



Carl Beer  
Chief Executive  
Merseyside Waste Disposal Authority  
6th Floor North House  
North John Street  
Liverpool  
L2 5QY

**Grant Thornton UK LLP**  
Royal Liver Building  
Liverpool  
L3 1PS  
T +44 (0)151 224 7200  
[www.grant-thornton.co.uk](http://www.grant-thornton.co.uk)

11 April 2013

Dear Mr Beer

## **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 Authority 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 Authority's scale fee for 2013/14 has been set by the Audit Commission at £39,150, which was the same as the scale fee for 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](http://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)

#### **Chartered Accountants**

Member firm within Grant Thornton International Ltd  
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No. OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP  
A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

- our work on your whole of government accounts return.

### Value for Money conclusion

Under the Audit Commission Act, we must be satisfied that the Authority 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 Authority's financial resilience as part of our work on the VfM conclusion and a separate report of our findings will be provided.

### Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2013	9,800
December 2013	9,800
March 2014	9,800
June 2014	9,750
<b>Total</b>	<b>39,150</b>

### Outline audit timetable

We will undertake our audit planning and interim audit procedures in February/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 September 2014 and work on the whole of government accounts return in the same month.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	TBC	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Authority's accounts and VfM.
Final accounts audit	June 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
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 Authority	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:

	Name	Phone Number	E-mail
Engagement Lead	Mike Thomas	0161 214 6368	Mike.Thomas@uk.gt.com
Engagement Manager	Claire Deegan	0161 214 6393	Claire.Deegan@uk.gt.com
VfM/Advisory Lead	Mike Read	07971 409287	Mike.Read@uk.gt.com
Audit Executive	Martin Nuttall	0161 214 6379	Martin.Nuttall@uk.gt.com

### Additional work

The scale fee excludes any work requested by the Authority 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 Authority.

### Other matters

We are aware of the ongoing procurement of the Resource Recovery Contract, a £1billion PFI contract. We will consider the risk implications of this during the period and discuss any amendment to the fee if required.

### 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](mailto:sarah.howard@uk.gt.com).

Yours sincerely

Michael Thomas

For Grant Thornton UK LLP