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5th January 2015

Dear Iain

**Certification work for Dudley Metropolitan Borough Council for year ended
31 March 2014**

We are required to certify certain claims and returns submitted by Dudley Metropolitan 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 claim for the financial year 2013/14(4 in 2012/13) relating to expenditure of £110.1million. 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 indicative fee for 2013/14 for the Council is based on the final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fees for certification of housing benefit subsidy claims have been reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. The indicative scale fee set by the Audit Commission for the Council for 2013/14 is £16,418. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2013/14

Claim or return	Value	Amended?	Amendment	Qualified?	Comments
Housing benefits subsidy claim	£100,911,929	No	n/a	Yes	<p>The claim was qualified because of a range of error found in the calculation and classification of benefit payments on the form. The Council has estimated that these should not have a signification impact on the total amount of subsidy but this will not be confirmed until the Department of Work and Pensions considers the qualifications. There were similar findings in respect of previous claim.</p> <p>Work completed was reported by 28 November 2014 as required by the certification instruction.</p>
Pooling of housing capital receipts	£9,255,290	No	n/a	No	None

Appendix B: Fees for 2013/14 certification work

Claim or return	2012/13 fee (£)	2013/14 indicative fee (£)	2013/14 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim.	19,928	15,387	15,387	0	The scale fee is based on the work required to certify the 2011-12 claim. The level of work required in 2013-14, based on the error rate in the claim, was the same as in 2011-12. Therefore no variation is proposed to the scale fee.
National non-domestic rates return	6,440	0	0	0	No requirement to certify this return in 2013/14
Pooling of capital receipts	1,180	3,956	1,031	(2,925)	We are only required to undertake detailed (Part B) testing every 3 years unless we identify the claim as high risk. We did not find any significant issues in 2011/12, when we undertook this testing. We therefore considered the claim to be low risk.
Teachers Pensions	6,600	0	0	0	The Teachers Pensions Agency have required certification of this return for 2013-14 but it is outside the scope of the Audit Commission regime. It is subject to a separate engagement letter and fee.
Local Transport plan (Brierly Hill Sustainable Access and Burnt Tree)	0	1,884	0	(1,884)	Certification of these claims was not required in 2013/14 as the amounts claimed were below the minimum value for certification.
Total	34,148	21,227	16,418	(4,809)	

