

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

03 April 2018

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 SCALE OF AUDIT FEES FOR 2018/19

The report informs Members of the scale of audit fees for the audit of the 2018/19 accounts.

1.1 Introduction

1.1.1 Public Sector Audit 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 auditor's work at authorities that have opted into PSAA national auditor appointment arrangements.

1.1.2 Following consultation, PSAA has published the fee scale for the audit of the 2018/19 accounts. The scale of audit fees for 2018/19 can be found at the following link:

<https://www.psa.co.uk/audit-fees/201819-work-programme-and-scales-of-fees/>

1.1.3 PSAA has set the 2018/19 fee scale on the basis that individual scale audit fees for all opted-in bodies have been reduced by 23 per cent from the fees applicable for 2017/18. This gives opted-in bodies the benefit of the cost savings achieved in the recent audit procurement, and continues the practice of averaging firms' costs so that all bodies benefit from the same proportionate savings, irrespective of the firm appointed to a particular audited body. It also passes on the benefit of economies which PSAA is making in its own operating costs.

1.1.4 The fee reduction does not mean there will be a change in the scope, volume or quality of audit work required at opted-in bodies. Auditors must undertake sufficient work to comply with the requirements of the Code of Audit Practice issued by the National Audit Office and relevant professional standards, and to enable them to discharge their statutory responsibilities under the Local Audit and Accountability Act 2014 and their contractual obligations to PSAA.

1.2 Legal Implications

1.2.1 PSAA has a statutory duty to prescribe a scale of fees for the audit of accounts for authorities that have opted into its national auditor appointment arrangements.

1.3 Financial and Value for Money Considerations

1.3.1 The fee scale for the audit of the 2018/19 accounts is £35,248 representing a reduction of 23% compared to the fee applicable for 2017/18.

1.4 Risk Assessment

1.4.1 None.

Background papers:

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Nil

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