

Ryedale District Council

External Audit Progress Report

April 2012

# Summary of activity

We are pleased to present our progress report to the Overview and Scrutiny Committee. This summarises the activities that we have completed in the last quarter.

## Summary of activities

### **Audit of financial statements**

Our audit planning visit occurred in the week commencing 12 March and our IT visit was carried out in the week commencing 26 March 2012.

Our report on the audit plan will be presented at the July meeting.

## Other matters

### **Demise of Audit Commission**

All audit work currently performed by the Audit Commission is being outsourced to private audit firms for 2012/13 onwards. This does not include our appointment as auditors to Ryedale District Council.

The results of the outsourcing exercise have been published and are as follows:

- Grant Thornton won 4 contracts;
- KPMG won 3 contracts – including Humberside & Yorkshire;
- E&Y won 2 contracts; and
- DA Partnership won 1 contract – North East and North Yorkshire

All contracts are for 5 years meaning that all contracts, including ours, will terminate after 2016/17.

We do not expect pre-existing appointments with firms, including our appointment, to be affected but as the Commission is required to consult on appointment of auditors that process is now in progress and our continuing appointment for 2012/13 will not be formally confirmed until August 2012.

### **Audit fees 2012/13**

No further communication has been received regarding fees for 2012/13. The final scale fees are expected to be published in April 2012 when the outsourcing exercise is complete.

The Commission has said that they “are now confident they can go significantly further” than the 10% initial reduction offered. Press coverage has alluded to 40% savings to be made to audit fees in the next 5 years.

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