

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

23 January 2017

### Report of the Director of Finance and Transformation

#### Part 1- Public

#### Delegated

#### 1 PROPOSED WORK PROGRAMME AND SCALES OF FEES 2017/18

**This report informs Members of the Proposed Work Programme and Scales of Fees for 2017/18 pertaining to work undertaken by our external auditors.**

##### 1.1 Introduction

- 1.1.1 Public Sector Appointments Limited (PSAA) an independent company set up by the Local Government Association is responsible for setting fees, appointing auditors and monitoring the quality of auditors' work on a transitional basis. Before 1 April 2015, these responsibilities were discharged by the Audit Commission. PSAA will oversee the audit contracts until they end in 2018.
- 1.1.2 Looking beyond 2017/18, the Secretary of State has specified PSAA as an appointing person for principal local government bodies from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.
- 1.1.3 The Proposed Work Programme and Scales of Fees for 2017/18 can be found at **[Annex 1]**. The PSAA do not plan to make any changes to the overall work programme for 2017/18 and propose that 2017/18 scale audit fees are set at the same level as this year. Indicative fees for 2017/18 housing benefit subsidy certification work will be based on final 2015/16 certification fees.
- 1.1.4 In addition, following completion of the Audit Commission's accounts, PSAA received a payment in respect of the Audit Commission's retained earnings. This and other surpluses from audit fees are to be distributed to audited bodies in due course. The amount of the redistribution is likely to be in the order of 15% of scale audit fees.
- 1.1.5 Members should note that this is technically a consultation process and the return date for comments was 12 January 2017. On this occasion it was concluded there were no particular comments that needed to be made in response to the consultation.

- 1.1.6 Following consideration of responses to this consultation, the PSAA Board will approve the final 2017/18 Work Programme and Scales of Fees for publication in late March 2017.

## **1.2 Legal Implications**

- 1.2.1 Legally, we have no choice but to accept the final version of the Work Programme and Scales of Fees for 2017/18 and will continue to cooperate with our external auditors who serve us.

## **1.3 Financial and Value for Money Considerations**

- 1.3.1 Both the audit fee for 2017/18 and the indicative fee for grant certification work can be met from within existing budget provision.

## **1.4 Risk Assessment**

- 1.4.1 None.

## **1.5 Equality Impact Assessment**

- 1.5.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **1.6 Recommendations**

- 1.6.1 Members are asked to **note** and **endorse** the 2017/18 Proposed Work Programme and Scales of Fees.

Background papers:

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Nil

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Director of Finance and Transformation