



WEST OXFORDSHIRE  
DISTRICT COUNCIL

## WEST OXFORDSHIRE DISTRICT COUNCIL

Council name	West Oxfordshire District Council
Name and date of Committee	<b>Audit and General Purposes Committee</b> <b>Thursday 24 June 2021</b>
Report Number	<b>Agenda Item No. 6</b>
Subject	<b>External Auditor 2020/21 Audit Plan</b>
Wards affected	All indirectly
Accountable member	Councillor Suzi Coul, Cabinet Member for Finance Email: <a href="mailto:suzi.coul@westoxon.gov.uk">suzi.coul@westoxon.gov.uk</a>
Accountable officer	Elizabeth Griffiths, Chief Finance Officer Tel: 01993 861188 Email: <a href="mailto:elizabeth.griffiths@westoxon.gov.uk">elizabeth.griffiths@westoxon.gov.uk</a>
Summary/Purpose	To receive a report from Grant Thornton, the Council's external auditors regarding the audit plan for 2020/21.
Annexes	Annex A – West Oxfordshire District Council Audit Plan – 2020/21.
Recommendation	<i>That the Audit and General Purposes Committee considers the Grant Thornton Audit Plan for 2020/21.</i>
Corporate priorities	Delivering excellent modern services whilst ensuring the financial sustainability of the Council.
Key Decision	N/A
Exempt	No
Consultees/ Consultation	Not applicable.

## **1. BACKGROUND**

- 1.1. Attached at Annex A is the Council's external auditor (Grant Thornton UK LLP) plan for the Council's audit 2020/21.
- 1.2. Representatives from Grant Thornton will attend the meeting and be available to answer any questions on the report.

## **2. MAIN POINTS**

- 2.1. The Council's 2020/21 audit scale fee approved by PSAA Ltd is £35,527, no change from 2018/19 and 2019/20. Grant Thornton is proposing a fee of £58,227, which includes additional work now required due to changes in expectations of the regulator and additional work required on the VFM conclusion because of the new Code issued by the National Audit Office. This fee is subject to approval by PSAA. These additional fees will be subject to challenge from PSAA to justify the need for these areas of additional work. Grant Thornton is not able to invoice for additional fees until PSAA has approved the additional fees.
- 2.2. The final proposed external audit fee for 2019/20 is £53,647. This fee was reported to the Audit and General Purposes Committee in the External Auditor's Annual Audit Letter and included additional charges of **£18,120** to reflect additional work undertaken because of changes in the expectations of the regulator and the impact of Covid-19. This additional element of this fee is subject to final approval by PSAA.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. The proposed audit fee of £58,227 for 2020/21 and proposed additional fee for 2019/20 exceeds the budgetary provision for 2020/21 by £40,870. While preparation of the financial outturn figures are currently in progress, it is expected that, the additional fees can be absorbed within the overall Council budget for 2020/21. The budgetary provision for audit fees will need be reviewed as part of the 2022/23 budget setting process.

## **4. LEGAL IMPLICATIONS**

- 4.1. The Council is required to comply with the Accounts and Audit Regulations when preparing the statement of accounts.

## **5. RISK ASSESSMENT**

- 5.1. The audit plan states that the audit fee is "subject to the Council delivering a good set of financial statements and working papers". The Chief Finance Officer has requested that Grant Thornton provide advanced notice of any work, which is likely to incur additional audit fees.

## **6. BACKGROUND PAPERS**

None