

RIBBLE VALLEY BOROUGH COUNCIL

please ask for: OLWEN HEAP
direct line: 01200 414408
e-mail: olwen.heap@ribblevalley.gov.uk
my ref: OH/CMS
your ref:
date: 11 November 2013

Council Offices
Church Walk
CLITHEROE
Lancashire BB7 2RA

Switchboard: 01200 425111
Fax: 01200 414488
www.ribblevalley.gov.uk

Dear Councillor

The next meeting of the **ACCOUNTS AND AUDIT COMMITTEE** is at **6.30PM** on **WEDNESDAY, 20 NOVEMBER 2013** at the **TOWN HALL, CHURCH STREET, CLITHEROE.**

I do hope you can be there.

Yours sincerely

CHIEF EXECUTIVE

To: Committee Members (copy for information to all other members of the Council)
Directors
Press
Parish Councils (copy for information)
Audit Manager, Grant Thornton

AGENDA

Part I – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2. Minutes of meeting held on 28 August 2013 – copy enclosed.
3. Declarations of Interest (if any).
4. Public Participation (if any).

FOR DECISION

- ✓ 5. Annual Audit Letter 2012/13 – copy enclosed.

FOR INFORMATION

- ✓ 6. Internal Audit Progress Report 2013/14 – report of Director of Resources – copy enclosed.
- ✓ 7. Public Sector Internal Audit Standards – report of Director of Resources – copy enclosed.
- ✓ 8. Grant Thornton Planned Audit Fee 2013/14 – report of Director of Resources – copy enclosed.
- 9. Reports from Representatives on Outside Bodies (if any).

Part II - items of business **not** to be discussed in public

- ✓ 10. Review of Risks – report of Director of Resources – copy enclosed.



The Annual Audit Letter for Ribble Valley Borough Council

Year ended 31 March 2013

October 2013

Karen Murray

Director

T 0161 234 6364

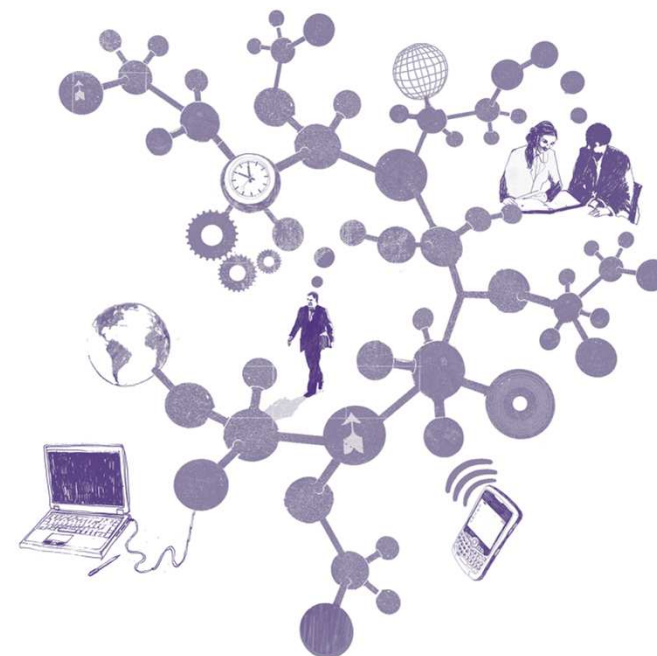
E karen.l.murray@uk.gt.com

Georgia Jones

Manager

T 0161 214 6383

E georgia.s.jones@uk.gt.com



Contents

Section	Page
1. Executive summary	3-5
2. Audit of the accounts	6-7
3. Value for Money	8-9
4. Certification of grant claims and returns	10-11

Appendices

A Reports issued and fees

Section 1: Executive summary

01. Executive summary

02. Audit of the accounts

03. Value for Money

04. Certification of grant claims and returns

Executive summary

Purpose of this Letter

Our Annual Audit Letter ('Letter') summarises the key findings arising from the following work that we have carried out at Ribble Valley Borough Council ('the Council') for the year ended 31 March 2013:

- auditing the 2012/13 accounts and Whole of Government Accounts submission (Section two)
- assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (Section three)
- certification of grant claims and returns (Section four).

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. We reported the detailed findings from our audit work to those charged with governance in the Audit Findings Report on 28 August 2013.

Responsibilities of the external auditors and the Council

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

The Council is responsible for preparing and publishing its accounts, accompanied by an Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money).

Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 27 March 2013 and was conducted in accordance with the Audit Commission's Code of Audit Practice ('the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Audit conclusions

The audit conclusions which we have provided in relation to 2012/13 are as follows:

- an unqualified opinion on the accounts which give a true and fair view of the Council's financial position as at 31 March 2013 and its income and expenditure for the year
- an unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources
- an unqualified opinion on the council's Whole of Government Accounts submission
- we have certified one grant claim which was certified without amendment and work on the Housing and Council Tax Benefit grant claim is in progress

Executive Summary

Key areas for Council attention

We summarise here the key messages arising from our audit for the Council to consider as well as highlighting key issues facing the Council in the future.

The key messages arising from our audit of the Council's financial statements are:

- working papers were of a good standard and we received responses to our queries on a timely basis
- we identified few errors in the financial statements.
- we issued an unqualified opinion.
- based our review of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources, we issued an unqualified VFM conclusion.

In line with most public sector bodies, the Council faces a number of financial challenges going forward. The Council is in a good position to react to and address these challenges, and will need to ensure they remain responsive to emerging risks.

Acknowledgements

This Letter has been agreed with the Director of Resources and was presented to Audit Committee on 27 November 2013.

We would like record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2013

Section 2: *Audit of the accounts*

01. Executive summary

02. Audit of the accounts

03. Value for Money

04. Certification of grant claims and returns

Audit of the accounts

Audit of the accounts

The key findings of our audit of the accounts are summarised below:

Preparation of the accounts

The Council presented us with draft accounts on 26 June 2013, in accordance with the national deadline. Appropriate working papers were made available from the start of the audit fieldwork, which commenced 1 July 2013.

Working papers were of a good standard and we received responses to our queries on a timely basis.

Issues arising from the audit of the accounts

We identified 2 adjustments which did not affect the Council's reported financial position. We also made a number of minor adjustments to improve the presentation of the financial statements.

The key messages arising from our audit of the Council's financial statements are:

- working papers were of a good standard and we received responses to our queries on a timely basis
- we identified few errors in the financial statements.
- we issued an unqualified opinion.

Annual Governance Statement

The annual governance statement complied with the requirements of 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007.

Conclusion

Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to 'those charged with governance' (defined as the Accounts and Audit Committee at the Council). We presented our report to the Audit Committee on 28 August 2013 and summarise only the key messages in this Letter.

We issued an unqualified opinion on the Council's 2012/13 accounts on 10 September 2013, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the accounts give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.

Section 3: Value for Money

01. Executive summary

02. Audit of the accounts

03. Value for Money

04. Certification of grant claims and returns

Value for Money

Scope of work

The Code describes the Council's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give a VFM conclusion based on the following two criteria specified by the Audit Commission which support our reporting responsibilities under the Code

The Council has proper arrangements in place for securing financial resilience. The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness. The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key findings

Securing financial resilience

We have undertaken a review which considered the Council's arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission:

- financial governance
- financial planning
- financial control.

The Council achieved its planned savings of £635k in 2012/13. As a result of the savings achieved in 12-13, the Council has been able to set a balanced budget for 2013-14. The Council is on track to deliver its 2013/14 budget.

As at 31 March 2013 the Council has £6.346m reserves, with £1.7m representing the general fund balance. This is above the S151 officer's recommended minimum level of £700k.

Further details are provided in our Financial Resilience report issued in August 2013.

Challenging economy, efficiency and effectiveness

We have reviewed whether the Council has prioritised its resources to take account of the tighter constraints it is required to operate within and whether it has achieved cost reductions and improved productivity and efficiencies.

The Council is relatively low spending. The "cost per head" for services provided compares well with its nearest statistical neighbours.

Value for Money

Looking ahead and in line with most public sector bodies, the Council faces a further significant reduction in central government funding. Work is now underway to identify the savings necessary if the Council is to achieve the spending reductions likely to be needed by the end of 2015/16.

Further details are provided in our Financial Resilience report issued in August 2013.

Overall VFM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Section 4: Certification of grant claims and returns

01. Executive summary

02. Audit of the accounts

03. Value for Money

04. Certification of grant claims and returns

Certification of grant claims and returns

Introduction

We are required to certify certain of the claims and returns submitted by the Council. This certification typically takes place some six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Key messages

We have certified one return (NNDR) so far. Our work on the certification of the Council's Housing and Council Tax Benefit claim is on-going. Our work to date has not identified any issues which we wish to highlight. The detailed findings of our work will be reported in our Grant Certification report upon completion of our work.

