



# LEWES DISTRICT COUNCIL

Planning Letter 2016/17

18 April 2016

# PROPOSED FEES

## Scope of the audit

We are required to report to you our proposed fees and programme of work for the 2016/17 financial year.

### Code audit fee

The Code audit fee is based on the work required under the Code of Audit Practice issued by the National Audit Office and covers the audit of the financial statements and value for money conclusion.

Public Sector Audit Appointments Limited (PSAA) is responsible for setting the scale fees for local authorities and consulted on the proposed work programme and scale of fees in October 2015. There are no planned changes to the overall work programme for 2016/17 and the scale audit fees have been set at the same level as 2015/16. PSAA has the power to determine the fee above or below the scale fee where there has been a change that requires substantially more or less work than envisaged by the scale fee.

### Certification of housing benefits subsidy claim

PSAA makes arrangements for certification of housing benefit subsidy claims. An indicative fee is set based on the latest actual certification fees available but this is reset annually and the 2016/17 indicative fee is not yet published.

### Audit related services

Audit related services are those non-audit services that are largely carried out by members of the engagement team where the work involved is closely related to the work performed in the audit and the threats to auditor independence are clearly insignificant and, as a consequence, safeguards need not be applied. In recent years, a number of grants and returns were included in the certification scale fee that are no longer mandated for review by PSAA, but still require certification by the auditor.

### Other non-audit services

Other non-audit services are those services not closely related to the work performed in the audit that could be provided by a number of firms. Auditors are prevented from undertaking such work if it would present a threat to independence for which no adequate safeguards are available. Independence concerns may arise due to the nature of the work or from the value of fees derived.

## Fees

AUDIT AREA	PROPOSED FEE 2016/17 (£)	SCALE FEE 2016/17 (£)	PROPOSED FEE 2015/16 (£)
Code audit fee	46,418	46,418	46,418
Certification fee for housing benefits subsidy claim <sup>(1)</sup>	15,598	TBC	14,960
Audit related services			
- Pooled Housing Receipts return	1,500	n/a	1,500
Other non-audit services			
- None	-	n/a	-
Total fees	63,516		62,878

<sup>(1)</sup> Our fee for the audit of the 2013/14 housing benefit subsidy claim was £19,947. The audit of the 2014/15 housing benefit subsidy claim was completed in March 2016 and we are in the process of agreeing our fees with the Council and PSAA as a result of additional work required to certify the claim. Our work on the 2015/16 housing benefit subsidy claim has not yet commenced. We have at this stage based our proposed fee for 2016/17 on the 2014/15 expected outturn fee. We will keep the level of certification fee required in 2015/16 and 2016/17 under review.

### Amendments to the proposed fees

If we need to propose any amendments to the fees during the course of the audit or where our assessment of risk and complexity are significantly different from those reflected in the proposed fee, we will first discuss this with the Director of Corporate Services. Where this requires a variation to the scale fee we will seek approval from PSAA. If necessary, we will also prepare a report outlining the reasons why the fee needs to change for discussion with the Audit and Standards Committee.

At this stage, nothing has come to our attention that would require us to seek approval to amend the scale fee.

### Billing arrangements

We will raise invoices for the Code audit fee on a quarterly basis, at £11,604.50 per quarter, from June 2016. Following our firm's standard terms of business, full payment will be due within 14 days of receipt of invoice. Fee invoices for other services will be raised as the work is completed.

# AUDIT ARRANGEMENTS

## Planned outputs

We plan to issue the following reports and opinions over the course of the 2016/17 audit:

REPORT	DATE
Audit planning report	March 2017
Report on any significant deficiencies in internal controls, if required, based on the results of our interim audit visit	June 2017
Final report to those charged with governance	September 2017
Independent auditor's report including: <ul style="list-style-type: none"><li>• Opinion on the financial statements</li><li>• Value for money conclusion</li><li>• Certificate</li></ul>	September 2017
Summary of findings from the audit in the annual audit letter	October 2017
Grant claims and returns certification report	January 2018

## Audit team

The key members of the audit team will be:

### Engagement Lead - Janine Combrinck

Email: [janine.combrinck@bdo.co.uk](mailto:janine.combrinck@bdo.co.uk)

Tel: 020 7893 2631

Janine will be responsible for the overall delivery of the audit including the quality of outputs and liaison with senior management.

### Project Manager - Jody Etherington

Email: [jody.etherington@bdo.co.uk](mailto:jody.etherington@bdo.co.uk)

Tel: 01473 320790

Jody will manage and co-ordinate each aspect of the audit and will be the key contact with the finance team.

### Senior - Tawanda Mutenga

Email: [tawanda.mutenga@bdo.co.uk](mailto:tawanda.mutenga@bdo.co.uk)

Tel: 01473 320711

Tawanda will lead the delivery of the financial statements audit.


## Client satisfaction

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact Janine in the first instance. Alternatively, you may wish to contact our Managing Partner, Simon Michaels. Any complaint will be investigated carefully and promptly. If you are not satisfied you may take up the matter with the Institute of Chartered Accountants in England and Wales ("ICAEW").

In addition, the PSAA complaints handling procedure is detailed on their website <http://www.psaa.co.uk/about-us/contact-us/complaints/>.

## Arrangements from 2017/18

The Department for Communities and Local Government has confirmed that the current contracts negotiated by the Audit Commission in April 2014 will be extended for one year. As a result, the Council will be required to make a local appointment for external audit services from 2018/19.



The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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