

MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

14TH JULY 2014

REPORT OF HEAD OF FINANCE & RESOURCES

Report prepared by Paul Holland (Senior Accountant)

1. EXTERNAL AUDIT FEES 2014/15

1.1 Issue for Decision

1.1.1 To consider the proposed level of external audit fees for the 2014/15 audit.

1.2 Recommendation of Head of Finance & Resources

1.2.1 That the Committee notes the proposed audit fee of £66,400 for the 2014/15 audit.

1.3 Reasons for Recommendation

1.3.1 Following the abolition of the Audit Commission Grant Thornton are now the appointed external auditors for the Council.

1.3.2 The Main Audit fee for 2014/15 has been set at £66,400, which is no change from the fee from the previous two years. In addition the estimated fee for Grant Certification work has been set at £13,910. A copy of the letter advising of the fees is attached as Appendix A.

1.3.3 There is sufficient budgetary provision to cover the costs specified at 1.3.2.

1.4 Alternative Action and why not Recommended

1.4.1 There are no alternative actions. The Council is required to have its Statement of Accounts externally audited.

1.5 Impact on Corporate Objectives

1.5.1 There is no specific impact on Corporate Objectives.

1.6 Risk Management

1.6.1 There is the risk of additional fees being incurred should the external audit process identify any extra work that needs to be done, particularly given that the audit fee has been reduced substantially, meaning that the external auditors will be under pressure to control their own costs. Officers work closely with Grant Thornton to ensure that the Council minimises the risk of incurring additional fees.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.2 The financial implications are detailed in the report.

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

.....

This is a Key Decision because:

.....

Wards/Parishes affected:

.....