

To: Joint Audit Committee
Date: 27th April 2022
By: Kelvin Menon
Title: Chief Finance Officer, OPCC

Purpose of Report: Update for Members on 2019/20 Audit Fees

Recommendation

The Committee is asked to note the paper

Equalities / Human Rights Implications – None arising.

Risk- As discussed in the report

Background papers -

Contact details –

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Introduction

The PCC opted in to the Public Sector Audit Appointments (PSAA) for audit from 2017/18. This means that the PSAA is responsible for the procurement and appointment of the External Auditor as well as the setting of fees.

A scale fee is set for each public body that is opted in to the PSAA arrangements as a result of the procurement undertaken in 2015/16. However, there is provision for an additional fee to be requested by the External Auditor if there was additional or non-standard work required. Although the audited body can agree the fee request, they can also request that the PSAA reviews it and then adjudicates on the additional fee to be charged.

Audit Fees for 2018/19

The scale fee for the audit for 2018/19 was set at £29,805.

The Auditors, Ernst and Young, requested an additional fee of £25,884 and this request was submitted to the PSAA. As the number of requests submitted to the PSAA were numerous this has taken some time to resolve.

They have subsequently reviewed this and reduced the additional fee to £19,057 broken down as follows:

Fee Variations

Approved on	Category	Value
29/03/2022	PPE valuation	£2,500
29/03/2022	McCloud	£731
29/03/2022	Technical Accounting issues	£1,626
29/03/2022	Quality or preparation issues	£2,074
29/03/2022	VFM additional risk	£4,054
29/03/2022	COVID-19 impact on completion	£3,164
29/03/2022	Increased FRC challenge	£1,600
29/03/2022	Work of internal expert	£2,905
29/03/2022	Work of external expert	£403
Total Fee Variations		£19,057
2019-2020 total fee including this variation		£48,862

The auditor has agreed with the PSAA recommendation and this will be invoiced shortly.

The same process will be undertaken for the 2019/20 and 2020/21 audits should additional fees be requested.