

AUDIT COMMITTEE

27 JUNE 2018

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 2018/19.

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 Grant Thornton has been appointed by Public sector Appointments Limited (PSAA) as auditors of Medway Council from 2018/19.

3. Risk Management

- 3.1 Risk management issues for the 2017/18 audit by BDO were reported as part of the audit plan on 20 March 2018. The issues for 2018/19 will be reported as part of the audit plan for the year ending 31 March 2019 when the Grant Thornton audit plan is received in March 2019.

4. Financial and Legal Implications

- 4.1 The audit fees for 2018/19 are £109,687 for the core audit which compares favourably with the core audit fee for 2017/18 from BDO of £142,451.
- 4.2 From 2018/19 grant work falls outside the PSAA contract and is subject to separate agreement between the auditors and the grant-paying body. The fees for grant work are payable by the Council but are not included in the amount advised in 3.1 above.
- 4.3 There are no direct legal implications arising from this report.

5. Recommendation

5.1 That the Audit Committee notes the fees for the core audit 2018/19.

Lead officer: Jonathan Lloyd, Principal Accountant

Appendices:

Appendix 1 – Medway Council Fee Letter

Background papers

None