

## Crawley Borough Council

### Minutes of Audit Committee

Thursday, 29 April 2021 at 9.30 am

#### **Councillors Present:**

J Millar-Smith (Chair)

M Flack (Vice-Chair)

T G Belben and J Purdy

#### **Also in Attendance:**

Councillor R D Burrett

#### **Officers Present:**

Gillian Edwards                      Audit and Risk Manager

Karen Hayes                            Head of Corporate Finance

Jess Tamplin                          Democratic Services Support Officer

Paul Windust                          Chief Accountant

#### **Apologies for Absence:**

Councillor M G Jones

#### **1. Disclosures of Interest**

No disclosures of interests were made.

#### **2. Minutes**

The minutes of the meeting of the Audit Committee held on 3 March 2021 were approved as a correct record and signed by the Chair.

#### **3. Public Question Time**

No written questions had been submitted by members of the public.

#### **4. Confirmed Total Final External Audit Fees for 2019/20**

The Head of Corporate Finance introduced the item, which requested that the Committee consider the Ernst & Young (EY) fees document set out in item five of the agenda. The document had been circulated to the Chair and Vice-Chair, who had requested that the matter be brought before the Committee due to concerns raised previously that the total fees were larger than initially estimated.

A statement submitted by EY, published as a [supplementary agenda](#) prior to the meeting, was read to the Committee. The statement set out information regarding the work carried out and a summary of the fees charged.

The Committee then raised the following matters:

- The final fees were approximately £40,000 greater than the Council had budgeted for.
- Following a query from a Committee member, it was heard that EY employed staff with varying levels of experience, but as the Council's audit was done remotely, it was difficult to gauge the experience of staff allocated to the audit.
- PSAA (Public Sector Audit Appointments) was to determine the proposed variation from £50,291 to £77,691; it was also confirmed that PSAA would determine the further increase from £77,691 to £90,824.
- A Committee member queried whether the Council could have taken any action to prevent the increase in fees. Finance officers explained that this was not the case; EY had given increased audit regulation as the main cause of the increase. There was, however, a small fee for additional work for audit papers which may have been avoided.

The Chair proposed that the Mayor be requested to place an item on the agenda for the next ordinary meeting of the Full Council (14 July 2021) relating to the increase in final external audit fees and that a representative from EY be invited to that meeting to present their justification for the increase. It was proposed that Full Council be requested to consider the justification and any further relevant information in relation to the matter.

A recorded vote was then taken in accordance with the Council's Virtual Committee Procedure Rules. The names of the councillors voting for and against the proposal, along with any abstentions, were recorded as follows:

For the proposal:

Councillors T Belben, Flack, Millar-Smith, and Purdy (4).

Against the proposal:

None (0).

Abstentions:

None (0).

## **RESOLVED**

- 1) That a representative from Ernst and Young, the Council's External Auditors, be invited to the next ordinary meeting of the Full Council (14 July 2021) and that the Mayor be requested to place an item on the agenda relating to the increase in final external audit fees to hear EY's justification for the increase.
- 2) That the Full Council considers the justification presented by Ernst and Young and any further information or updates relevant to the matter, and decides what action, if any, it wishes to take.

Committee members acknowledged a further proposal by the Chair to write to EY requesting a full detailed breakdown of the fees due. The Chair also proposed to write to PSAA on behalf of the Committee with a request that it not make any

judgement on the fees until after the next ordinary meeting of the Full Council. The Committee expressed general support for both proposals.

The Chair was advised that, rather than voting on each proposal individually, a single recorded vote could be taken on both proposals. No dissent from Committee members was expressed regarding this course of action.

A recorded vote was therefore taken in accordance with the Council's Virtual Committee Procedure Rules. The names of the councillors voting for and against the proposals, along with any abstentions, were recorded as follows:

For the proposals:

Councillors T Belben, Flack, Millar-Smith, and Purdy (4).

Against the proposals:

None (0).

Abstentions:

None (0).

### **RESOLVED**

- 3) That the Chair writes to EY requesting a full detailed breakdown of the fees due before the next ordinary meeting of the Full Council (14 July 2021).
- 4) That the Chair writes to PSAA on behalf of the Committee with a request that it not make any considerations on the fees until after the next ordinary meeting of the Full Council (14 July 2021).

### **Closure of Meeting**

With the business of the Audit Committee concluded, the Chair declared the meeting closed at 10.00 am

**J Millar-Smith (Chair)**