

Kelvin Turner  
Executive Director (Resources and Support Services)  
Newcastle Borough Council  
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ST5 2AG

13 January 2014

Dear Kelvin

**Certification work for Newcastle Borough Council for year ended 31 March 2013**

We are required to certify certain of the claims and returns submitted by Newcastle Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

We have certified two claims and returns for the financial year 2012/13 relating to expenditure of £71 million. Further details of the claims certified are set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

The Audit Commission set an indicative scale fee for grant claim certification based on 2010/11 certification fees for each audited body. The indicative scale fee for the Council for 2012/13 was £13,500. Due to the reduced error rate in the Housing and Council Tax benefit grant claim we are proposing to reduce this indicative fee to £11,357. However this fee should not be considered final until confirmed by the Audit Commission. This is set out in more detail in Appendix B.

Yours sincerely

John Gregory  
For Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2012/13**

<b>Claim or return</b>	<b>Value (£)</b>	<b>Amended?</b>	<b>Amendment (£)</b>	<b>Qualified?</b>	<b>Comments</b>
Housing benefits subsidy claim	40,339,519	No	N/A	Yes	Initial testing identified a small number of under & overpayments of benefits. Subsequent testing found these errors had not been repeated. Work completed was reported by 30 November 2013 as required by the certification instruction.
National non-domestic rates return	30,749,111	No	N/A	No	

Appendix B: Fees for 2012/13 certification work

<b>Claim or return</b>	<b>2011/12 fee (£) *</b>	<b>2012/13 indicative fee (£)</b>	<b>2012/13 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim	12,160	11,550	9,407	2,143	Decrease in fee due to the reduced work required because of the improved error rate associated with the claim.
National non-domestic rates return	1,784	1,950	1,950	0	
Total	13,944	13,500	11,357		

\* 2011/12 fee less 40% fee reduction applicable for 2012/13 onwards. This is shown in this way to make it comparable to the 2012/13 fee.