

Audit, Governance & Standards

20 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

External Audit Fee Letter 2015-16

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Director or Head of Service	Paul Riley, Head of Finance & Resources
Lead Officer and Report Author	Ellie Dunnet, Chief Accountant
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 £61,893 for 2015-16 audit work to be undertaken by Grant Thornton.

This report relates to the following corporate priorities:

- Great People
- Great Place
- Great Opportunity

Timetable

<i>Meeting</i>	<i>Date</i>
Audit, Governance & Standards Committee	20 July 2015

External Audit Fee Letter 2015-16

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report communicates the proposed external audit fee for 2015-16, as set by the Audit Commission prior to its closure on 31 March 2015.

2. INTRODUCTION AND BACKGROUND

- 2.1 The council's external auditors for 2015-16 will be Grant Thornton as in previous years. Following the closure of the Audit Commission, responsibility for overseeing the current audit contract and setting fees from 2016-17 onwards has been passed to Public Sector Audit Appointments Ltd.
- 2.2 The letter from Grant Thornton attached at **Appendix I** sets out the details of the 2015-16 fee including the scope and timing of planned audit work for the forthcoming year.

3. AVAILABLE OPTIONS

- 3.1 The committee are asked to note this report. There are no alternative options as the council has a statutory obligation to have its accounts externally audited.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 As stated elsewhere in this report, the committee are asked to note the proposed audit fee for 2015-16.
- 4.2 The main audit fee has been set at £50,475 for 2015-16, which represents a reduction of £16,825 compared with the anticipated 2014-15 fee of £67,300. This fee covers the financial statements audit and value for money conclusion.
- 4.3 In addition to this, the indicative fee for grant claim certification work has been set at £11,418, compared with £13,910 in 2014-15. This relates to the certification of the housing benefits subsidy claim.
- 4.4 The proposed reductions in audit fee for 2015-16 are a result of the procurement exercise undertaken by the Audit Commission prior to its closure in March.
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5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	There is no direct impact on corporate priorities.	
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 2015-16 audit and grant claim certification fees of £50,475 and £11,418 respectively represent an overall reduction of £19,317 from the 2014-15 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 I:** External Audit Fee Letter 2015-16
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7. BACKGROUND PAPERS

None