Public business

**Agreement to terms and conditions of external auditors**

**Purpose**
To agree to the terms and conditions of our external auditors Grant Thornton.

**Recommendations**

The Council is asked to agree:

i. Agree to the terms and conditions of Grant Thornton

ii. Delegate responsibility to the Chair to sign the engagement letter received from Grant Thornton.

1.0 **Introduction**

1.1. The Council have already agreed to the appointment of the external auditors Grant Thornton. We have now received an engagement letter which outlines their terms and conditions and fees which is attached as Appendix 1.

2.0 **Equality and diversity implications**

2.1. There are not considered to be any equality and diversity implications arising from the provision of this paper.

3.0 **Communications implications**
3.1. The appointment of Grant Thornton has already been discussed in public business and this action is merely the formal engagement process, there are not therefore considered to be any communications implications arising from the provision of this paper.

4.0 Resource implications

4.1. The resource implications of formally appointing auditors have already been considered and there are therefore no further resource implications arising from this paper.

5.0 Risk implications

5.1. Council is responsible for preparing the financial statements which satisfy the requirements of the Pharmacy Order 2010. Council members should ensure that they are happy with the attached terms and conditions in order for Grant Thornton to carry out the external audit of the General Pharmaceutical Council.

Recommendations

The Council is asked to agree:

Agree to the terms and conditions of Grant Thornton

i. Agree to the terms and conditions of Grant Thornton

ii. Delegate responsibility to the Chair to sign the engagement letter received from Grant Thornton.

Bernard Kelly, Director of Resources and Corporate Development
General Pharmaceutical Council
bernard.kelly@pharmacyregulation.org, tel 020 3365 3510

13 October 2010
Appendix 1

Grant Thornton Terms and Conditions

Our Ref CAR/JMB

The Members of the Board of the Council
General Pharmaceutical Council
129 Lambeth Road
LONDON
SE1 7BT

6 October 2010

Dear Sirs

Terms of engagement between the General Pharmaceutical Council and Grant Thornton UK LLP

The purpose of this letter is to set out the basis on which Grant Thornton UK LLP (Grant Thornton, also the Firm) will supply services to the THE GENERAL PHARMACEUTICAL COUNCIL (being a body corporate incorporated pursuant to the Pharmacy Order 2010 of 129 Lambeth Road, London SE1 7BT), (GPhC)

The addressees of this letter are referred to collectively hereafter as 'the parties'.

Responsibility of auditors

Our appointment as auditors to the GPhC makes us responsible for reporting to the members on the financial statements prepared by the GPhC or on their behalf. Our responsibilities as auditors are imposed by applicable law and professional standards; for ease of reference, they are summarised in Appendix H.

As noted above, our report will be made solely to the GPhC, as a body, in accordance with the regulations made under the Pharmacy Order 2010. Our audit work will be undertaken so that we might state to the members of the GPhC those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the GPhC and the members of the GPhC as a body, for our audit work, for the audit report, or for the opinions we form.

Responsibilities of the Council Members

As Members of the GPhC, you are responsible for preparing the financial statements which satisfy the requirements of the Pharmacy Order 2010.

Our audit will be conducted on the basis that the members of the board of the council acknowledge and understand that they have responsibility:

(a) for the preparation and fair presentation of the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

(b) for such internal control as the GPhC determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and;

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(c) to make available to us, as and when required:

- access to all information of which the GPhC is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
- additional information and explanations as we think necessary for the performance of our duties as auditor.
- unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence.

As part of our audit process, we will request from the members of the GPhC written confirmation concerning representations made to us in connection with the audit, including confirmation in their statement of responsibilities in the financial statements that, in so far as they are aware:

- there is no relevant audit information of which we are unaware; and
- the members of the board of the council of the GPhC have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that we are aware of that information.

It is important that the members of the board of the council of the GPhC understand these responsibilities and we would be happy to discuss them.

Limitation of liability

Our liability will be limited in connection with this engagement, on the basis set out in the detailed Terms of Business, to that part of any loss suffered that is proportional to our responsibility.

Fees

The Schedule of Fees is as per Grant Thornton External Audit Proposal dated 27 April 2010 (Appendix III). The fees will be reviewed on an annual basis in line with RPI, following discussion and agreement with the GPhC. Bills will be rendered periodically for each class of work undertaken and are due on presentation. Bills will be paid within 30 days of submission as per the GPhC’s Standard Terms and Conditions.

Additional terms and conditions of engagement

The additional terms and conditions included in Appendices II and III to this letter apply to this engagement as if they were set out in this letter. They should be read as part of and in conjunction with this letter as they form an important and integral part of the overall terms of engagement.

Agreement of terms

Once agreed, this engagement with you sets out the entire terms agreed between the parties relating to the service and supersedes all previous representations, warranties and terms (whether in writing or not) previously made between the parties. Any amendments, additions or alterations to this agreement shall not be effective unless in writing and signed by a duly authorised representative of each party.

We should be grateful if you would confirm in writing your agreement to the terms of this letter by signing and returning the enclosed copy.
Yours faithfully

Grant Thornton UK LLP

Terms of engagement, including the appendices to this letter, acknowledged and agreed by:

Member of the board of the Council, General Pharmaceutical Council

Date