

**North York Moors National Park Authority
Finance, Risk Audit and Standards Committee**

12 August 2013

External Audit Fee 2013/14

1. Purpose of the Report

1.1 To inform Members of the 2013/14 Audit fee payable to Deloitte for the External Audit.

2. Background

2.1 The Authority is subject to an External Audit of the Statement of Accounts by an appointed Independent Auditor. The Authority's appointed external auditor is Deloitte. Each year the External Auditor prepares a series of documents in relation to the conducting of the Audit. The purpose of this report is to present the fee letter for 2013/14.

3. External Audit Documentation

3.1 The fee letter confirming the charge is attached as the **Appendix**. The fee for the work in 2013/14 has been set by the Audit Commission at £12,016 which remains at the 2012/13 level. This freeze follows a 34% reduction on the rate between 2011/12 and 2012/13.

4. Financial and Staffing Implications

4.1 The financial implications are described in the report.

5. Sustainability and Legal Implications

5.1 There are no sustainability or legal implications arising from this report.

6. Recommendation

6.1 That Members note the content of this report and appendices.

Contact Officer:
Irene Brannon
Director of Corporate Services
01439 772700

Background documents to this report

File Ref

None

Mr Andy Wilson
 Chief Executive
 North York Moors National Park Authority
 The Old Vicarage
 Bondgate
 Helmsley
 York YO62 5BP

24 April 2013

Dear Andy

Annual audit fee 2013/14

We are writing to confirm the audit work that we propose to undertake for the 2013/14 financial year at North York Moors National Park Authority. The fee has been set by the Audit Commission to reflect the work programme auditors are required to deliver and our assessment of audit risk.

The planned fee for the audit for 2013/14, as set by the Audit Commission, and excluding the certification of claims and returns, is £12,016 (exclusive of VAT), which is consistent with the base audit fee for 2012/13.

As already communicated to you in our 2012/13 fee letter, the 2013/14 scale fees that the Audit Commission has set include reductions of up to 40% on 2011/12 fees. These result from savings generated from the outsourcing of the Audit Commission's in-house Audit Practice and internal efficiency savings that the Commission is passing on to audited bodies.

The audit planning process for 2013/14, including our risk assessment will commence in early 2014 and any potential impact on fees will be reviewed and discussed with you as necessary. Any revision to the fee must also be approved by the Audit Commission prior to being finalised.

The fee is analysed as follows:

Audit Area	Scale Fee 2012/13	Scale Fee 2013/14
	£	£
Financial statements	8,357	9,221
VFM conclusion	2,545	2,545
Whole of Government Accounts	1,114	250
Total audit fee [note 1]	12,016	12,016
Certification of claims and returns [note 2]	-	-



Note 1: The total 2013/14 fee agrees to the scale fee set by the Audit Commission. The scale of fees set by the Audit Commission for the Authority can be found at: <http://www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-and-work-programme/>

Note 2: From 2012/13 onwards, the Audit Commission has replaced the previous schedule of maximum hourly rates with a composite indicative fee for certification work. The scale fee for 2013/14 is based on actual certification fees for 2011/12 adjusted to reflect the fact that a number of schemes will no longer require auditor certification.

The fee excludes:

- any additional work required to address questions and objections raised by local government electors which, due to uncertainty of timing and resource required, will be agreed separately;
- any work in relation to providing any specific accounting opinions. Given the uncertainty of timing and input required, we will agree the scope of work and associated fee with you when you request the opinion;
- the cost of the National Fraud Initiative which is determined and billed by the Audit Commission;
- Value Added Tax and
- any work requested by you that we may agree to undertake. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

Work programme and risk assessment

The work programme has been published and copies sent directly to you by the Audit Commission. The programme includes:

- audit of the Authority's financial statements;
- work to support the value for money conclusion;
- work specified by the Commission on Whole of Government Accounts; and
- certification of individual claims and returns above £125,000, with only limited tests undertaken for claims up to £500,000.

Our audit is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission. The fee reflects our current assessment of audit risk but as we have not yet completed our detailed audit planning process for 2013/14, this assessment could change. This process will continue as the year progresses and fees will be reviewed as necessary. Any significant variation in the assessment of risk may impact on the fee.

If we need to make any significant amendments to the audit fee during the course of the audit, we will first discuss this with the Director of Corporate Services. We will prepare a report outlining the reasons why the fee needs to change for discussion with the Finance, Risk, Audit and Standards Committee. Any variation in fee must be approved by the Audit Commission as they are responsible for setting audit fees.

The scale fee assumes that good quality working papers and records will be provided to support the financial statements within agreed timeframes. We have also assumed that that Internal Audit undertakes appropriate work on all key systems, and good quality working papers and records will be provided within agreed timeframes is also still relevant.

A separate plan detailing our assessment of audit risk and proposed response to those risks will be issued following completion of our detailed audit planning in May 2014. Within this, we will set out a timetable of deliverables required from you which will ensure a timely and efficient audit process, and therefore minimise the fees charged to you. As part of our detailed planning discussions we will seek to identify with you any further areas where efficiency can be achieved in the year end reporting and audit process.

We will issue a number of reports relating to our work over the course of the audit:

Panned output	Indicative Date
Audit Plan	May 2014
Auditors' report giving the opinion on the financial statements and value for money conclusion	30 September 2014
Annual audit letter	October 2014

Audit Team:

The key members of the audit team for the 2012/13 audit are:

Team member	Role	Telephone number
Chris Powell	Engagement Partner	0113 292 1288 or 0781 015 3640
Alistair Lince	Audit Senior Manager	0113 292 1615 or 07920 593 920
Lucy Waller	Audit Manager	0113 292 1554 or 0791 911 3469

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 Chris Powell in the first instance.

Yours sincerely



Deloitte LLP

cc Director of Corporate Services
cc Chair of Finance, Risk, Audit and Standards Committee