

Douglas Paxton
The Chief Constable for Suffolk Constabulary
Police Headquarters
Martlesham Heath
Ipswich
Suffolk
IP5 3QS

26 March 2013

Ref:
Your ref:

Direct line: 07879 - 667245

Email: CHewitt@uk.ey.com

Dear Douglas,

The Chief Constable for Suffolk Constabulary Annual Audit Fees 2012/13 and 2013/14

We are writing to confirm the audit work that we propose to undertake for the 2012/13 and 2013/14 financial years at the Chief Constable for Suffolk Constabulary. We are writing separately to the Police and Crime Commissioner on the 2012/13 and 2013/14 fees for the PCC. The fees reflect the risk-based approach to audit planning set out in the Code of Audit Practice and the work mandated by the Audit Commission for 2012/13 and 2013/14. The audit fee covers the:

- ▶ Audit of the financial statements for the CC;
- ▶ Value for money conclusion for the CC; and
- ▶ Whole of Government accounts for the CC.

Our fees have been set by the Audit Commission as part of the recent 5 year procurement exercise and consequently they are not liable to increase in that period without a change in scope.

Indicative audit fee

For 2012/13 and 2013/14 the Audit Commission has consulted and set the work programme and scale fees for each audited body. Fees for police bodies for 2012/13 reflected the increase in audit work arising from the changes introduced by the Police Reform and Social Responsibility Act 2011, requiring auditors to undertake audits of two statutory bodies in a police area from 2012/13, rather than one. This additional work meant that for 2012/13 fees for police bodies reduced by a net 13 per cent as opposed to 40 per cent applicable for local authorities and NHS bodies. The 2012/13 overall fee for each police area, covers the audit of the PCC and CC, and includes an element for auditors' work on financial reporting requirements for the transition from police authorities. The Audit Commission intend to remove this element for 2013/14, reducing the fee for the PCC and CC combined by a further 7 per cent for 2013/14.

The scale fees for the CC are based on certain assumptions, including:

- ▶ Aside from the additional work and fee in 2012/13 on transition to PCC and CC, the overall level of risk and complexity in relation to the audit of the CC is not significantly different from that used by the previous auditors in their 2011/12 audit of the Police Authority;
- ▶ We are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards;

- ▶ The financial statements for the CC will be available to us in line with the agreed timetable;
- ▶ Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable; and
- ▶ Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee. Based on these assumptions, the CC indicative audit fees for 2012/13 and 2013/14 is set out in the table below. We are writing separately to the PCC on the indicative fee for 2012/13 and 2013/14.

	CC scale fee £	Prior year fee – Police Authority
2012/13 Code audit fee	20,000	84,010*
2013/14 Code audit fee	20,000	20,000

* Note the prior year fee for 2011/12 is the total external audit fee for the Police Authority. The 2011/12 audit included £6,270 charged by the predecessor auditors for the audit of the joint Private Finance Initiative with Norfolk Police Authority for the Police Investigation Centres in 2011/12.

Any additional work that we may agree to undertake (outside of the Audit Code of Practice) will be separately negotiated and agreed with you in advance.

Our audit plan for the 2012/13 audit of the financial statements was issued in March 2013. This detailed the significant financial statement risks identified, planned audit procedures to respond to those risks, and any changes in fee. It also set out the risks identified in relation to the Value for Money conclusion.

Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the CC's Assistant Chief Officer (Resources) and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Joint Audit Committee. Our audit plan for the 2013/14 audit of the financial statements will be issued in March 2014.

Billing

The indicative CC audit fees will be billed in instalments. We will discuss the billing arrangements with you.

Audit team

The key members of the audit team for 2012/13 are:

Neil Harris
Director

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Chris Hewitt
Manager

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Tel: 07879 - 667245

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Neil A Harris', written over a light blue horizontal line.

Neil A Harris
Audit Director
Ernst & Young LLP
United Kingdom

cc.

Annie Tyler, Chair of the Joint Audit Committee
Phillip Clayton, CC Assistant Chief Officer (Resources)