



Grant Thornton

An instinct for growth™

Our ref:
Your ref:

Jan Willis
Executive Director (Resources and Support Services)
Newcastle-under-Lyme Borough Council
Castle House
Barracks Road
Newcastle-under-Lyme
ST5 1BL

Grant Thornton UK LLP

The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

T +44 (0)121 212 4000
F +44 (0)121 212 4014

1 February 2019

Dear Jan

Certification work for Newcastle Under Lyme Borough Council for year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Newcastle Under Lyme 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.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) took on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit subsidy claim for the financial year 2017/18 relating to subsidy claimed of £29.23 million. We identified a number of issues from our certification work and, as a result of the errors identified, the claim was amended and qualified, and we reported our findings to the DWP in our Qualification Letter dated 31 October 2018.

Further details of the matters we reported upon are set out in Appendix A. Those which we particularly wish to highlight for your attention are that there:

- were two errors from the extended testing that we carried out on this year's subsidy return which recurred from 2016/17, and
- one new error was identified as a result of the testing undertaken.

The indicative fee for 2017/18 for the Council was based on the final 2015/16 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by PSAA for the Council for 2017/18 was £7,552.

Yours sincerely

Grant Thornton UK LLP

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2016/17

Claim or return	Value	Amended?	Amended value	Qualified?	Comments
Housing benefits subsidy claim	£29,225,445	Yes	£29,225,445	Yes	See below

Findings from certification of housing benefits subsidy claim

There were two errors that had also been identified in prior years, these were as follows;

- Testing of rent allowances identified one error was identified where the claimant's earnings had been incorrectly calculated, resulting in an overpayment of benefit. This was included within the Qualification Letter as required.
- Testing of rent allowances identified four errors where there had been an incorrect application of child tax and working tax credits in the entitlement calculation. In all cases this resulted in an overpayment of benefit. This was included within the Qualification Letter as required.

Appendix B: Fees for 2017/18 certification work

Claim or return	2015/16 fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£8,052	£7,552	£7,552	£0	N/A