

16 April 2012

Mr John Everitt
Chief Executive
Bath and North East Somerset Council
Guildhall
Bath
BA1 5AW

Direct line 0844 798 2447

Dear Mr Everitt

Bath and North East Somerset Council – Consultation on auditor appointment for 2012/13 and future years

I am writing to consult you on the appointment of Grant Thornton UK LLP to audit the accounts of Bath and North East Somerset Council for five years from 2012/13. The appointment would commence on 1 September 2012.

Background to the proposed appointment

We wrote to you on 6 March to advise you that the Audit Commission (the Commission) had completed the procurement to outsource the work of its in-house Audit Practice. Grant Thornton was successful in winning the contract covering your area. The Commission is now in a position to consult on the auditor appointments for all bodies for 2012/13 and future years.

Grant Thornton is a leading business and financial adviser, with offices in 27 locations nationwide. Led by over 200 partners and employing 4,000 staff, the firm provides personalised audit, tax and specialist advisory services to over 40,000 corporate, public sector and private individual clients.

The firm's national Public Sector Assurance team has been providing audit services to the Commission since it was created in 1983, and is one of the Commission's largest existing audit suppliers. The team has a full range of local authority and NHS audit clients across the UK including unitary, county, district, police, fire and pensions authorities, and NHS commissioner and provider organisations. The Public Sector Assurance team is led by twelve partners and directors, all of whom specialise in public sector assurance. The firm looks forward to providing a fresh perspective and approach to client service and to welcoming new colleagues from the Commission to ensure continuity and a smooth transition.

The consultation process

The Commission has a statutory duty to appoint external auditors to local government and NHS bodies under Section 3 of the Audit Commission Act 1998. The Commission has a duty to consult local government bodies on the appointment. We also consult NHS bodies.

Our [Auditor appointments strategy](#), published in January, sets out the process we will follow in making this appointment.

Introductory meeting for the South West contract area

To support the consultation on auditor appointments, we have arranged an introductory meeting in each contract area to give bodies the opportunity to meet the new firm proposed as their auditor.

You are invited to attend a meeting hosted by Grant Thornton at their office in Hartwell House, 55-61 Victoria Street, Bristol BS1 6FT on Friday 11 May from 10.30 - 12.30.

Please can you confirm by Monday 23 April to introductorymeetings@audit-commission.gov.uk if you wish to attend the meeting and advise the names of the attendees. Two places are available for Bath and North East Somerset Council.

The meeting agenda is attached at the end of this letter. Details of the location of the venue are available in the agenda.

Process for objecting to a proposed auditor appointment

The [process for bodies to object to a proposed auditor appointment](#) is summarised in a chart available on the Commission's website.

Under Stage 1 of the process, if you wish to make representations to the Commission about the proposed appointment please send them by email to auditor-appointments@audit-commission.gov.uk by **Friday 25 May**. Your email should set out the reasons why you think the proposed appointment should not be made.

The Managing Director, Audit Policy will consider carefully all representations and respond by **Friday 8 June**. If your representations are accepted, we will consult you on an alternative appointment. If your representations are rejected, there will be a further opportunity for you to make representations to a subcommittee of the Commission Board (the Board's Appointments Panel). The terms of reference and membership of the Panel are set out in the Auditor appointments strategy.

The Commission Board will consider all proposed appointments at its meeting scheduled for 26 July. We aim to write to all bodies to confirm the Commission's decision by 10 August.

Appointments timetable

The appointments timetable is summarised below.

Bodies to confirm attendance at introductory meeting	by Monday 23 April
Last date for representations to Managing Director, Audit Policy	Friday 25 May
Managing Director, Audit Policy considers representations and responds to audited bodies	by Friday 8 June
Consultation on alternative auditor appointment (if representations accepted) starts	Monday 18 June
Last date for representations to Board Appointments Panel (if representations not accepted by Managing Director, Audit Policy)	Friday 6 July
Last date for representations on alternative auditor appointment	
Board Appointments Panel considers further representations from audited bodies	Wednesday 11 July
Commission Board approves appointments	Thursday 26 July
Letters sent to audited bodies to confirm appointments approved by Commission Board	by Friday 10 August
Appointments begin	1 September

If you have any questions about the proposed auditor appointment or the consultation process, please email us at auditor-appointments@audit-commission.gov.uk or call on 0844 798 2447.

If you have any questions about the introductory meeting, please email us at introductorymeetings@audit-commission.gov.uk or contact Daniel Bird on 0844 798 6164.

Yours sincerely



Marcine Waterman
Director, Audit Policy and Regulation

Agenda

Grant Thornton

Introductory Event for Audited Bodies in the South West

Date Friday 11 May

Time 10.30 - 12.30

Venue Grant Thornton [Click here for directions to the venue](#)
 Hartwell House
 55-61 Victoria Street
 Bristol
 BS1 6FT

Attendees Marcine Waterman, Audit Commission
 Andrew Davies, Audit Commission
 Daniel Bird, Audit Commission
 Grant Thornton
 Audited Bodies

Item	Lead
1. Welcome / introductions	MW
2. The national picture <ul style="list-style-type: none"> Summary of the outcomes of the procurement exercise, including length of contracts Overview of national results and the shape of the market Impact on audit fees Sector specific issues 	MW
3. South West contract area <ul style="list-style-type: none"> Shape of the local market Area specific issues How independence issues will be managed 	AD
4. Future shape of the Commission <ul style="list-style-type: none"> Confirmation of the Audit Commission's role in respect of appointments Overview of other functions (national studies, NFI etc.) 	MW

Item	Lead
5. Q&A (for the Commission)	Audit Commission
6. Introduction to Grant Thornton <ul style="list-style-type: none"> • Introduction to senior team • Information about engagement leads / audit teams across the contract area • Arrangements for delivery of the audits • Plans to ensure a smooth transition, including completion of outstanding work 	Firm
7. Q&A (for Grant Thornton)	Firm
8. Next steps <ul style="list-style-type: none"> • Timetable for making appointments • Overview of consultation / appeals process • Contact details for the Commission 	MW
9. Informal discussions	All