

Audit and Governance Committee

2 July 2019

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

Yes

Planned Audit Fee 2019/20

Final Decision-Maker	Audit and Governance Committee
Portfolio Holder(s)	Councillor Dawlings – Portfolio Holder for Finance & Governance
Lead Director	Lee Colyer, Director of Finance, Policy & Development
Head of Service	Jane Fineman, Head of Finance and Procurement
Lead Officer/Report Author	Elizabeth Jackson, Engagement Lead for Grant Thornton LLP
Classification	Non-exempt
Wards affected	All Wards

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

- (1) That the Audit and Governance Committee consider and agree the planned audit fee set out in Appendix A.

This report relates to the following Five Year Plan Key Objectives:

- A Confident Borough
- A Green Borough
- A Confident Borough

Timetable

Meeting	Date
Discussion with Portfolio Holder	10 June 2019
Audit and Governance Committee	2 July 2019

Planned Audit Fee 2019/20

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

This report outlines the planned audit fee for 2019/20 as notified by the External Auditor, Grant Thornton. The scale of fees has been set by Public Sector Audit Appointments Limited (PSAA) following the closure of the Audit Commission in March 2015.

2. INTRODUCTION AND BACKGROUND

2.1 Each year the External Auditor undertakes the following pieces of work:

- Audit of financial statements;
- Value for money conclusion; and
- Whole of government accounts return.

2.2 The Council is charged for this work in accordance with the scale of fees set by Public Sector Audit Appointments Limited (PSAA).

2.3 The scale of fees for 2019/20 has been set at £39,447, unchanged from the fee for 2018/19.

2.4 The Council is also charged an audit fee in relation to the certification of grant claims which is a separate arrangement as this work falls outside of the PSAA contract.

2.5 The comprehensive and independent auditing of public bodies is part of the assurance process to ensure that the public have confidence in the financial reporting and management of the Council.

2.6 The estimated fee for 2019/20 is unchanged from the 2018/19 level. This assumes that the Council has no significant audit risks and has in place a sound control environment that ensures the auditor is provided with complete and materially accurate financial statements with supporting working papers within agreed timeframes.

2.7 In addition to this Council's strong financial track record the procurement process undertaken also contributed to the reduction in audit fees. Grant Thornton UK LLP were appointed to audit the accounts of the Council from 2018/19 for five years with an optional two year extension.

2.8 The audit work will be undertaken in accordance with International Standards on Auditing.

2.9 A schedule of the outline audit timetable is set out in Appendix A

3. AVAILABLE OPTIONS

3.1 The Audit and Governance Committee could choose not to accept the proposed audit fee. This is not recommended as there are no grounds at this stage for rejecting the proposed fee.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The External Auditor has consulted with the Chief Executive and the Director of Finance, Policy and Development. The Audit and Governance Committee is now being asked for their approval.
- 4.2 This report will be published on the Council's website.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The audit fee set covers the fee required by auditors to carry out the work necessary to meet their statutory responsibilities in accordance with the Code of Practice.
- 5.2 The Audit and Governance Committee's functions and delegations, as outlined in its constitution and terms of reference state that it should:
- agree the external Audit Plan for the year;
 - approve the cost of the audit;
 - consider specific reports as agreed with the external audit work and to ensure it gives value for money; and comment on the scope and depth of external audit work and to ensure it gives value for money.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

The decision of the Audit and Governance Committee will be published onto the Council's website.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	The Audit and Governance Committee has a legal obligation of oversight for the Council's governance arrangements. Human Rights Act: There are no new direct implications.	Patricia Narebor, Monitoring Officer
Finance and other resources	A core element of the External Auditor's work is to review the Council's financial statements.	Lee Colyer Director of Finance, Policy and Development
Staffing establishment	The report has not identified any direct implication on staffing.	Lee Colyer Director of Finance, Policy and Development

Risk management	This is assessed as part of the value for money conclusion.	Lee Colyer Director of Finance, Policy and Development
Environment and sustainability	No new implications	Lee Colyer Director of Finance, Policy and Development
Community safety	No new implications	Lee Colyer Director of Finance, Policy and Development
Health and Safety	No new implications	Lee Colyer Director of Finance, Policy and Development
Health and wellbeing	No new implications	Lee Colyer Director of Finance, Policy and Development
Equalities	No new implications	Lee Colyer Director of Finance, Policy and Development

8. REPORT APPENDICES

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

- Appendix A: Planned audit fee notification 2019/20

9. BACKGROUND PAPERS

Letter from Grant Thornton, 18 April 2019