Summary of the Council's arrangements

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	Both claims were submitted by the required deadline. The NNDR claim has been certified to the required deadline. The deadline for certification of the Housing and Council Tax Benefit Claim is 30 November.	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	No amendments or qualification was required in relation to the NNDR claim.	●
Supporting working papers	Working papers provided have been of a good quality and queries have been responded to on a timely basis.	●

Appendices

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and **confirm there were no fees for the provision of non audit services.**

Fees

	Per Audit plan £	Actual fees £
Audit Fee	52,702	48,002
Grant certification fee	10,550	TBC
Total fees	63,252	TBC

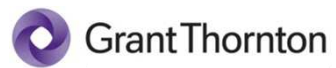
The Audit Commission notified the Council of a rebate on its 2012-13 fees of £4,700 during the year. Grant fees are subject to final determination by the Commission.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued
Audit Plan	27 March 2013
Audit Findings Report	28 August 2013
Certification report	TBC
VfM – Financial Resilience Report	28 August 2013
Annual Audit Letter	October 2013



© 2013 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

grant-thornton.co.uk

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 6

meeting date: 20 NOVEMBER 2013
 title: INTERNAL AUDIT PROGRESS REPORT 2013/14
 submitted by: DIRECTOR OF RESOURCES
 principal author: MICK AINSCOW

1 PURPOSE

1.1 To report to Committee internal audit work progress to date for 2013/14.

1.2 Relevance to the Council's ambitions and priorities:

- Corporate priorities – the Council seeks to maintain critical financial management and controls, and provide efficient and effective services.
- Other considerations – the Council has a statutory duty to maintain an adequate and effective system of internal audit.

2 BACKGROUND

2.1 Internal audit ensure that sound internal controls are inherent in all the Council's systems. All services are identified into auditable areas and then subjected to a risk assessment process looking at factors such as financial value and audit experience. A risk score is then calculated for each area.

2.2 An operational audit plan is then produced to prioritise resources allocation based on the risk score, with all high-risk areas being covered annually.






2.3 The full internal audit plan for 2013/14 is attached as Annex 1 alongside progress to date. In summary resources for the year have been allocated as follows:

Audit Area	2013/14 Planned Days
Fundamental (Main) Systems	270
Other Systems	55
Probity and Regularity	150
On-going checks	30
Risk Management, Performance Indicators	65
Non-Audit Duties (Insurance)	30
College	40
Contingencies/unplanned work	30
	670

2.4 The position with regards to audit work carried out as at the end of October 2013 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.


3 ISSUES

- 3.1 During the year we aim to review all of the Council's main fundamental systems. The majority of this work will be carried out later in the year, in order that there are sufficient current year transactions to test to provide the necessary level of assurance.
- 3.2 In addition to our systems work we will continue to carry out a series of on-going checks to prevent/detect fraud and corruption.
- 3.3 Insurance services fall under the remit of the internal audit team. In May/June a tendering exercise was carried out for the procurement of our insurance cover. A considerable amount of work was involved in providing the information required by prospective tenderers, and the opportunity was also taken to review our existing levels of cover. Following the exercise, Zurich Municipal were appointed as our insurers on a five year long term agreement. This procurement exercise inevitably impacts on the audit plan.
- 3.4 At present we use an assurance system for all audits carried out. Each completed audit report contains a conclusion which gives a level of assurance opinion as follows:

Level 1	Full		The Council can place full reliance on the levels of control in operation
Level 2	Substantial		The Council can place substantial reliance on the levels of control in operation
Level 3	Reasonable		Generally sound systems of control. Some minor weaknesses in control which need to be addressed
Level 4	Limited		Only limited reliance can be placed on the arrangements/ controls in operation. Significant control issues need to be resolved.
Level 5	Minimal		System of control is weak, exposing the operation to the risk of significant error or unauthorised activity

4 REPORTS CARRIED OUT AND ASSURANCE OPINIONS

- 4.1 This report covers audit work and reports issued since the last report to Committee on 28 August 2013. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
28.08.13	Full 	Fees and Charges 2013/14 – ensuring that all charges for 2013/14 as approved by the relevant committee had been implemented correctly. All prices/fees being charged across the authority were verified to those approved.

