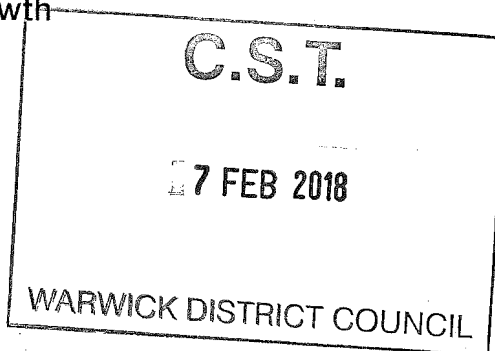



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Attn: Board of Directors

 Geraldine Rowe  
 Department for Communities and Local Government  
 Third Floor  
 Fry Building  
 2 Marsham Street  
 London  
 SW1P 4DF

5 February 2018

Dear Sirs

## Agreed-upon Procedure Report

### Report of factual findings to the Responsible Finance Officer of Warwick District Council and Department of Communities and Local Government

We have performed the procedures agreed with you and enumerated below with respect to the requirements of our agreement.

Our engagement was undertaken in accordance with International Standards on Related Services 4400 'Engagements to Perform Agreed-Upon Procedures Regarding Financial Information' as published by the International Auditing and Assurance Standards board (IAASB) applicable to agreed-upon procedures engagements.

This report is provided pursuant to, and must be read in conjunction with, our engagement letter dated 9 January 2018 and is subject to the terms and limitations set out therein.

The procedures were performed solely for the purpose of assisting Warwick District Council (the 'Authority') fulfil their responsibilities to the Department of Communities and Local Government for preparing the annual Pooling of Housing Capital Receipts Return 2016PO6 entered onto LOGASNET for the year ended 31 March 2017. The Responsible Finance Officer is responsible for the preparation and submission of the annual Pooling of Housing Capital Receipts Return onto LOGASNET and for all corrections.

The procedures undertaken are summarised as follows:

1. We will obtain from the Responsible Finance Officer the return and quarterly 'Valuation' worksheets.

Sample size for all tests 2 to 7 below: Five items or 10% of the value of the items in the entry, whichever is the greater.

2. We will sample test that capital receipts have been reduced for the cost of buying back dwellings, as required by paragraph 3 of the Schedule to The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003/3146 (as amended) in cells F102PO, F202PO, F302PO and F402PO of the return.
3. We will sample test by reference to prime documents that all Right to Buy ('RTB') (or equivalent) receipts received by the Authority in 2014-2015 and arising from sales made on or after 01 April 2012 are included correctly in cells F105PO, F205PO, F305PO and F405PO of the return.
4. We will sample test by reference to prime documents that all RTB (or equivalent) receipts received by the Authority in 2016-2017 and arising from sales made before 01 April 2012 have been included correctly in cells F106PO, F206PO, F306PO and F406PO of the return.
5. We will agree the entries of RTB (or equivalent) sales in cells F107PO, F207PO, F307PO and F407PO to support in the Authority's disposal records.
6. a) We will agree the entries in fields F112PO, F212PO, F312PO and F412PO to cell D35 in the relevant quarterly 'Valuation' worksheets.
6. b) We will sample test by reference to prime housing records that, for a sample of RTB disposals included in the quarterly 'input data' worksheet, have the archetypes, bedroom numbers, 1999 valuations and PFI status recorded correctly.
7. We will sample test by reference to prime housing records that, where the authority has incurred expenditure under a Section 11(6) agreement, the expenditure included in cell F524PO has been incurred on social housing projects as defined in Part 5 of that agreement. We report our findings below:

We report our findings below:

All tests were completed with no exceptions noted, other than for test 6a above where the entries in Fields F112PO, F212PO, F312PO and F412PO did not agree to the relevant quarterly 'Valuation' worksheets. The differences identified are as per the table below.

	Value from fields	Value from quarterly valuation	Difference
F112PO	514,793.14	518,911.48	4,118.34
F212PO	633,591.56	610,190.92	-23,400.64
F312PO	316,795.78	307,333.30	-9,462.48
F412PO	306,701.91	335,446.69	28,744.78
Total	1,771,882.39	1,771,882.39	0

Officers have explained that the differences have arisen because they identified during the final quarter of 2016/17 that the incorrect pre transfer inflation rate had been used in the previous quarterly returns. As a result, adjustments were made during quarter 4 to ensure that the final year end return was correct.

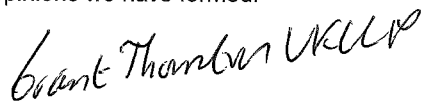
Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK) or International Standards on Review Engagements (UK and Ireland) 2410, we do not express any assurance.

Had we performed additional work or procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK) or International Standards on Review Engagements (UK and Ireland) 2410, other matters might have come to our attention that would have been reported to you.

Our report is prepared solely for the confidential use of Warwick District Council and Department of Communities and Local Government and solely for the purpose set forth in the first paragraph of this report. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. Grant Thornton UK LLP neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by other parties' reliance on our report.

Our audit work as the statutory auditors of the annual financial statements of Warwick District Council is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as Warwick District Council's external auditor.

Our audit report on the financial statements is issued solely to the Local Authority's members, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to Local Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Local Authority and Local Authority's members as a body, for our audit work, for our audit reports, or for the opinions we have formed.



GRANT THORNTON UK LLP  
CHARTERED ACCOUNTANTS

Birmingham  
5 February 2018

