



EASTBOURNE BOROUGH COUNCIL

Planning Letter 2014/15

24 February 2014

PROPOSED FEES

Scope of the audit

We are required to report to you our proposed fees and programme of work for the 2014/15 financial year.

The fee is based on the work required under the Audit Commission's *Code of Audit Practice* ('Code') and our assessment of audit resource required to complete this work, taking into account the strength of your control environment, coverage of internal audit work and previous audit experience.

The Code audit fee covers:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government Accounts return.

The audit also includes certification of grants and returns on behalf of the Audit Commission.

Indicative fees

In October 2013, the Audit Commission published a consultation document setting out the work that auditors will undertake at local government bodies during 2014/15, with the associated scales of audit fees. The Commission plans to publish the final work programme and scales of fees for 2014/15 in March 2014.

The Commission has not planned to make any changes to the work programme for local government for 2014/15 and so the Code audit indicative fees have been set at the same level as the fees applicable for 2013/14.

The indicative fee does not include any time required to investigate questions or objections from members of the public. Should any arise, time spent dealing with questions and objections will be billed separately. Where possible we will provide an estimate of the likely time required to respond to the matters before starting the work.

The Audit Commission is currently reviewing the potential impact of changes in certification arrangements and the current indicative fees for this work are likely to be amended.

Fees

AUDIT AREA	PROPOSED FEE 2014/15 (£)	PROPOSED FEE 2013/14 (£)	ACTUAL FEE 2012/13 (£)
Code audit fee	88,920	88,920	88,920
Certification fee	12,600	14,100	22,350
Total audit fees	101,520	103,020	111,270
Non audit services	-	-	⁽¹⁾ 2,250
Total fees	101,520	103,020	113,520

⁽¹⁾ Non audit services fees in 2012/13 comprised an annual subscription with BDO to provide general support for PAYE/VAT queries prior to the merger of PKF (UK) LLP and BDO LLP.

Fee variations

The proposed Code audit fee for 2014/15 of £88,920 is not varied from the Audit Commission indicative scale fee. The proposed certification fee may be amended following a review of requirements by the Audit Commission currently underway.

A separate audit plan will be issued early in 2015 once we have completed our detailed risk assessment and the audit of the 2013/14 financial statements. This will detail the significant audit risks that we have identified and our planned audit procedures to respond to those risks.

If we need to propose any amendments to the audit fee during the course of the audit or where our assessment of risk and complexity is significantly different from those reflected in the proposed fee, we will first discuss this with the Director of Corporate Services and seek approval from the Audit Commission for a proposed variation of fee. If necessary, we will also prepare a report outlining the reasons why the fee needs to change for discussion with the Audit and Governance Committee.

AUDIT ARRANGEMENTS

Planned outputs

We plan to issue the following reports and opinions over the course of the audit:

REPORT	DATE
Progress reports to the Audit and Governance Committee	each meeting
Detailed audit plan	January 2015
Report on any significant deficiencies in internal controls, if required, based on the results of our interim audit visit	May 2015
Final report to those charged with governance	September 2015
Independent auditor's report including: <ul style="list-style-type: none">Opinion on the financial statementsValue for money conclusion	September 2015
Whole of Government Accounts assurance statement and report to the NAO	October 2015
Summary of findings from the audit in the annual audit letter	October 2015
Grant claims and returns certification report	December 2015

Audit team

The key members of the audit team will be:

Engagement Lead - Leigh Lloyd-Thomas

email: leigh.lloyd-thomas@bdo.co.uk

Tel: 020 7893 2616

Leigh will be responsible for the overall delivery of the audit including the quality of outputs and liaison with senior management.

Engagement Manager - Janine Combrinck

email: janine.combrinck@bdo.co.uk


Tel: 020 7893 2631

Janine will manage and co-ordinate each aspect of the audit and will be the key contact with the Finance team.

Client satisfaction

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 Leigh in the first instance. Alternatively, you may wish to contact our Managing Partner, Simon Michaels. Any complaint will be investigated carefully and promptly. If you are not satisfied you may take up the matter with the Institute of Chartered Accountants in England and Wales ("ICAEW").

In addition, the Audit Commission's complaints handling procedure is detailed in their leaflet "How to complain: What to do if you want to complain about the Audit Commission or its appointed auditors", which is available on their website <http://www.audit-commission.gov.uk/about-us/contact-us/complaints>



The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the council and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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