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18 April 2013

Dear David

### **Planned audit fee for 2013/14**

The Audit Commission has set its proposed work programme and scales of fees for 2013/14. In this letter we set out details of the audit fee for the Council along with the scope and timing of our work and details of our team.

### **Scale fee**

The Audit Commission defines the scale audit fee as “the fee required by auditors to carry out the work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice. It represents the best estimate of the fee required to complete an audit where the audited body has no significant audit risks and it has in place a sound control environment that ensures the auditor is provided with complete and materially accurate financial statements with supporting working papers within agreed timeframes.”

For 2013/14, the Commission has independently set the scale fee for all bodies. The Council's scale fee for 2013/14 is £164,803 which is the same as the audit fee for 2012/13.

Further details of the work programme and individual scale fees for all audited bodies are set out on the Audit Commission's website at: [www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-work-programme](http://www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-work-programme).

The audit planning process for 2013/14, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

### **Scope of the audit fee**

Our fee is based on the risk based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2013/14. It covers:

- our audit of your financial statements
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return.

#### **Chartered Accountants**

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### **Value for money conclusion**

Under the Audit Commission Act, we must be satisfied that the Council has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, focusing on the arrangements for:

- securing financial resilience; and
- prioritising resources within tighter budgets.

We undertake a risk assessment to identify any significant risks which we will need to address before reaching our value for money conclusion. We will assess the Council's financial resilience as part of our work on the VFM conclusion and a separate report of our findings will be provided.

We will continue to assess the Council's arrangements and discuss any additional work required during the year. We have previously discussed the need to review the arrangements the Council has put in place to ensure value for money in relation to any variation to the current waste disposal contract. We are in discussion with the Council as to the appropriate timing of this review and therefore at this stage have not allowed any time in the fee to carry out this work.

### **Certification of grant claims and returns**

The Council's composite indicative fee grant certification for the Council in 2013/14 is £8,400. This was £10,600 in 2012/13.

### **Billing schedule**

Our fees will be billed as follows:

<b>Main Audit fee</b>	<b>£</b>
September 2013	41201
December 2013	41201
March 2014	41201
June 2014	41200
<b>Grant Certification</b>	
June 2013	8,400
<b>Total</b>	<b>173,203</b>

### **Outline audit timetable**

We will undertake our audit planning and interim audit procedures in March. Upon completion of this phase of our work we will issue our detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VFM conclusion will be completed in September 2014 and work on the whole of government accounts return in September 2014.

<b>Phase of work</b>	<b>Timing</b>	<b>Outputs</b>	<b>Comments</b>
Audit planning and interim audit	March 2014	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and VFM.
Final accounts audit	July-September 2014	Report to those charged with governance	This report will set out the findings of our accounts audit and VFM work for the consideration of those charged with governance.
VFM conclusion	Jan to September 2014	Report to those charged with governance	As above
Financial resilience	Jan to Sept 2014	Financial resilience report	Report summarising the outcome of our work.
Whole of government accounts	September 2014	Opinion on the WGA return	To be carried out at the same time as final accounts audit.
Annual audit letter	October 2014	Annual audit letter to the Council	The letter will summarise the findings of all aspects of our work.
Grant certification	June to December 2014	Grant certification report	A report summarising the findings of our grant certification work

### **Our team**

The key members of the audit team for 2013/14 are:

	<b>Name</b>	<b>Phone Number</b>	<b>E-mail</b>
Engagement Lead	Phil Jones	0121 2325232	<a href="mailto:phil.w.jones@uk.gt.com">phil.w.jones@uk.gt.com</a>
Engagement Manager	Terry Tobin	0121 2325276	<a href="mailto:terry.p.tobin@uk.gt.com">terry.p.tobin@uk.gt.com</a>
VFM/Advisory Lead	Ian Barber	0121 2325357	<a href="mailto:ian.m.barber@uk.gt.com">ian.m.barber@uk.gt.com</a>
Audit Executive	Allison Thomas	0121 2325278	<a href="mailto:allison.a.thomas@uk.gt.com">allison.a.thomas@uk.gt.com</a>

### **Additional work**

The scale fee excludes any work requested by the Council that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Council.

**Quality assurance**

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Jon Roberts, our Public Sector Assurance regional lead partner ([jon.roberts@uk.gt.com](mailto:jon.roberts@uk.gt.com))

Yours sincerely

Phil Jones  
For Grant Thornton UK LLP