on the subsidy claim.

*Note for Author: Please set out in a short bullet point style. Include any links to the Sustainable Community Strategy and resource implications.*

### **PROPOSED DECISION**

That approval be given for the use of the Portsmouth City Council-led procurement framework for the appointment of external auditors for the assurance of the housing benefits subsidy claim, in accordance with Contract Procedure Rule 2.4 (b)(i).

### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Use of the framework will enable the Council to access the prices achieved in the collective tender exercise which were quoted by the approved firms based on equalities of scale. It is very unlikely that the Council would individually be able to attract an ICAEW approved accountant to conduct the assurance work for less than the prices in the framework tender.

### **RESOURCE IMPLICATIONS:**

The current cost of the Housing Benefits Claim assurance work is based on scale fees set by PSAA Ltd. This arrangement ends with the assurance of the 2017/18 claim, for which the planned fee is £8,400.

### **DATA PROTECTION IMPACT ASSESSMENT**

Auditors protect the integrity of data relating to audited bodies and individuals either received or obtained during the audit. They ensure that data are held securely and

that all reasonable steps are taken to ensure compliance with statutory and other requirements relating to the collection, holding and disclosure of information.

**CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION**

The Audit Committee has been regularly briefed since 2014 on the changes to the arrangements to the audit of local authority accounts and assurance of claims.

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

n/a

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None.

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

Approved by: (signature)

Date of Decision

Councillor Guy Ashton – Portfolio Holder for Finance

**APPENDICES:**

None