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9 April 2014

Dear Sheila

Planned audit fee for 2014/15

The Audit Commission has set its proposed work programme and scales of fees for 2014/15. 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.”

The Council's scale fee for 2014/15 has been set by the Audit Commission at £189,464 plus VAT, which remains the same as the audit fee of £189,464 plus VAT for 2013/14.

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/proposed-work-programme-and-scales-of-fees-201415

The audit planning process for 2014/15, 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

The scale fee 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.

Certification of grant claims and returns

The Council's composite indicative grant certification fee has been set by the Audit Commission at £0. This is because the assurance engagement for the Teachers' Pensions Return will be controlled directly by the Teachers' Pensions Agency and the work therefore falls outside the Audit Commission's certification arrangements. 2013/14 was the last year of the Council's other return (Local transport plan: Walton Bridge).

Pension Fund audit

The Audit Commission has established a scale of fees for pension fund audits based on a fixed element with uplift based on the percentage of net assets. The scale fee for the audit of the pension fund is £27,105 plus VAT. Our work on the pension fund will be undertaken in June 2015 by our specialist pension fund audit team, led by Kathryn Sharp.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2014	47,366
December 2014	47,366
March 2015	47,366
June 2015	47,366
Total	189,464
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Pension Fund audit	
June 2015	27,105

Outline audit timetable

We will undertake our audit planning and interim audit procedures in January and February 2015. Upon completion of this phase of our work we will issue a 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 July 2015 and work on the whole of government accounts return in August 2015.

Our work on the Pension Fund audit will follow the same timing.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	January and February 2015	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and VfM conclusion.
Final accounts audit	June and July 2015	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	January to July 2015	Audit Findings (Report to those charged with governance)	As above
Financial resilience	January to July 2015	Financial resilience report	Report summarising the outcome of our work.
Whole of government accounts	August 2015	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	October 2015	Annual audit letter to the Council	The letter will summarise the findings of all aspects of our work.

Our team

The key members of the audit team for 2014/15 are:

	Name	Phone Number	E-mail
Engagement Lead	Andy Mack	+44 (0)207 728 3299 +44 (0)7880 456187	Andy.L.Mack@uk.gt.com
Engagement Manager and Pensions Audit Manager	Kathryn Sharp	+44 (0)1293 554086 +44 (0)7880 456150	Kathryn.E.Sharp@uk.gt.com
VfM/Advisory Lead	Guy Clifton	+44 (0)207 728 2903 +44 (0)7771 974285	Guy.Clifton@uk.gt.com
Assistant Audit Manager	Daniel Woodcock	+44 (0)1293 554122 +44 (0)7921 659914	Daniel.Woodcock@uk.gt.com

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 Paul Dossett, our Public Sector Assurance regional lead partner (Paul.Dossett@uk.gt.com).

Yours sincerely



Andy Mack
For Grant Thornton UK LLP