

## **PLANNED AUDIT FEE 2012/13**

**Submitted by:** Executive Director – Resources and Support Services

**Portfolio:** Finance and Budget Management

**Ward(s) affected:** All

### **Purpose of the Report**

To consider the planned audit fee for 2012/13 as attached as an appendix.

### **Recommendation**

**That the planned audit fee for 2012/13 be approved.**

### **Reasons**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and corporate governance of public services. The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business and this is reflected in the proposed fees and plan.

#### **1. Background**

1.1 Grant Thornton's plan for the 2012/13 audit of the Council's financial statements and value for money conclusion is attached as an appendix. The plan sets out the work that they propose to undertake to satisfy their responsibilities under their Code of Audit Practice.

#### **2. Proposal**

2.1 It is proposed that the Grant Thornton's planned audit fee for 2012/13 is approved.

#### **3. Outcomes Linked to Corporate Priorities**

3.1 The External Audit function gives assurance on the stewardship of public resources and effectiveness of services in terms of value for money as well as contributing to the prevention, detection and investigation of potential fraud and corruption incidents.

#### **4. Legal and Statutory Implications**

4.1 The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's Statutory Code of Audit Practice.

#### **5. Financial and Resource Implications**

5.1 Provision in respect of the fees for Grant Thornton's work for 2012/13 - £85,936 - is contained within the Council's budget estimates and represents a 40% saving from the fees charged by the Audit Commission in respect of 2011/12.

6. **Major Risks**

- 6.1 The level of fee is based on the Council having no significant audit risks and that it has in place a sound control environment that ensures the auditor is provided with complete and materially accurate financial statements with supporting working papers within agreed timeframes. If these assumptions are not met then additional audit work may have to be undertaken which could result in an increased audit fee. Grant Thornton will keep the Executive Director (Resources and Support Services) informed of any changes to the plans and therefore the fee.

7. **List of Appendices**

Appendix - Grant Thornton's Planned Audit Fee for 2012/13.