

Mr A Pate
Strategic Director of Resources
Bath and North East Somerset Council
The Guildhall
High Street
Bath
BA1 5AW

Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol BS1 6FTI
T +44 (0)117 3057600
www.grant-thornton.co.uk

2 April 2013

Dear Andrew

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.”

The Council's scale fee for 2013/14 has been set by the Audit Commission at £164,039, the same level as for 2012/13 and which compares to the audit fee of £273,398 for 2011/12.

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.

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

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 (VfM) 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 £20,100, compared to £24,550 in 2012/13.

Avon 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 2013/14 scale fee for the audit of the pension fund is £28,805 the same as for 2012/13. Our work on the pension fund will be undertaken in two stages in 2014:

- the interim work in March and April
- the final audit in August.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2013	41,010
December 2013	41,010
March 2014	41,010
June 2014	41,009
Grant Certification	
June 2014	20,100
Total	184,139
<hr/>	
Pension Fund audit	
September 2014	28,805

Outline audit timetable

We will undertake our audit planning and interim audit procedures in December 2013 to March 2014. 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 in will be completed in September 2014.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	December 2013 to 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	June to Sept 2014	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 2014	Audit Findings (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	This work will be completed alongside the 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:

	Name	Phone Number	E-mail
Engagement Lead	Barrie Morris	0117 3057708 07771 976684	barrie.morris@uk.gt.com
Engagement Manager Council audit	Chris Hackett	0117 3057876 07880 456130	chris.i.hackett@uk.gt.com
Engagement Manager Pensions audit	Chris Hackett	0117 3057876 07880 456130	chris.i.hackett@uk.gt.com
Audit Executive Council audit	Louise Luke	0117 3057863	louise.m.luke@uk.gt.com
Audit Executive Pensions audit	Roy Edwards	0117 3057880	roy.a.edwards@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 John Golding, our Public Sector Assurance regional lead partner (john.golding@uk.gt.com) .

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barrie Morris', written in a cursive style.

Barrie Morris
Director
For Grant Thornton UK LLP

T 0117 3057708
F 0117 3057784
E barrie.morris@uk.gt.com