

Audit, Governance & Standards

26 June 2017

Is the final decision on the recommendations in this report to be made at this meeting?	Yes
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External Audit Fee Letter 2017-18

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Director or Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Non-exempt
Wards affected	N/A

This report makes the following recommendations to the final decision-maker:

1. That the committee notes the proposed audit fee of £50,475 for 2017-18 audit work to be undertaken by Grant Thornton.

This report relates to the following corporate priorities:

The council has a statutory obligation to have its accounts externally audited, and this process underpins the council's ability to demonstrate accountability to taxpayers.

Timetable	
Meeting	Date
Audit, Governance & Standards Committee	26 June 2017

External Audit Fee Letter 2017-18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report communicates the proposed external audit fee for 2017-18, as set by the Public Sector Audit Appointments Ltd (PSAA) under transitional arrangements arising from the introduction of the Local Audit and Accountability Act 2014.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The council's external auditors for 2017-18 are Grant Thornton as in previous years. Following the closure of the Audit Commission, responsibility for overseeing the current audit contract and setting fees has been passed to Public Sector Audit Appointments Ltd.
- 2.2 The letter from Grant Thornton attached at **Appendix A** sets out the details of the 2017-18 fee including the scope and timing of planned audit work for the forthcoming year.

3. AVAILABLE OPTIONS

- 3.1 The committee is asked to note this report. There are no alternative options as the council has a statutory obligation to have its accounts externally audited.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 As stated elsewhere in this report, committee members are asked to note the proposed audit fee for 2017-18.
 - 4.2 The main audit fee for the financial statements audit and value for money conclusion for 2017-18 is £50,475. Fees for grant claim certification work have not yet been set.
 - 4.3 Scale fees for 2017-18 have been set at the same level as the fees applicable for 2016-17, which were set by the Audit Commission before it closed. Audit fees were reduced in 2015-16 by 25 per cent based on the fees applicable for the previous year, in addition to the 40 per cent reduction in fees from 2012-13.
 - 4.4 It should be noted that fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timescales.
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5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The council has a statutory obligation to have its accounts externally audited, and this process underpins the council's ability to demonstrate accountability to taxpayers.	Section 151 Officer
Risk Management	There is risk that the council could incur additional fees if the external auditor identifies significant issues which give rise to additional audit work needing to be undertaken. Officers will work closely with Grant Thornton throughout the year in order to minimise this risk.	Section 151 Officer & Finance Team
Financial	The proposed 2017-18 audit fee of £50,475 represents no change from the 2016-17 fee.	Section 151 Officer & Finance Team
Staffing	Not applicable	
Legal	Not applicable	
Equality Impact Needs Assessment	Not applicable	
Environmental/Sustainable Development	Not applicable	
Community Safety	Not applicable	
Human Rights Act	Not applicable	
Procurement	Not applicable	
Asset Management	Not applicable	

6. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- **Appendix A:** External Audit Fee Letter 2017-18
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7. BACKGROUND PAPERS

None