

AUDIT COMMITTEE	AGENDA ITEM No. 9
16 JULY 2018	PUBLIC REPORT

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

AUDIT FEES 2018/19

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 2018/19 external audit fee proposal	

1. ORIGIN OF REPORT

1.1 The 2018/19 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 2018/19 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 2018/19 audit is the first under a new five year appointing period and the scale fee represents a 23% reduction on the 2017/18 fee.

4.2 In proposing the scale fee Ernst & Young LLP have assumed that there are no significant increases in the Council's financial risks compared to 2017/18 and that the quality of the accounting and control environment is maintained. It is expected that this will be the case. If EY seek an extra fee for additional work, the Council would be able to challenge the increase through Public Sector Audit Appointments.

4.3 The proposed fee level does not exceed the 2018/19 approved budget.

4.4 Housing benefit certification is no longer covered by the PSAA appointment. The Council

obtained quotes from EY, Grant Thornton and KPMG for this work. The contract for the 2018/19 audit was awarded to KPMG. The level of audit work required, and therefore the fee, is dependent on the results of the 2017/18 which has not yet been undertaken. The fee also varies according to whether the Council or the auditor undertake some of the work. The estimated fee for the 2018/19 audit is £11,575. This represents a saving against previous years fees.

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 2017/18 audit to plan the 2018/19 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 2018/19 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 27 April 2018 'Annual Audit 2018/19.