



Arun District Council
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West Sussex
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Mr Tony Crawley
Chief Executive
PSAA Ltd
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2 August 2021

Our Ref: A&G/CM

Please ask for:
Carolin Martlew
Corporate Support
37568

Dear Mr Crawley,

Proposed Increase in Audit Fees

The Council wrote to you in March of this year at the request of members of the Audit & Governance Committee expressing its concern at the size of the proposed fee increase that had been advised by the Council's external auditors Ernst & Young LLP for their work on the 2019/20 Accounts. Included in this was a 'scale fee rebasing' which represented an increase of over 57% on the scale fee published by PSAA Ltd and members felt that this was excessive.

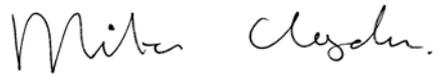
It is our understanding that PSAA Ltd as the commissioning body must approve this increase and is also responsible for setting future fee levels. To date, the Council does not appear to have received a response to its concerns or any indication as to whether the requested fee increase has been approved by yourselves.

At the meeting of 29 July 2021, members received the external auditors' planning report for the audit of the 2020/21 Accounts. This not only included the as yet unapproved scale fee rebasing applied to the current year but also indicated there would be further additional fees for new risks and changing requirements, which could then further increase the scale fee for future years.

It is a further concern to the Council that the external auditors advised that they have insufficient suitable resource to fulfil their audit requirements to all their contracted clients by the current extended deadline for the publication of the audited accounts of 30 September 2021. They have advised that they are prioritising their clients to ensure that each assignment has a suitably experienced team to undertake the work, but this means that the Council will not receive its audited Accounts until January 2022, well beyond the deadline in the Accounts & Audit (Amendment) Regulations 2021.

The Committee would welcome your comments on these issues and also advice on when a decision on the fee increase application from last year might be made and its impact on fees in future years.

Yours sincerely

A handwritten signature in black ink that reads "Michael Clayden". The signature is written in a cursive style with a large initial 'M' and a long, sweeping underline.

Cllr Michael Clayden
Chair, Audit & Governance Committee
Arun District Council