

Subject:	The External Audit Fee for 2014/15	Status:	For Publication
Report to:	Audit and Accounts Committee	Date:	24 June 2014
Report of:	Grant Thornton	Portfolio Holder:	Finance and Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	Members are asked to consider the audit fee letter for the 2014/15 audit.

2. PURPOSE OF REPORT

2.1 The letter sets out the scale fee, set by the Audit Commission, for the 2014/15 audit. The letter is brought to the Committee for information

3. CORPORATE PRIORITIES

3.1 The matters discussed in the fee letter do not impact directly on the Council's corporate priorities:

4. RISK ASSESSMENT IMPLICATIONS

4.1 There are no risk assessment implications.

5. BACKGROUND AND OPTIONS

5.1 The Audit Commission has set its proposed work programme and scales of fees for 2014/15. In the letter we set out details of the audit fee for the Council with the scope and timing of our work and details of our team. The scale fee for the audit remains unchanged from the previous year at £60,161.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 This is a report of the External Auditor

7. MONITORING OFFICER

7.1 This is a report of the External Auditor

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Not applicable

9. CONCLUSION

9.1 The audit fee letter is presented for consideration by the Committee.

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10 April 2014

Dear Phil

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 £60,161. This is unchanged from the previous year.

Further details of the work programme and individual scale fees for all audited bodies are set out on the Audit Commission's website at: <http://www.audit-commission.gov.uk/audit-regime/audit-fees/201415-work-programme-and-scales-of-fees/>

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 £10,670.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2014	15,040
December 2014	15,040
March 2015	15,040
June 2015	15,041
Grant Certification	
December 2015	10,670
Total	70,831

Outline audit timetable

We will undertake our audit planning and interim audit procedures between January to April 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 by September 2015 and work on the whole of government accounts return will also be completed by September 2015.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	January to April 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.
Final accounts audit	June to Sept 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	Jan to Sept 2015	Audit Findings (Report to those charged with governance)	As above
Financial resilience	Jan to Sept 2015	Financial resilience report	Report summarising the outcome of our work.
Whole of government accounts	September 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/Authority	The letter will summarise the findings of all aspects of our work.
Grant certification	June to December 2015	Grant certification report	A report summarising the findings of our grant certification work

Our team

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

	Name	Phone Number	E-mail
Engagement Lead	Karen Murray	0161 234 6364	karen.l.murray@uk.gt.com
Engagement Manager	Simon Hardman	0161 234 6379	simon.hardman@uk.gt.com
Audit Executive	Sophia Iqbal	0161 234 6372	sophia.s.iqbal@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 Sarah Howard, our Head of Public Sector Assurance.

Yours sincerely

Karen Murray
For Grant Thornton UK LLP