

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	21 July 2021
Subject:	Fee Scale for the Audit 2021/22
Report of:	Head of Finance and Asset Management
Corporate Lead:	Head of Finance and Asset Management
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	None

Executive Summary:

As an 'opted-in body', the fee scale for the 2021/22 audit of accounts in Tewkesbury is set by Public Sector Audit Appointments (PSAA). The fee level has been increased by £3,000 to reflect the additional work required by auditors. This report updates Members of the Audit and Governance Committee on the agreed fee.

Recommendation:

To CONSIDER the fee scale of £37,589 for the 2021/22 audit

Reasons for Recommendation:

To communicate the fee scale for the 2021/22 audit to Members of the Audit and Governance Committee.

Resource Implications:

The scale fee for 2021/22 is £37,589 and has been included within the authority's base budget.

Legal Implications:

PSAA commissions auditors to provide audits that are compliant with the National Audit Office's Code of Audit Practice ('the Code'). PSAA is required by s16 of the Local Audit (Appointing Person) Regulations 2015 (the Regulations) to set the scale fees by the start of the financial year.

Risk Management Implications:

None

Performance Management Follow-up:

Any variation to the fee will be agreed between the audit firm and PSAA before being communicated to the s151 officer.

Environmental Implications:

None

1.0 INTRODUCTION/BACKGROUND

1.1 In January 2017, under the Local Audit and Accountability Act 2014 (the Act), Council decided to opt-in to a Sector Led Body (SLB) appointed by the Secretary of State to lead the appointment of external auditors and manage the audit contracts from 1 April 2019. The SLB appointed was Public Sector Audit Appointments (PSAA).

1.2 As part of its role, PSAA have agreed with the audit firms to inform individual organisations of their forthcoming audit fee, rather than requiring the audit firms to separately communicate this. This report effectively replaces the communication previously received from Grant Thornton.

2.0 FEE SCALE FOR THE AUDIT 2021/22

2.1 PSAA is required by s16 of the Local Audit (Appointing Person) Regulations 2015 (the Regulations) to set the scale fees by the start of the financial year. Consultation with Councils was undertaken in February with the confirmed fees being published on the PSAA website at the end of March.

2.2 The fee scale set for 2021/22 is an increase of £3,000 against the fee set for 2019/20 and reflects the additional work now required to validate valuations in two areas. The increased fee is shown in the table below:

Scale fee 2020/21	£34,589
Accounts Group	£0
Accounts Pension valuation	£1,500
Accounts Public Interest Entity	£0
Accounts Property Plant Equipment valuation	£1,500
Total recurring element	£3,000
Scale fee 2021/22	£37,589

2.3 It is important to note that, whilst the main scale fee is set, audit firms have the opportunity to agree with PSAA variations to the fee to reflect additional work that may be undertaken as a result of regulatory change or changes in the audit environment.

3.0 OTHER OPTIONS CONSIDERED

3.1 None. The fee is set within the parameters of the agreed 5 year contract.

4.0 CONSULTATION

4.1 None.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 None.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 Appointment of External Auditor - Council 24th January 2017

Background Papers: Appointment of External Auditor - Council 24th January 2017

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Appendices: None