

To: Joint Audit Committee
Date: 12th June 2014
By: Paul Grady, Grant Thornton
Title: External Audit Fee Letters

Purpose of Report/Issue:

To inform members of the content of letter received from Grant Thornton regarding the scale of fees to be charged to the Police & Crime Commissioner and to the Chief Constable for the 2014/15 external audit.

Recommendations

The Committee is asked to consider and comment on the fee proposals for the 2014/15 external audit.

Contact details:

Name: Kathryn Sharp
Job Title: Senior Manager Grant Thornton
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Kevin Hurley
Police and Crime Commissioner for Surrey
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Surrey
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London NW1 2EP
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www.grant-thornton.co.uk

16 April 2014

Dear Kevin,

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 your audit 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.”

Your scale fee for 2014/15 has been set by the Audit Commission at £51,610 plus VAT. The scale fee for the Chief Constable's office(CC) is £20,000 plus VAT. The total scale fee for the audit of the Police and Crime Commissioner's group financial statements, including the statements of the Chief Constable, is £71,610 plus VAT. This remains unchanged from the total scale fee of £71,610 plus VAT charged 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

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 you, as Police and Crime Commissioner, have adequate arrangements in place to secure economy, efficiency and effectiveness in your use of resources, focusing on your 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.

Billing schedule

Fees will be billed as follows:

Police and Crime Commissioner Audit fee	£
September 2014	12,902
December 2014	12,902
March 2015	12,903
June 2015	12,903
Total	51,610
Chief Constable Audit fee	
June 2015	20,000
Group Total	71,610

Outline audit timetable

We will undertake our audit planning and interim audit procedures in January /February 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 in July / August 2015 and work on the whole of government accounts return in August 2015.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	March 2015	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of your accounts and VfM conclusion.
Final accounts audit	July to August 2015	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for your consideration.

VfM conclusion	February to August 2015	Audit Findings (Report to those charged with governance)	As above
Whole of government accounts	August 2015	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	October 2015	Annual audit letter	The letter will summarise the findings of all aspects of our work.

Our team

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

	Name	Phone Number	E-mail
Engagement Lead	Paul Grady	0207 728 2301	Paul.D.Grady@uk.gt.com
Engagement Manager	Kathryn Sharp	01293 554086	Kathryn.E.Sharp@uk.gt.com
Assistant Audit Manager	Marcus Ward	0207 728 3350	Marcus.Ward@uk.gt.com

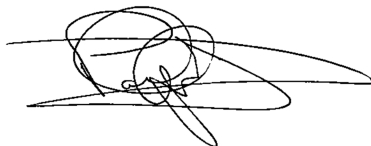
Additional work

The scale fee excludes any work you may request 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 you.

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 Paul Dossett, our Public Sector Assurance regional lead partner (Paul.Dossett@uk.gt.com).

Yours sincerely



Paul Grady
For Grant Thornton UK LLP

Lynne Owens
Chief Constable for Surrey
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16 April 2014

Dear Lynne,

Planned audit fee for 2014/15

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Scale fee

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Value for money conclusion

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Yours sincerely



Paul Grady
For Grant Thornton UK LLP