

Corporate Governance and Standards Committee Report

Report of the Director of Finance

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External Audit 2018-19 Fee Letter

Executive Summary

The Council's external auditors, Grant Thornton, have submitted their audit fee letter for 2018-19. The letter, which is attached as **Appendix 1**, provides a broad summary of the programme of work that Grant Thornton intend to carry out during 2018-19. The overall fee for the core audit has reduced from the fee charged in 2017-18. The fee for grant certification work will be dealt with separately. The fee for the core audit can be managed within the overall budget for the finance directorate.

Recommendation to Committee

The Committee is asked to approve the external audit fee submitted by Grant Thornton and make any comments it feels relevant.

Reason for Recommendation:

To enable the Committee to consider and comment on the planned audit fee.

1. Purpose of Report

- 1.1 This report provides a summary of the proposed external audit fee and the work programme for the audit of the 2018-19 accounts, value for money opinion and the grant certification work as set out in the fee letter attached at **Appendix 1**. Officers recommend that the Committee notes the fee and makes any comment that it feels relevant

2. Strategic Framework

- 2.1 One of the Values for our Residents within the new Corporate Plan 2018-23 is to deliver quality and value for money services. The annual audit by Grant Thornton contributes to the achievement of this value.

3. Background

- 3.1 The fee for the 2018-19 core audit will be £44,300, a 23% reduction on the 2017-18 core audit fee of £57,533. Grant Thornton will prepare and produce a detailed audit plan for submission to the Corporate Governance and Standards Committee in March 2019; however, the fee letter contains details of the scope of work covered by the core audit fee.
- 3.2 The external auditor charges a separate fee for Grant Certification work, which will be contracted separately in due course.

4. Financial Implications

- 4.1 There is budget provision in the 2018-19 estimates for the audit fees and the fees for other services provided by Grant Thornton.

5. Legal Implications

- 5.1 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.
- 5.2 A local auditor must, in carrying out the auditor’s functions in relation to the accounts of a relevant authority, comply with the code of audit practice applicable to the authority 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 Audit Commission in 2010. The code adopts the International Standards of Auditing (ISAs) as issued by the FRC.

6. Human Resource Implications

- 6.1 There are no human resource implications to the report

7. Conclusion

- 7.1 The report outlines Grant Thornton’s fee letter for 2018-19. The audit fee has reduced since 2017-18.

8. Background Papers

None

9. Appendices

Appendix 1: Grant Thornton Letter: Planned Audit Fee for 2018-19