

RECOMMENDATIONS FROM THE MEETING OF THE AUDIT SERVICES COMMITTEE HELD ON 6 JULY 2000

Minute 225 – Audit and Inspection Fees

The Committee considered the report of the Corporate Director (Finance and External Services) which advised Members of the need to increase the budget provision for audit fees for 1999/2000 and 2000/2001.

For 1999/2000, it was noted that actual expenditure on fees amounted to £55,423, compared with an estimate of £41,700. The funding of the additional costs would be dealt with in the closure of accounts, and thereafter reported to Members.

In 2000/2001, there were anticipated to be a number of items which would increase fees, in addition to the cost of the main audit. These were audits of grants and Best Value, together with a Best Value inspection and compulsory participation in the National Fraud Initiative data matching exercise. The total cost was anticipated to be £81,900, thereby necessitating a budgetary increase of £21,900. The potential level of audit and inspection fees beyond 2001, which was substantially higher than those for the current year, were noted.

The Corporate Director (Finance and External Services) indicated, in responding to a Member question, that whilst the Council's own auditors could play an increasing role, there was little scope to reduce the basic fee payable to Pannell Kerr Forster.

The Committee agreed that the increase in audit fees was one of major significance in the Council's budget setting process and a motion by Councillor P F A Webster and seconded by Councillor G Fox that further consideration should be given to this issue by the Member Budget Monitoring Working Group in the Autumn cycle was agreed.

Resolved

- (1) That the audit fees for 1999/2000 be noted.
- (2) That the budget for audit and inspection fees for 2000/2001 be increased to £81,900.
- (3) That the possible costs for 2001/2002 be noted for inclusion in the draft budget.
- (4) That the implications of the increase in audit fees be considered by Member Budget Monitoring Working Group in the Autumn cycle.(CD(F&ES))

It was further **RECOMMENDED** to Finance and General Purposes Committee:

That utilisation of the contingency provision to meet the additional cost of audit and inspection fees for 2000/2001 be authorised. (CD(F&ES))

Andrew Smith

Head of Administrative and Member Services

For further information please contact Guy Brazendale on (01702) 318141