

## **AUDIT COMMITTEE**

**30 JUNE 2016**

### **EXTERNAL AUDIT FEE**

Report from: Phil Watts, Chief Finance Officer

Author: Jonathan Lloyd, Principal Accountant

#### **Summary**

This report and attachment sets out the proposed fees for 2016/17.

#### **1. Budget and Policy Framework**

1.1 International Standards on Auditing require the audit plan to be communicated to 'those charged with governance.' The terms of reference of this committee include: discussions with the external auditor on new accounting standards, changes to the reporting framework and the basis of the annual audit, including the content of performance work.

#### **2. Background**

2.1 The BDO Audit Plan to the Audit Committee was presented to Audit Committee on 19 March 2016. This report presents the BDO Planning Letter (Appendix 1) containing details of proposed fees.

#### **3. Financial and Legal Implications**

3.1 The audit fees for 2015/16 are £142,451 for the core audit, housing benefit subsidy claim £9,856, teachers' pension return £4,200, and pooled housing receipts £3,200

3.2 The fees for 2016/17 are proposed as £142,451 for the core audit, housing benefit subsidy claim £9,188, teachers' pension return £4,200, and pooled housing receipts £3,200.

3.3 There are no direct legal implications arising from this report.

#### **4. Risk Management**

4.1 Risk management issues were reported as part of the audit plan on 19 March 2016.

## **5. Recommendation**

5.1 That the Audit Committee notes the contents of the Planning Letter 2016/17

### **Background papers**

None

Appendices:

Appendix 1 – Medway Council Planning Letter

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