



Grant Thornton

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Dear Peter

Certification work for Cheshire East Council for year ended 31 March 2015

We are required to certify the Housing Benefit Subsidy claim submitted by Cheshire East Council ('the Council'). This certification 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 this certification of the 2014/15 Housing Benefits Subsidy claim were prescribed by the Audit Commission (before its closure in March 2015) which agreed the scope of the work with the Department for Work and Pensions, and issued auditors with a Certification Instruction. The role of making arrangements for housing benefit subsidy certification for 2015/16 and beyond has now transferred to Public Sector Audit Appointments Limited.

The indicative scale fee for this work was also set by the Audit Commission and the fee for the Council for 2014/15 is £32,500. This was based on 2012/13 certification fees, reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. There is no variation from the planned fee and the amount of work required by the auditor to certify the is consistent with that in the 'base' year.

Overall we are pleased to report that the Council has appropriate arrangements to compile a complete, accurate and timely claim for audit certification. The claim is not subject to a qualification letter but the Council have made a small amendment to the claim. Further details of this are set out at Appendix A.

Yours sincerely

Jon Roberts
Partner
For Grant Thornton UK LLP

Chartered Accountants

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Appendix A - Details of claims and returns certified for 2014/15

Claim or return	Matters Arising
<p>Housing benefits subsidy claim</p> <p>Total subsidy claimed £86,062,942</p>	<p>As previously reported, the Council recognised that there is an anomaly in the housing benefit system that results in the misclassification of expenditure between cells 012 and 013 in the subsidy claim. To address this the Council ran a specific system enquiry to identify the cases affected.</p> <p>At the time of submission of the draft claim, the Council had reviewed some of the specific cases known to be affected by this misstatement and had correctly adjusted the claim, increasing subsidy by £449.</p> <p>However this review was only part completed, with the remaining cases reviewed during the course of the audit. The Council have amended the final version of the claim to reflect their review of the remaining cases. This increased the total subsidy claimed by a further £667.</p> <p>The Council should continue to pursue a software solution to this matter. It also continues to be important to identify the cases affected each year. However before embarking on a detailed review, the Council may wish to assess the potential impact of any amendment and may consider that the increase in subsidy that could be claimed would not be commensurate with the time to review and address this issue. We would then report that position to the DWP in a qualification letter (in common with our reporting at some other authorities similarly affected).</p>