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Dear Nigel

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 £163,085 which is unchanged from the previous two years.

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.

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 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 £21,280, (which compares to £27,500 for 2013/14).

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2014	40,767
December 2014	40,766
March 2015	40,766
June 2015	40,766
Total	163,085
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Grant Certification	£
December 2015	21,280
Grand Total	184,365

Outline audit timetable

We expect to hold our initial 2014-15 planning meeting with the Council during Autumn 2014 and will hold further meetings with the Council throughout 2014-15. We will undertake our audit planning and interim audit procedures in early 2015. Upon completion of this phase of our work we will issue our Audit Plan setting out our findings and details of our audit approach.

Our final accounts audit and work on the VfM conclusion will commence in July and be completed by September 2015. We expect to issue our Annual Audit Letter in October 2015.

The table below summarises the timings and output from our work.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	October 2014 – March 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. This is expected to be presented to the Audit Committee in March 2015.
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. The report is expected to be presented to the Audit Committee in September 2015.
VfM conclusion	Jan to Sept 2015	Audit Findings (Report to those charged with governance)	As above.
Financial resilience	Jan to Sept 2015	Financial resilience report	Report summarising the outcome of our work, expected to be presented to the Audit Committee in September 2015.
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, expected to be presented to the Audit Committee in October 2015.
Grant certification	June to December 2015	Grant certification report	A report summarising the findings of our grant certification work, expected to be presented to the Audit Committee in January 2016.

Our team

The key members of the audit team for 2013/14 are:

	Name	Phone Number	E-mail
Engagement Lead	Mark Heap	T: 0161 234 6375	mark.r.heap@uk.gt.com
Engagement Manager	Marianne Dixon	T: 07880 456 157	marianne.dixon.@uk.gt.com
Engagement In-charge	Tom Mulloy	T: 0113 245 5514	thomas.mulloy@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



Mark Heap
For Grant Thornton UK LLP

cc Merran McRae, Chief Executive