



# Grant Thornton

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Our Ref GP/JH/W09000017/L2

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11 April 2013

Dear James

## **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 Joint Committee 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 Joint Committee's scale fee for 2013/14 has been set by the Audit Commission at £18,386. This is the same as the original audit scale fee of £18,386 for 2012/13. As reported to the Audit Committee we are currently waiting for approval from the Audit Commission to vary the 2012/13 fee to £23,386 to address the additional audit risks identified for that year.

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-work-programme](http://www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-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)

**Chartered Accountants**

Member firm within Grant Thornton International Ltd

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### Value for Money conclusion

Under the Audit Commission Act, we must be satisfied that the Joint Committee has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, focusing on a review of the annual governance statement.

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:

Main Audit fee	£
September 2013	4,596
December 2013	4,596
March 2014	4,596
June 2014	4,598
<b>Total</b>	<b>18,386</b>

### Outline audit timetable

We will undertake our audit planning and interim audit procedures in Spring 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/August 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 Joint Committee's accounts and VfM.
Final accounts audit	July to August 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	January to August 2014	Audit Findings (Report to those charged with governance)	As above.
Annual audit letter	October 2014	Annual audit letter to the Joint Committee	The letter will summarise the findings of all aspects of our work.

**Our team**

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

	<b>Name</b>	<b>Phone Number</b>	<b>E-mail</b>
Engagement Lead	Grant Patterson	0121 232 5296 07880 456 114	grant.b.patterson@uk.gt.com
Engagement Manager	Joan Hill	0121 232 5327 07880 456 108	joan.hill@uk.gt.com
Audit Executive	Nigel Meredith	0121 232 5308	nigel.j.meredith@uk.gt.com

**Additional work**

The scale fee excludes any work requested by the Joint Committee 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 Joint Committee.

**Other matters**

We are aware that the Joint Committee is in the process of updating its joint agreement following the sale of the supplies division. We understand that the sale included the use of the name West Mercia Supplies and that the joint committee intends to make arrangements to change its name to West Mercia Energy Joint Committee. We will continue to work with you during this transition period.

**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



Grant Patterson  
Director  
For Grant Thornton UK LLP

cc Nigel Evans - Director