

Audit and Standards Committee – 14th February 2013

Report of the Treasurer

Grant Thornton - Fee Letter 2012/13

Purpose of Report

1. This report sets out the planned audit fee for 2012/13 by the Council's external auditor, Grant Thornton. Attached is their Audit fee letter and a representative from Grant Thornton will be available at the meeting to deal with any issues.

Background

2. Up to and including the audit year 2011-12, the Audit Commission were the Council's external auditor. Following the Government's changes to the external audit of local authorities, the Audit Commission no longer undertakes audits itself. However, it does retain the role (for the next five years) of appointing and monitoring external auditors to local authorities
3. Grant Thornton, one of the big accountancy firms, were appointed to audit all local authorities in the Midlands. This followed a tender exercise run by the Audit Commission. The appointment starts with the 2012-13 audit year and runs for at least four more years. The audit fees in the appended letter are the fees that came out of this tender process.
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 in the following documents:-
 - The Annual Audit Fee Letter 2012/13 is attached as Appendix 1. This sets out work to be carried out in accordance with the Code of Audit Practice (attached as Appendix 2) and in accordance with the Statement of Responsibilities of Auditors and of Audited Bodies (attached as Appendix 3).
 - The letter shows a decrease in the total audit fee from £296,961 for 2011/12 to £178,177 in 2012/13., a reduction of 40%. The outsourcing of audit services has achieved sizeable savings.
 - The transfer of the previous Audit Commission team to Grant Thornton has also ensured that we can continue our excellent working relationship.

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 letter attached to this report.



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Iain Newman
Treasurer

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