

Our reference TC/JB

20 April 2009

Lynda Bateman
Treasurer
West Fire & Rescue Authority
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— Dear Lynda

Annual Audit Fee 2009/10

Further to your discussions with Pragati Raithatha (Audit Manager) on 13 February 2009, I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at West Midlands Fire Authority. The fee:

- is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10; and
- reflects only the audit element of our work, excluding any inspection and assessment fees.

As I have not yet completed my audit for 2008/09 the audit planning process for 2009/10, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2009/10 is for £87,850 (exclusive of VAT) which compares to the planned fee of £86,737 for 2008/09. A summary of this is shown in the table below.

Audit fee

Audit area	Planned fee 2009/10	Planned fee 2008/09
Financial statements audit	54,950	54,271
Use of Resources/VFM Conclusion [including data quality]	28,023	27,677
WGA	4,877	4,789
Total audit fee	87,850	86,737

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The above excludes the fee for the Fire & Rescue Inspection of £12,197 which will be fully funded by CLG grant.

The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for West Midlands Fire and Rescue Authority is £91,260. The fee proposed for 2009/10 is 3.7% per cent below the scale fee.

In setting the fee at this level, I have assumed that the general level of risk in relation to the audit of the financial statements is not significantly different from that identified to 2008/09. A separate plan for the audit of the financial statements will be issued in December 2009. This will detail the risks identified, planned audit procedures and any changes in fee. If I need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with you and the Head of Finance and Procurement and then prepare a report outlining the reasons why the fee needs to change for discussion with the audit committee.

My use of resources assessments will be based upon the evidence from three themes:

- Managing finances;
- Governing the business; and
- Managing natural resources.

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion. I have not, at this stage, identified any significant risks in relation to my value for money conclusion.

I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The above fee excludes any work requested by you that the Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

The key members of the audit team for the 2009/10 are:

Audit Manager – Pragati Raithatha	0844 798 3963
Team Leader – Lorraine Noak	0844 798 3971

I am 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 the West Midlands Head of Operations, Phil Jones (p-jones@audit-commission.gov.uk).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mark Stocks', followed by a vertical red line.

Mark Stocks
District Auditor

cc Mike Griffiths, Head of Finance and Procurement
cc Kenneth John Turner, Chair of the Audit Committee

Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the audit committee.

Table 1

Planned output	Indicative date
Audit plan	December 2009
Annual governance report	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Use of resources report	September 2010
Final accounts memorandum (to the Director of Finance)	October 2010
Annual audit letter	November 2010