

Email from John Crossling. Warwickshire & West Midlands Association of Local Councils (WALC)
16/02/16.

Audit procedures for 2017-18 onwards

The audit procedures will apply to all Parish Councils and Parish Meetings (NB the Transparency Code does not apply to Parish Meetings)

Having attended the meeting last week my recommendation is now that all Councils should not opt out of the SAAA (Smaller Authorities Audit Appointment). I fail to see any advantage in opting out although the largest councils may consider it if they think that can get limited assurance audit for a lower price - but the process that has to be undertaken must be taken into account as that in itself may have further costs. If you do opt in the contract is for a period of 5 years.

Two Key Points:-

1) If the annual turnover of your Council / Meeting is less than £25K you do not have to have a limited assurance Audit - you simply have to send an exemption certificate in each year. If your Council has no expenditure during the year you have to send in an Inactive certificate. (This does not mean you don't do anything - it just means you have not spent any public money).

All Councils in the above category can voluntarily ask for a limited assurance audit if they have a concern about their accounts in a particular year and that will cost £200.

2) If your Council has a turnover of more than £25K you will need to have a limited assurance audit carried out each year. The cost of that will relate to the size of your turnover and the attached scan confirms what the respective fees will be.

For those Councils that are close to the £25K level it is possible they could go above or below in any one year - they will have to follow the appropriate procedure for that particular year. It is not set for the length of the contract.

If a council of any size decides to opt out they will have to send an exemption certificate in if they are below the £25K threshold.

If any Council that has opted out requires a limited assurance audit either voluntarily or because they have to, that Council will have to appoint an independent panel to investigate possible auditors and they will make a recommendation to the Council of who the Council should appoint. The panel could be appointed jointly with other Councils but all councils involved in a joint panel will have to accept the decision of that panel.

The table of fees are set for the period of the contract (5 years) and they are intended to break even (Not make a profit) If there appears to be a surplus in the final year the fees may be reduced to ensure a breakeven point is achieved.

Fee Scales – limited assurance audit reviews

Income & Expenditure band (£)	Fee per small body (£)
1-1,000	200
1,001 - 5,000	200
5,001 - 10,000	200
10,001 - 25,000	200
25,001 - 50,000	200
50,001 - 100,000	300
100,000 - 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

For authorities in bands up to £25k, fee only applies if an audit is requested

5 Yrs Contract / 11 Yrs Renewal / 40% Margin