

<b>MEETING :</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE:</b>	<b>13 MAY 2013</b>
<b>TITLE OF REPORT:</b>	<b>ANNUAL FEE 2013/14 FOR HEREFORDSHIRE COUNCIL</b>
<b>REPORT BY:</b>	<b>CHIEF OFFICER: FINANCE &amp; COMMERCIAL</b>

## **1. Classification**

Open.

## **2. Key Decision**

This is not a key decision.

## **3. Wards Affected**

County-wide.

## **4. Purpose**

To seek the Audit and Governance Committee's agreement for the Annual Fee amount.

## **5. Recommendation**

**THAT the Audit and Governance Committee agrees the Audit Fee letter.**

## **6. Key Points Summary**

- The proposed audit fee for 2013/14 is £164,803 which remains at the same level as 2012/13. The Council's composite indicative fee grant certification for the Council in 2013/14 is £8,400. This was £10,600 in 2012/13.
- Committee approved the 2012/13 Audit Plan at the meeting of 15 March 2013.

## **7. Alternative Options**

7.1 There are no alternative options.

## **8. Reasons for Recommendations**

8.1 Grant Thornton is the Council's appointed external auditor. The annual fee letter is an opportunity for the Audit and Governance Committee to be informed of the planned outputs and proposed fee.

## **9. Introduction and Background**

- 9.1 The report is a key part of the overall governance framework and ensures the Council meets the requirement to sign off the annual Audit Plan which was agreed by Committee at the meeting on 15 March 2013.

## **10. Key Considerations**

- 10.1 The Annual Audit Fee letter details the amount to be paid to Grant Thornton (£164,803) which remains at the same level as the previous year. The Council's composite indicative fee grant certification for the Council in 2013/14 is £8,400; this was £10,600 in 2012/13. Any fee amendments will be discussed with the Council's Chief Officer: Finance & Commercial and a report would then go to the Audit and Governance Committee.
- 10.2 The Audit fee covers work on the audit of financial statements, value for money conclusion and Whole of Government accounts aspects.
- 10.3 The Audit Commission indicates that given the timescale of the financial challenge faced by local government it will review the robustness of Herefordshire's medium term financial plan. The value for money of any variations to the waste disposal contract along with a review of progress on benefits realisation from the transformation programme will also be reviewed.
- 10.4 The letter lists the planned outputs and their indicative dates.

## **11. Community Impact**

- 11.1 This report does not impact on this area.

## **12. Equality and Human Rights**

- 12.1 This report does not impact on this area.

## **13. Financial Implications**

- 13.1 The Council Audit will cost £164,803 and Grant Certification totals £10,600. The overall total of £175,403 and Committee should note the amount is within budget.

## **14. Legal Implications**

- 14.1 There are no legal implications.

## **15. Risk Management**

- 15.1 The requirement to supply accounts for audit that have appropriate working papers requires the Council's contractor (Hoople Ltd) to meet all deadlines and requirements outlined in the accounts timetable closure process.
- 15.2 The external auditor will require Council management and accounting staff to be available to help locate information and provide explanations so that the accounts are audited to the required standard. This also applies to Hoople Ltd.

## **16. Consultees**

16.1 The Leadership Team including the Chief Officer: Finance & Commercial.

## **17. Appendices**

17.1 The Annual Fee letter for 2013/14.

## **18. Background Papers**

18.1 None.