

Members of the Audit and Standards Committee  
 Gateshead Council  
 Civic Centre  
 Regent Street  
 Gateshead  
 NE8 1HH

15 January 2019

Dear Members

### Results of certification work 2017-18

As the Council's appointed auditor, we acted as an agent of Public Sector Audit Appointments (PSAA) who have responsibilities to make certification arrangements for specified claims and returns. For 2017/18 the only claim or return within this regime was the Housing benefit subsidy return. This letter reports the findings from this work.

In 2017/18 the prescribed tests for our Housing benefits work were set out in the HBCOUNT module and BEN01 Certification Instructions issued by PSAA. For the Housing benefit subsidy return, on completion of the specified work we issue a certificate. The certificate states whether the claim has been certified either without qualification; without qualification following amendment by the Council; or with a qualification letter. Where we issue a qualification letter or the claim or return is amended by the Council, the grant paying body may withhold or claw-back grant funding.

The 2017/18 Housing benefits return was amended but was not subject to a qualification letter. We issued our certificate on 28 November 2018, in line with PSAA's certification instructions.

The table below details our findings.

| Claim or return         | Value of claim or return | Amended (1) | Qualified |
|-------------------------|--------------------------|-------------|-----------|
| Housing benefit subsidy | £77,746,007              | Yes         | No        |

(1) Where an error was identified and it was possible to quantify the impact of the error across the whole population, the Council amended its return. Three amendments in 2017/18 related to misclassifications of individual cases between cells of subsidy claimed by the Council. In two of these cases the appropriate corrections resulted in an increase to the subsidy claimed. This was because some of the amounts misclassified had been put in a cell attracting zero subsidy. In addition, there was one incidence of an amount paid outside of the Capita system which was omitted from the claim. Adjustment of this resulted in a small increase to subsidy claimed. The value of the claim prior to audit was £77,744,388. The revised figure shown in the table above thus represents an increase of claimable subsidy of £1,619 as a result of audit.

## Fees

PSAA set an indicative fee for our work on the Council's Housing benefit subsidy return. This indicative fee, and the final fee charged for 2016/17, is detailed in the table below:

| Claim or return         | 2017/18 indicative fee | 2017/18 final fee | 2016/17 final fee |
|-------------------------|------------------------|-------------------|-------------------|
| Housing benefit subsidy | £10,615                | £10,615           | £12,405           |

Yours faithfully



Cameron Waddell

Partner

For and on behalf of Mazars LLP

*This letter is prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of Gateshead Council and we take no responsibility to any member or officer in their individual capacity or to any third party.*

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