

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

25 January 2017

Dear Members

Results of certification work 2015/16

As the Council’s appointed auditor, we acted as an agent of the Public Sector Audit Appointments (PSAA). The Local Audit and Accountability Act 2014 transferred the Audit Commission’s responsibilities to make certification arrangements for specified claims and returns to PSAA. For 2015/16 the only claim or return within this regime was the Housing Benefit subsidy return. This letter reports the findings from this work.

In 2015/16 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.

The concept of materiality does not apply to certification of claims and returns in that any matters arising, other than agreed amendments, are reported to the grant-paying department in 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.

We issued our certificate on 23 November 2016, 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	£86,725,109	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. Two amendments in 2015/16 related to misclassifications of individual cases between cells. Changes were also made to the classification of backdating amounts in a small number of cases. There was one minor rounding error in one of the cells in the return. None of these amendments had any impact on the amount of subsidy claimed by the Council.

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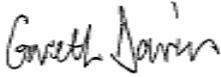


Fees

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 2015/16, is detailed in the table below:

Claim or return	2015/16 indicative fee	2015/16 final fee	2014/15 final fee
Housing Benefit subsidy	£10,615	£10,615	£16,540

Yours faithfully



Gareth Davies

Partner

Mazars LLP

Our reports relating to the 2015/16 financial year are prepared in the context of Public Sector Audit Appointments Ltd'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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