Date of Report	Assurance Opinion	Report Details
30.08.13	Substantial ✓ ✓	Ribblesdale Pool – all areas of operation at the pool were examined. Minor recommendations only arising regarding retention of documentation for pool hire and swim/gym scheme.
21.10.13	Substantial ✓ ✓	Car Insurances and Driving Licences – verifying that all staff using their own cars on official council business were appropriately insured i.e. for business use. Driving licences were also checked for all staff – including lease car users. A number of staff were found to not be insured for business use and in 2 cases staff had an expired photocard driving licence. Correct and up to date documentation has now been provided by the staff concerned.
05.11.13	Full ✓ ✓ ✓	Treasury Management – control systems in place were sound, and operating effectively. No recommendations arising.
05.11.13	Substantial ✓ ✓	Petty Cash/Floats – all till floats and petty cash imprests held throughout the Council were checked. Concern was raised that at remote sites monies were being reimbursed to staff before authorisation had been received. This issue is currently being addressed and guidance will be produced to ensure that all staff are aware that reimbursement will not be made until such time as the expenditure has been properly authorised.

4.2 Work is currently being carried out on the Platform Gallery/Visitor Information Centre, Car Parking, Grants and Contract Procedures.

5 QUALITY MONITORING

5.1 Customer feedback questionnaires are issued following the completion of the majority of audit work carried out. These questionnaires ask for the auditees view on the work that has been undertaken. No questionnaires have been returned since the last meeting and any outstanding ones are currently being pursued from the officers concerned.

6 CONCLUSION

6.1 Progress to date with the 2013/14 audit plan is satisfactory.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

AA20-13/MA/AC
6 November 2013

BACKGROUND PAPERS: None

For further information please ask for Mick Ainscow, extension 4540.

Annex 1

2013/14 Planned Days	Audit	Actual days to 31/10/13	Status as at 31/10/13
<i>Fundamental (Main) Systems</i>			
45	Main Accounting	16	
25	Creditors	0	Not started
25	Sundry Debtors	0	Not started
30	Payroll and HR	15	
45	Council Tax	33	
45	Housing Benefits	23	
30	NNDR	0	Not started
20	Cash Receipting	4	
265		91	
<i>Other Systems Work</i>			
20	VAT	4	
5	Stores	0	Not started
10	Treasury Management	10	
20	Procurement	4	Hazard Identification
55		18	
<i>Probity and Regularity</i>			
10	Asset Mgmt/Register	0	Not started
10	HR and Recruitment	0	Not started
10	Insurance	0	Not started
10	Licences	16	
10	Business Continuity Mgmt	0	Not started
5	Car Parking	17	
10	VIC/Platform Gallery	26	
10	Trade Refuse	2	Hazard Identification
10	Recycling	2	Hazard Identification
10	Partnership Arrangements	0	Not started
10	Grants received	9	
10	Grants paid	11	
10	Sustainability	0	Not started
10	Section 106 Agreements	0	Not started
5	Ribblesdale Pool	7	
5	Building Regulations	0	Not started
5	Planning Applications	0	Not started
150		90	
<i>Continuous Activity/Ongoing Checks</i>			
10	Cash Collections Procedures	5	

2013/14 Planned Days	Audit	Actual days to 31/10/13	Status as at 31/10/13
5	Fees and Charges	9	✓
12	Income Monitoring	7	∞
27		21	
25	Contingencies/unplanned work	22	∞
25		22	
40	Risk Management	17	∞
20	Corporate Governance	20	∞
5	Performance Indicators	5	∞
65		42	
30	Insurance	38	∞
30		38	
38	Training	28	∞
38		28	
0	Vacant post	14	
0		14	
	Available audit days to 31/3/2014	306	
655		670	

Key:



In Progress



Continuous Activity



Completed

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

Agenda Item No 7

meeting date: 20 NOVEMBER 2013
title: PUBLIC SECTOR INTERNAL AUDIT STANDARDS UPDATE
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To update members on the Public Sector Internal Audit Standards, which were introduced in April 2013.

2 BACKGROUND

2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) adopted a common set of Public Sector Internal Audit Standards (PSIAS) with effect from 1 April 2013.

2.2 The PSIAS supersede the 2006 CIPFA *Code of Practice for Internal Audit in Local Government in the United Kingdom*, and an application note has been developed by CIPFA to demonstrate local government specific requirements within the PSIAS framework.

2.3 The PSIAS encompasses the mandatory elements of the Global Institute of Internal Auditors (IIA Global) International Professional Practices Framework (IPPF) and apply to all public sector internal audit service providers, whether in-house, shared service or outsourced.

2.4 The new standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

3 CURRENT POSITION

3.1 A brief review has been undertaken of the requirements of the PSIAS and the CIPFA application note and there are not many significant changes from the previous CIPFA code.

