

Prouse, Marcus

From: admin@saaa.co.uk
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Subject: Notification of external auditor appointment for the 2019/20 financial year - PKFL

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Notification of external auditor appointment for the 2019/20 financial year **Taunton Charter Trustees**

SAAA has been appointed by the Secretary of State for Communities and Local Government as "a person specified to appoint local auditors" under powers in Regulation 3 of the Local Audit (Smaller Authorities) Regulations 2015. Under the Regulations, SAAA is responsible for appointing external auditors to all applicable opted-in smaller authorities (smaller authorities are defined as those whose gross annual income or expenditure is less than £6.5 million), for setting the terms of appointment for limited assurance reviews and for managing the contracts with the appointed audit firms.

Your appointed external auditor is **PKF Littlejohn LLP**

Contact details: SBA Team, 15 Westferry Circus, Canary Wharf, London E14 4HD

sba@pkf-littlejohn.com

0207 516 2200

The fee scales are set out in the appendix below, and can also be found on the SAAA website www.localaudits.co.uk/appts

The appointed audit firms all have previous experience of conducting limited assurance reviews for smaller bodies and have dedicated personnel to support communications. SAAA will monitor the performance of the appointed firms in providing limited assurance audit services in terms of quality and compliance with their statutory terms of appointment.

If your authority has any potential conflict of interest relating to the auditor appointment, for instance if a Councillor, or close relation is employed by the appointed auditor, you should advise SAAA immediately.

The Annual Return

The "Annual Governance and Accountability Return" and will need to be completed in accordance "Proper Practices" as set out in '*Governance and Accountability for Smaller*

Authorities in England - a Practitioners' Guide', which is available on the SAAA website www.localaudits.co.uk/guidance

Annual Governance and Accountability Return (AGAR) forms will be sent out by your appointed auditor electronically at the end of the financial year. It is assumed that your authority is willing and able to accept documents electronically by e-mail unless you specifically advise SAAA or the auditor to the contrary. The return can either be completed electronically or printed off and completed manually.

Yours faithfully

Smaller Authorities' Audit Appointments Ltd

Appendix

Scales of Fees

The following fees have been determined by SAAA following consultation for the Audit Years 2017-18 to 2021-22.

Scales of fees for smaller authorities, are based on bands of annual income or expenditure, whichever is the higher. This means that the fees are broadly proportionate to the public funds involved and the ability of each authority to pay.

Table 1 sets out the scales of audit fees for smaller authorities that complete their Annual Return fully and accurately within the required timescales, and provide the necessary supporting information and any explanations sought.

Authorities with neither income nor expenditure exceeding £200,000 will be subject to basic limited assurance audit review.

Authorities with either income or expenditure exceeding £200,000 will be subject to intermediate limited assurance audit review.

Table1 - Scale of fees for authorities subject to limited assurance review

INCOME/EXPENDITURE BAND (£)	FEE FOR LIMITED ASSURANCE REVIEW (£)
0 - 25,000	200 (see note)
25,001 - 50,000	200
50,001 - 100,000	300
100,001 - 200,000	400
200,001 - 300,000	600

300,001 - 400,000	800
400,001 - 500,000	1,000
500,001 - 750,000	1,300
750,001 - 1,000,000	1,600
1,000,001 - 2,000,000	2,000
2,000,001 - 3,000,000	2,400
3,000,001 - 4,000,000	2,800
4,000,001 - 5,000,000	3,200
5,000,001 - 6,500,000	3,600

Note: An authority with neither income nor expenditure exceeding £25,000 that is **not** able to certify that it is an exempt authority as it does not meet the qualifying criteria, or if the authority wishes to have a limited assurance review by the external auditor, then the fee payable will be £200.

There is no fee payable if the authority certifies itself as exempt.

Reminder letters

Where a supplier is required to send a reminder to any authority, the supplier will charge the authority £40 for each reminder.

Additional work and variations to the scale fees

If an active authority fails either to submit its Annual Return to the supplier for review by 30 September or (if it is an exempt authority) to provide a certificate of exemption, the supplier will consider issuing a public interest report, the cost of which will be payable by the authority pertaining to the fee income band of that authority as in Table 1 (above).

Extra fees may also be charged, subject to SAAA's approval, in other circumstances, for example where auditors have to:

- consider objections to the accounts from local electors, from the point at which the auditor accepts the objection as valid;
- exercise special powers in relation to the review, such as issuing a report in the public interest; or
- undertake any special investigations, such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Extra fees will be calculated and charged according to the work required, subject to the maximum hourly rates set out in Table 2 below.

Table 2 - Maximum hourly rates for additional work at smaller authorities

STAFF GRADE	MAXIMUM £ PER HOUR
Engagement lead	355

Senior manager/manager	215
Senior auditor	140
Other staff	105

Value Added Tax

The fee scales exclude Value Added Tax, which will be charged at the prevailing rate on all work undertaken.

SAAA - Smaller Authorities' Audit Appointments Limited

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