

# Gateshead Council

## Certification of claims and returns

Annual report 2014/15

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*Our reports relating to the 2014/15 financial year are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies.' Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.*

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# 1 Background

## The scope of our work

As the Council's appointed auditor, we previously acted as an agent of the Audit Commission. The Local Audit and Accountability Act 2014 transferred the Audit Commission's responsibilities to make certification arrangements for specified claims and returns to Public Sector Audit Appointments (PSAA). For 2014/15 the only claim or return within this regime was the Housing Benefit Subsidy return.

In 2014/15 the prescribed tests for our Housing benefits work were set out in the HBCOUNT module and BEN01 Certification Instructions issued by the Audit Commission.

During the year we have also been engaged directly by the Council to undertake assurance work on the following claims and returns

- Pooling of Housing Capital Receipts
- Schools Centred Initial Teacher Training (SCITT)
- Health Act 2006 (s256) – review of annual vouchers
- Teachers' pensions contributions

These engagements are outside of the Audit Commission / PSAA regime and we have reported separately to officers on the outcome of this work. We have included the results of this work in this report to give members a full understanding of our assurance and certification work for 2014/15.

## Our certificate

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.

For assurance provided on claims and returns outside of the Audit Commission / PSAA regime, we issue an assurance report instead of a certificate.

## 2 Findings

### The Council's control environment

We have not noted any weaknesses in your control environment for any claim or return.

### Amendments and Qualifications

The following claims and returns were certified in 2014/15:

#### Audit Commission/PSAA grant claims or returns

Claim or return	Value of claim or return	Amended	Qualified
Housing Benefit Subsidy	£86,661,937	Yes	No

#### Non Audit Commission/PSAA grant claims and returns

Claim or return	Value of claim or return	Amended
Pooling of Housing Capital Receipts	£5,109,875	N
Teachers' Pension Return	£9,234,818	N
Schools Centred Initial Teacher Training (SCITT)	£154,000	Y
Health Act 2006 (s256)	Work ongoing	Work ongoing

### Housing Benefit Subsidy

We identified three errors as a result of testing of the 2014/15 Housing Benefits claim. All of these errors were corrected and as a result an amended claim was produced.

One of these errors was found in the main testing of non-HRA cases. This was an error in assigning overpayments to the correct year. A drill down of all overpayment cases in the headline cell showed no further errors and a correction of this isolated error was made.

The two other errors were an incorrect rounding in one cell on the claim form and an incorrect backdating figure in one cell. Both of these errors were corrected.

## **Non PSAA grant claims and returns**

### **Pooling of Housing Capital Receipts**

Since 2004/05, local authorities have paid part of their receipts from the disposal of housing into a national pool run by DCLG. They are also required to pool a part of other receipts such as mortgage principal repayments.

We have carried out our work on the Council's Pooling of Housing Capital Receipts return in line with instructions issued by DCLG and concluded that the return was prepared, in all material respects, in accordance with the terms and conditions as set out in DCLG's instructions.

### **Teachers' Pension Return**

The Teachers' Pension Scheme is a contributory pension scheme administered by Teachers' Pensions on behalf of the Department for Education. Teachers employed in local authority maintained schools and other local authority establishments may be members of the scheme.

The Council is required to submit a return (EOYCa) showing teachers' pension contributions deducted and paid to Teachers' Pensions in the year.

For 2014/15, we concluded that the EOYCa for the year ended 31 March 2015 had been prepared, in all material respects, in accordance with the regulations underpinning the Teachers' Pension scheme. Without qualifying our opinion we did report one minor matter in line with the requirements of Reporting Accounting Guidance (TP05).

### 3 Fees

Prior to its abolition, the Audit Commission set an indicative fee for our work on the Council's Housing benefit subsidy return. We confirm that the final fee payable for this work as outlined in the table below is in line with the indicative fee.

For claims and returns that fell outside of the Audit Commission / PSAA regime, we agree a fee with Council officers prior to commencing our work.

For 2014/15 the following fees were charged for certification work:

#### Audit Commission/PSAA grant claims or returns

Claim or return	2014/15 indicative fee	2014/15 final fee	2013/14 final fee
Housing Benefit Subsidy	£16,540*	£16,540	£14,153*

#### Non Audit Commission/PSAA grant claims and returns

Claim or return	2014/15 fee	2013/14 fee
Pooling of Housing Capital Receipts	£1,800	£775**
Teachers' Pension Return	£2,750	£2,750
Schools Centred Initial Teacher Training (SCITT)	£2,250	£2,250
Health Act 2006 (s256)	£8,000	£8,000

\*The 2013/14 and 2014/15 indicative fees were set by the Audit Commission. The 2014/15 fee reflects the level of work required to complete our benefits testing.

\*\*This was the indicative fee set by the Audit Commission as the Pooling of Housing Capital Receipts was under the Audit Commission regime. The fee in 2013/14 did not reflect the level of work required.

Should you require any further information on this report or on any other aspect of our work, please contact:

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