

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting:	31 st January 2013
Report of:	Chief Executive/Director of Finance and Business Services
Subject/Title:	External Audit Update & Audit Fee Letter 2012/13
Portfolio Holder:	Councillor Peter Raynes (Finance)

1.0 Report Summary

- 1.1 The report provides the Audit Committee with an update from Grant Thornton on the new audit arrangements and details of the annual audit fee for 2012/13.

2.0 Recommendation

- 2.1 To receive and comment on the Annual Audit Fee Letter which is attached as Appendix A.
- 2.2 To receive a presentation from Grant Thornton on the new audit arrangements.

3.0 Reasons for Recommendations

- 3.1 The appointed auditors are required to report to those charged with governance.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including – Carbon Reduction, Health

- 6.1 None.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 As covered in the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 There are no specific legal implications.

9.0 Risk Management

- 9.1 The audit process is part of the Council's risk control mechanism and the independent scrutiny it provides on the Council's activities and financial standing help the organisation to manage its risks.

10.0 Background and Options

- 10.1 Grant Thornton were appointed in 2012 following a nationally co-ordinated competitive tendering process.
- 10.2 The tender process led to a reduction in the scale audit fees payable by the Council. The Audit Commission has replaced the previous schedule of hourly rates for certification work with a composite indicative fee. This composite fee, which is set by the Audit Commission, is based on actual 2010/11 fees adjusted to reflect a reduction in the number of schemes which require auditor certification and incorporating a 40% fee reduction.
- 10.3 Confirmation of this new fee level (£205,050) along with the fees for grant certification work are contained within the Audit Fee Letter at Appendix 1. The audit fee letter also sets out the outline audit timetable for 2013.
- 10.4 Grant Thornton will be attending the meeting to present an update on the new public sector audit landscape and their role in delivering their responsibilities as our external auditors.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Joanne Wilcox
Designation: Corporate Finance Lead
Tel No: (01270) 685869
Email: Joanne.wilcox@cheshireeast.gov.uk

Appendix A

2012/13 Audit Fee Letter