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7 January 2016

Dear Richard

**Certification work for Manchester City Council for year ended 31 March 2015**

We are required to certify certain claims and returns submitted by Manchester City 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) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified one claim for the financial year 2014/15 under arrangements put in place by PSAA. Further details of the claim certified are set out in Table 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 Housing Benefit claims for audit certification. We are satisfied that any recommendations raised in previous years have been addressed.

The indicative fee for certification of the Housing Benefit claim for 2014/15 for the Council is based on the final 2012/13 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 under the Audit Commission regime (such as the national non-domestic rates return, teachers pensions return and pooling housing capital receipts return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £15,050. This is set out in more detail in Table B.



In addition, we have completed 2014/15 certification work under non-PSAA engagements, relating to the Council's Teachers' Pensions EOYC return and the Council's Pooling of Housing Capital Receipts Return. We have included summary information in relation to the certification of these returns in Tables C and D that follow.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. Farrar', with a long horizontal flourish extending to the right.

John Farrar  
For Grant Thornton UK LLP

**Table A - Details of claims and returns certified for 2014/15 under PSAA arrangements**

Claim or return	Value £m	Amended ?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	278.88	No	N/a	No	We are pleased to note that the minor reconciliation matter giving rise to qualification of the Council's 2013/14 claim was resolved in relation to the 2014/15 claim.

**Table B - Fees for 2014/15 certification work under PSAA arrangements**

Claim or return	2013/14 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	15,500	15,050	15,050	0	A Qualification Letter was required following completion of our work on the Council's 2013/14 claim and this accounts for the difference of fee between years.
Total	15,500	15,050	15,050	0	

**Table C - Details of claims and returns certified for 2014/15 under separate engagements (non-PSAA arrangements)**

Claim or return	Value £m	Amended ?	Amendment (£)	Qualified?	Comments
Teachers' Pensions EOYC	25.5 (total contributions)	No	N/a	Yes	Our report was qualified as for the 12 schools reflected in the EOYC return where payroll services are provided by an external provider, the Council did not have assurance over the completeness

					and accuracy of data provided for inclusion in the EOYC.
Pooling of Housing Capital Receipts	4.15 (total receipts subject to pooling)	No	N/a	No	

**Table D - Fees for 2014/15 certification work under separate engagements (non-PSAA arrangements)**

Claim or return	2013/14 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Teachers' Pensions EOYC	4,200	4,600	4,600	0	Additional testing was necessary in relation to the 2014/15 EOYC to follow-up matters giving rise to the qualification of the Council's 2013/14 Teachers' Pensions EOYC return.
Pooling of Housing Capital Receipts (PHCR)	1,050	2,750	2,750	0	The Council's 2013/14 PHCR return was subject to certification following a programme of work as prescribed by the Audit Commission, and as part of a three year cyclical approach only limited audit testing was required. Significantly more testing was necessary in order to be able to certify the Council's 2014/15 PHCR return.
Total	5,250	7,350	7,350	0	

