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Our ref Our ref CYC 13/1

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16 November 2012

Dear Kersten

City of York Council - External audit 2012/13 fee planning

I am pleased to confirm that on 1 November 2012 I began my appointment as your external audit engagement lead for 2012/13. This will be my fifth year fulfilling this role for you, although the first as a Director with Mazars LLP. This means that I will continue to work closely with you, your staff and members to ensure that my team provides the highest quality service.

On 5 October Gareth Davies, Mazars' Public Services Partner, wrote to the Council outlining the fee for your external audit and the proposed approach for billing. I am writing to you now to confirm that fee and to provide further details of my 2012/13 programme of work. I will provide you with a comprehensive Audit Strategy Memorandum in February 2013.

Fees

The table below includes my proposed fees. I confirm that the fees are in line with the Audit Commission's published scale fee. At this stage I am not proposing any non-audit work.

Audit area	Proposed fee (2012/13)	Final fee (2011/12)
Audit	£134,406	£224,010
Certification work	£ 20,950	£ 41,057

The Audit Commission's scale fee assumes that you are able to provide me with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes. Additional fees may become payable if this proves not to be the case.

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Registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.



Outline of work programme

My proposed audit fee covers:

- The audit of your statement of accounts;
- My work to conclude on your arrangements for value for money; and
- The assurance I am required to provide to the National Audit Office on the consistency of your Whole of Government Accounts return with the audited financial statements.


My work programme also includes certifying the following grant claims and returns, in accordance with Certification Instructions issued by the Audit Commission:

- Housing and Council Tax Benefits subsidy claim;
- National non-domestic rates pooling return;
- Annual return to Teachers' Pensions Agency;
- Housing receipts pooling return.

Audit fees for any additional grant claims undertaken will be agreed in advance. I will address any legal challenge work prompted by local electors at the rate prescribed by the Audit Commission.

At this stage my risk assessment of the Council is under way but not yet complete. I will issue my Audit Strategy Memorandum in February 2013. This will communicate to you the risks that I identify in relation to this work programme and the action I plan to take in response.

Yours sincerely



Steve Nicklin

Director and Engagement Lead, Mazars LLP

CC: Mr I Floyd, Director of Customer and Business Support Services