



# Grant Thornton

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Our Ref JG/SJ/plb

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2<sup>nd</sup> April 2014

Dear Kelvin

## **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 £72,436, which compares to the audit fee of £72,436 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](http://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 report as part of our Audit Findings Report.

### **Certification of grant claims and returns**

The Council's composite indicative grant certification fee has been set by the Audit Commission at £8,280 (a reduction from actual for 2012/13 of £13,500).

The indicative certification fees are based on the latest final certification fees available, for 2012/13 certification, and cover certification of housing benefit subsidy claims only. They have been reduced to reflect the removal of council tax benefit from subsidy claims and the removal of the requirement to certify the National Non Domestic Rates Return from April 2013.

### **Billing schedule**

Fees will be billed as follows:

<b>Main Audit fee</b>	<b>£</b>
September 2014	18,109
December 2014	18,109
March 2015	18,109
June 2015	18,109
	<b>72,436</b>
<b>Grant Certification</b>	
December 2015	8,280
<b>Total</b>	<b>80,716</b>

## Outline audit timetable

We will undertake our audit planning and interim audit procedures in . 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 January-September 2015 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 – 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
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	John Gregory	0121 232 5333	<a href="mailto:john.gregory@uk.gt.com">john.gregory@uk.gt.com</a>
Engagement Manager	Suzanne Joberns	0121 232 5320	<a href="mailto:suzanne.joberns@uk.gt.com">suzanne.joberns@uk.gt.com</a>
Audit Executive	Naomi Povey	0121 232 5294	<a href="mailto:naomi.j.povey@uk.gt.com">naomi.j.povey@uk.gt.com</a>

**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 Jon Roberts, our Public Sector Assurance regional lead partner ([jon.roberts@uk.gt.com](mailto:jon.roberts@uk.gt.com))

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Gregory', with a large circular flourish on the left side.

John Gregory  
Director  
For Grant Thornton UK LLP

