

Meeting:	Audit and governance committee
Meeting date:	10 May 2017
Title of report:	2017/18 external audit plan and fee
Report by:	Chief finance officer

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To approve the 2017/18 external audit work and fee.

Recommendation

THAT:

- (a) subject to the decision to appoint an external auditor, the external audit plan and associated fee for 2017/18 as set out in appendix A be approved.**

Alternative options

- 1 None, the proposed plan and fee is a statutory requirement.

Reasons for recommendations

- 2 For the committee to ensure that the council has effective statutory external audit arrangements in place for 2017/18 as required in the council's constitution.

Key considerations

- 3 The council's external auditor is Grant Thornton, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the Local Government Association (LGA) with delegated authority from the Secretary of State for Communities and Local Government. Over recent years the council has benefited from a reduction in fees in the order of 50% compared with historic levels. The current transitional arrangements come to an end on 31 March 2018.
- 4 Appendix A details Grant Thornton's proposed fee and outputs for external audit work to be completed in 2017/18. The proposed external audit fee for 2017/18 of £124k is based on the same scale fee applied in 2016/17 as proposed by the PSAA.
- 5 The scale fee covers the audit of the statement of accounts, value for money conclusion and review of the whole of government accounts.
- 6 On 16 December 2016 council approved opting-in to the national sector led body for the procurement of external auditors led by the LGA. The conclusion of the framework arrangements will be reported to audit and governance committee before the commencement of the 2017/18 external audit.

Community impact

- 7 An efficient and effective audit service supports the council in demonstrating compliance with its code of corporate governance and its corporate plan priority to secure better services, quality of life and value for money

Equality duty

- 8 None.

Financial implications

- 9 Provision has been made in the 2017/18 budget to cover the proposed fee of £124k. The fee excludes any additional work beyond that set out in the letter at appendix A.
- 10 A separate decision will be made about any additional work, including the housing benefit certification.

Legal implications

- 11 The Local Audit and Accountability Act 2014 states that the accounts of a relevant authority for a financial year must be audited:
 - (a) in accordance with the Act and provision made under it, and
 - (b) by an auditor (a "local auditor") appointed in accordance with the Act or provision made under it.
- 12 A local auditor must, in carrying out the auditor's functions in relation to the accounts,

comply with the code of audit practice applicable to the council that is for the time being in force. The current code of practice for UK Local Government is the Code of Audit Practice issued by the National Audit Office in April 2015.

- 13 The code requires under section 1.17 that the auditor should share and discuss their audit plan at an early stage with the audited body.

Risk management

- 14 The proposed fee is set independently and levied under our existing contract with Grant Thornton.

Consultees

- 15 None.

Appendices

Appendix A - 2017/18 external audit fee letter

Background papers

None identified