

Ernst and Young – 2019/2020 Indicative Fees

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| Report No: | PAS/WS/19/006 | |
| Report to and date: | Performance and Audit Scrutiny Committee | 30 May 2019 |
| Cabinet Member: | Appointment of the Cabinet Member to be confirmed at Annual Council on 22 May 2019. | |
| Lead officer: | Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk | |

Decisions Plan: **DEMOCRATIC SERVICES ONLY TO INPUT**

Wards impacted: **N/A**

Recommendation: **It is RECOMMENDED that, the Performance and Audit Scrutiny Committee:**

- (1) Notes the External Audit indicative fees for 2019/2020.**

1. Background / Context

- 1.1 From 2018/19, new rules apply whereby principal authorities are now responsible for making their own arrangements for appointing auditors to carry out the audit of the accounts and reporting on the housing benefit subsidy claim. Public Sector Audit Appointments Ltd (PSAA) has appointed auditors on behalf of councils that have opted into a national scheme. Appointments, which were confirmed in December 2017, cover the audits of the accounts for 2018/19 to 2022/23. West Suffolk Council opted into the national scheme and has been appointed Ernst and Young LLP (EY) as their auditors.
- 1.2 The appointment of an auditor to report on the Council's housing benefit subsidy claim is no longer covered by the PSAA appointment. As such, they need to be appointed by each participating council. In order to keep consistency of approach across each partner council that make up the Anglia Revenues Partnership, EY has also been appointed to deliver the Housing Benefit subsidy certification service for 2019/20.

2. Proposals

Main Audit

- 2.1 For 2019/20, PSAA has set the scale fee for each audited body that has opted into the national scheme, maintaining scale audit fees at the same level as for 2018/19. The letter at **Appendix A** sets out what the fees are, what they cover and the assumptions underlying the fee levels.
- 2.2 At this stage, the Indicative fee for West Suffolk Council for 2019/20 is set at the scale fee level of **£66,925**.

Housing Subsidy Certification

- 2.3 The Indicative Fees for the provision of housing benefit subsidy certification for West Suffolk Council for 2019/20 is set out below:
 - A base fee of **£6,180** for the certification of the claim.
 - An additional **£2,195** in respect of extended testing wherever errors are found (per reportable cell).
 - An annual uplift of the fee in line with RPI.
- 2.4 Adequate provision has been made in the Council's 2019/20 budget to cover these fees.

3. Alternative Options

- 3.1 External audit is a statutory function and therefore there are no alternative options to those set out in this report.

4. Consultation and engagement

- 4.1 This report has been prepared in consultation with Ernst and Young, and officers of the Resources and Performance team.

5. Risks

- 5.1 The key risk area underlying this report is that the assumptions made in arriving at the indicative fees may not be correct. However, officers will work closely with external audit to ensure that the processes that underlie the assumptions identified in **Appendix A** are met.

6. Implications arising from the proposal

- 6.1 Financial – covered in the report.
- 6.2 Legal Compliance – external audit is a statutory function.
- 6.3 Personal Data Processing – N/A
- 6.4 Equalities – N/A
- 6.5 Crime and Disorder – N/A
- 6.6 Environmental or sustainability – N/A
- 6.7 HR / Staffing – N/A
- 6.8 Changes to existing policy – N/A
- 6.9 Impact on other organisations (e.g. community groups, businesses, partner organisations) – N/A

7. Appendices

- 7.1 **Appendix A** – EY Annual Audit Fee Letter 2019/20

8. Background documents

- 8.1 None.