

Audit and Standards Committee – 13th February 2014

Report of the Treasurer

Grant Thornton - Fee Letter 2013/14

Purpose of Report

1. This report sets out the planned audit fee for 2013/14 by the Council's external auditor, Grant Thornton. Attached are their Audit fee letters and a representative from Grant Thornton will be available at the meeting to deal with any issues.

Background

2. As Members will be aware from previous reports, the Audit Commission transferred its in-house audit practice to the private sector by outsourcing through a procurement exercise.
3. Grant Thornton, one of the big accountancy firms, were appointed to audit all local authorities in the Midlands from 1st November 2012. This followed a tender exercise run by the Audit Commission. The appointment started with the 2012-13 audit year and runs for at least three more years. The procurement of external audit services secured savings which were reflected in our audit fee for 2012/13.
4. In addition to their work on the Council's accounts and financial systems, the External Auditors carry out Value for Money (VFM) work and the Whole of Government accounts. Outline proposals for the work to be carried out and the fees to be charged are set out below:-
 - The Annual Audit Fee Letter 2013/14 is attached as Appendix 1. This sets out work to be carried out in accordance with the Code of Audit Practice and in accordance with the Statement of Responsibilities of Auditors and of Audited Bodies
 - The letter shows a freeze in the main audit fee of £177,178. The indicative fee for grant certification has been reduced from £41,000 in 2012/13 to £32,500 for 2013/14 this is shown in Appendix 2

Finance

5. The Council has made revenue budget provision for the annual audit fee, inspection fees and grant audits. It is anticipated that any costs arising from the above audit work will be met from within existing resources.

Law

6. Legislation appertaining to Local Authority Audit and Accounts is contained in the Local Government Act 1999, the Audit Commission Act, 1998, and regulations made therein.

Equality Impact

7. There are no direct implications for children and young people.

Recommendation

8. That Members note the Grant Thornton fee letters attached to this report.



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Iain Newman
Treasurer

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