



Public Sector Audit Appointments

19 October 2015

Subject: Consultation on the 2016/17 work programme and scales of fees

Dear Ms Davies

Public Sector Audit Appointments Limited (PSAA) is responsible for managing the audit contracts previously let by the Audit Commission, and will set 2016/17 scale audit fees for relevant audited bodies under statutory powers delegated to it by the Secretary of State for Communities and Local Government.

PSAA is now consulting on the proposed work programme and scales of fees for 2016/17 audits. The consultation sets out the work that auditors will undertake at relevant principal audited bodies, with the associated scales of fees.

There are no planned changes to the overall work programme for 2016/17. We propose that scale fees are set at the same level as the scale fees applicable for 2015/16, set by the Audit Commission before it closed in March 2015. The Commission reduced scale fees from 2015/16 by 25 per cent, in addition to the reduction of up to 40 per cent made from 2012/13.

Following completion of the Audit Commission's 2014/15 accounts, PSAA has received a payment in respect of the Audit Commission's retained earnings. PSAA will redistribute this and any other surpluses from audit fees to audited bodies, on a timetable to be established shortly.

The work that auditors will carry out on the 2016/17 accounts will be completed based on the requirements set out in the Local Audit and Accountability Act 2014 and under the Code of Audit Practice published by the National Audit Office.

The consultation documents on the 2016/17 proposed work programme and scales of fees are now available for you to view on the PSAA website at <http://www.psaa.co.uk/audit-and-certification-fees/consultation-on-201617-proposed-fee-scales/>

We hope you find this information useful. We welcome comments on the consultation proposals, which should be sent to:

workandfeesconsultation@psaa.co.uk

or by post to Jon Hayes, Chief Officer, at: Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London SW1P 3HZ.

The consultation will close on **Friday 15 January 2016**.

Yours sincerely

Jon Hayes
Chief Officer