



Our Ref M04885246

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Dear Richard

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 £274,752, which is the same fee as for the last two years.

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.

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 £21,000 which compares to the grant certification fee of £23,663 for 2013/14.

Billing schedule

Fees will be billed as follows:

| Main Audit fee | £ |
|----------------------------|----------------|
| September 2014 | 68,688 |
| December 2014 | 68,688 |
| March 2015 | 68,688 |
| June 2015 | 68,688 |
| Grant Certification | |
| December 2015 | 21,000 |
| Total | 295,752 |

Outline audit timetable

We will undertake our audit planning and interim audit procedures between December 2014 and March 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, work on the VfM conclusion and work on the whole of government accounts return will be completed in September 2015.

| Phase of work | Timing | Outputs | Comments |
|----------------------------------|-----------------------------|--|--|
| Audit planning and interim audit | December 2014 to March 2015 | Audit plan | The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and our VfM work. |
| Final accounts audit | July to Sept 2015 | Audit Findings Report to the Audit Committee | This report sets out the findings of our accounts audit and VfM work for consideration by the Audit Committee. |
| VfM conclusion | Jan to Sept 2015 | Audit Findings Report to the Audit Committee | 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 | 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 | Sarah Howard | 0161 953 6370 | sarah.howard@uk.gt.com |
| Engagement Manager | John Farrar | 0161 234 6384 | john.farrar@uk.gt.com |
| In Charge Auditor | Simon Livesey | 0161 234 6370 | simon.d.livesey@uk.gt.com |
| Technical Support | Paul Spinks | 0113 200 2554 | paul.spinks@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 Kevin Engel, Office Audit Partner for the North West at kevin.engel@uk.gt.com.

Yours sincerely



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