3.2 The main changes that have been identified are:

- The Quality Assurance and Improvement Programme required by the PSIAS must include both internal and external assessments, with the external assessment to be undertaken at least every five years.
- The terms 'board' and 'senior management' must be defined for the purposes of internal audit activity.
- Any 'significant' consultancy services that have not been included in the Audit Plan should be approved by the 'board'.

3.3 With regard to the Quality Assurance and Improvement Programme, internal assessments will be carried out by the Principal Auditor (referred to as the Chief Audit Executive in the IIA). This will include the review of policies, procedures and working practices, supervision and performance assessment of staff, setting performance targets and monitoring the service against these targets.

- 3.4 External assessments may take the form of an externally validated self-assessment or an exercise undertaken by an external assessor. Such external assessor may not necessarily be our external auditors, Grant Thornton, although they can be used to undertake the assessment. The CIPFA application explains that the review work already undertaken by our external auditors for placing reliance on the work of the internal audit activity does not automatically correspond with the requirements laid out in the PSIAS and CIPFA application note.
- 3.5 Based on the information contained within the CIPFA application note, at this council the term 'board' would relate to Accounts and Audit Committee and 'senior management' would relate to the Corporate Management Team (CMT).
- 3.6 The PSIAS and the CIPFA application note also require the council to have an Internal Audit Charter. This term has not generally been applied within local government, but is comparable to the existing Terms of Reference and Audit Manual. A new Internal Audit Charter will be produced and reported to Accounts and Audit Committee at a future meeting, encompassing the existing Terms of Reference and Audit Manual.
- 3.7 A further review of the Internal Audit service against the requirements of the PSIAS and the CIPFA application note will also be undertaken, incorporating the checklist for assessing conformance, which is included within the application note and very detailed. The results of the review will be reported back to Accounts and Audit Committee at a future meeting.

4 CONCLUSION

- 4.1 The new Public Sector Internal Audit Standards (PSIAS) and the CIPFA application note are comparable to the requirements of the previous 2006 CIPFA *Code of Practice for Internal Audit in Local Government in the United Kingdom*, but with some further requirements.
- 4.2 A further detailed review of the Internal Audit service against the requirements of the PSIAS and the CIPFA application note will also be undertaken, and a new Internal Audit Charter will be brought back to a future meeting for approval.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

P21-13/LO/AC
7 November 2013

BACKGROUND PAPERS:

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

Agenda Item No 8

meeting date: 20 NOVEMBER 2013
title: GRANT THORNTON PLANNED AUDIT FEE 2013/14
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To inform members of the planned audit fee of Grant Thornton for this council for 2013/14.

2 BACKGROUND

2.1 As members will be aware from previous reports, the Audit Commission transferred its in-house audit practice to the private sector by outsourcing through a procurement exercise.

2.2 The contract for the North West was awarded to Grant Thornton, who formally took the audit of this council from the 1 November 2012.

2.3 The procurement of external audit services secured substantial savings which were reflected in our audit fee for 2012/13.

3 PLANNED AUDIT FEE

3.1 We have been informed by Grant Thornton of the planned audit fee for 2013/14, as attached at Annex 1.

3.2 The council's original budget for the main audit fee was set in February as £54,020. The planned audit fee in the attached letter is substantially marginally lower than this at £52,700, which is unchanged from 2012/13.

4 CONCLUSION

4.1 The audit fee for 2013/14 has remained unchanged from 2012/13.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA22-13/LO/AC
8 November 2013

Jane Pearson
 Director of Resources
 Ribble Valley Borough Council
 Council Offices
 Church Walk
 Clitheroe
 BB7 2RA

Grant Thornton UK LLP
 4 Hardman Square
 Spinningfields
 Manchester
 M3 3EB
 T +44 (0)161 953 6900
 www.grant-thornton.co.uk

22 April 2013

Dear Jane

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 £52,702, which is unchanged from 2012/13.

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-and-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 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 £10,140.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2013	13,176
December 2013	13,176
March 2014	13,175
June 2014	13,175
Grant Certification	
June 2014	16,000
Total	68,702

Outline audit timetable

We will undertake our audit planning and interim audit procedures in January 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 and work on the VfM conclusion will be completed in July to September 2014 and work on the whole of government accounts return in September 2014.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	January 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	July 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	Karen Murray	0161 234 6364	karen.l.murray@uk.gt.com
Engagement Manager	Georgia Jones	0161 214 6383	georgia.s.jones@uk.gt.com
Audit Executive	Helen Palmer	0161 234 6360	helen.c.palmer@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 Sarah Howard, our Head of Public Sector Assurance sarah.howard@uk.gt.com.

Yours sincerely

Karen Murray
For Grant Thornton UK LLP