

AUDIT COMMITTEE	AGENDA ITEM No. 5
15 JULY 2019	PUBLIC REPORT

Report of:	Peter Carpenter - Acting Director of Corporate Resources	
Cabinet Member(s) responsible:	Cllr Seaton, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter - Acting Director of Corporate Resources	Tel. 384564

AUDIT FEES 2019/20

R E C O M M E N D A T I O N S	
FROM: Peter Carpenter - Acting Director of Corporate Resources	Deadline date: N/A
It is recommended that Audit Committee approve the 2019/20 external audit fee proposal	

1. ORIGIN OF REPORT

1.1 The 2019/20 Fees letter has been received from Ernst & Young LLP.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to enable consideration of the proposed audit fees for auditing the 2019/20 accounts

2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 The proposed fee is the scale set by Public Sector Audit Appointments Ltd. The 2019/20 audit is the second under a five year appointing period. The 2019/20 scale fee is the same as for 2018/19 which represented a 23% reduction on the 2017/18 fee.

4.2 In proposing the scale fee, as the indicative fee, Ernst & Young LLP have assumed that there are no significant increases in the Council's financial risks compared to 2018/19 and that the quality of the accounting and control environment is maintained.

4.3 The letter list some examples of additional risks and / or circumstances which would attract additional fees. It is anticipated that additional fees will be requested as the Council is likely to prepare group accounts for 2019/20 incorporating Aragon Direct Services first full year of trading. If the Council does not agree with the level of any additional fees it would be able to challenge them through Public Sector Audit Appointments.

4.4 The proposed fee level does not exceed the 2019/20 approved budget.

5. CONSULTATION

5.1 There has been no consultation in respect of this report.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Work will commence on the conclusion of the 2018/19 audit to plan the 2019/20 audit with Ernst & Young LLP.

7. REASON FOR THE RECOMMENDATION

7.1 The fee proposed is reasonable.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None.

9. IMPLICATIONS

Financial Implications

9.1 The fees are provided for in the 2019/20 budget.

Legal Implications

9.2 Due process has been followed so there are no legal implications, anticipated.

Equalities Implications

9.3 None specific

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Local Audit and Accountability Act 2014
Accounts & Audit Regulations 2015

11. APPENDICES

11.1 Ernst & Young LLP letter 25 April 2019 - Annual Audit 2018/19.