



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Fee Scheme 2014

Second revision

This is a fee scheme prepared by the Wales Audit Office under section 24 of the Public Audit (Wales) Act 2013. It is the second Fee Scheme published by the Wales Audit Office and applies for the 2014 and subsequent calendar years unless it is revised or remade. This Fee Scheme replaces that approved by the Finance Committee of the National Assembly for Wales on 20 March 2014.

This fee scheme is laid before the National Assembly under section 24(4)(c) of the Public Audit (Wales) Act 2013.

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Introduction

- 1 This fee scheme has been prepared by the Wales Audit Office under section 24 of the Public Audit (Wales) Act 2013 (the Act) ([Appendix 1](#)). The fee scheme, following approval by the National Assembly, will provide the basis on which the Wales Audit Office will charge audit fees.
- 2 This fee scheme replaces that approved by the Finance Committee of the National Assembly on 20 March 2014 as it now includes fee scales for those activities outlined in [paragraph 11](#) for which the Wales Audit Office did not have powers under the Act to prescribe before 1 April 2014.
- 3 In broad terms, the fee scheme sets out:
 - the enactments under which the Wales Audit Office charges audit fees; and
 - the arrangements for setting those fees.
- 4 The Wales Audit Office's arrangements comprise either:
 - fee scales that set out fee ranges for particular areas of audit work ([paragraphs 8 to 11](#)); or
 - fee rates for work not covered by fee scales ([paragraphs 12 to 14](#)).
- 5 Much of the audit work that will be undertaken during 2014-15 relates to the 2013-14 financial year and will be undertaken under the Auditor General's fee charging powers, rather than the Wales Audit Office's powers.
- 6 Audit fees are the main, but not the only, source of the Wales Audit Office's funding. Full information about the Wales Audit Office's funding is contained in annual estimates of income and expenditure which are laid before the National Assembly.

List of enactments

7 **Exhibit 1** sets out the statutory enactments under which the Wales Audit Office may and must charge fees, as at 1 April 2014.

Exhibit 1: Statutory fee charging enactments

Nature of work	Statutory enactments
The Wales Audit Office may charge fees for the following activities	
<ul style="list-style-type: none"> Audit of accounts by the Auditor General (other than local government accounts) 	Section 23(2) Public Audit (Wales) Act 2013
<ul style="list-style-type: none"> Value for money studies undertaken by agreement 	Section 23(3)(a)-(c) Public Audit (Wales) Act 2013
<ul style="list-style-type: none"> Any administrative, professional or technical services to be provided by the Wales Audit Office or the Auditor General by arrangement under section 19 of the Act 	Section 23(3)(d) Public Audit (Wales) Act 2013
<ul style="list-style-type: none"> An extraordinary audit of a local government body 	Section 37(8) of the Public Audit (Wales) Act 2004
<ul style="list-style-type: none"> Data matching exercises A fee scale must be prescribed for this work 	Section 64F(A1) of the Public Audit (Wales) Act 2004
The Wales Audit Office must charge fees for the following activities	
<ul style="list-style-type: none"> Work under the Local Government (Wales) Measure 2009 A fee scale must be prescribed for this work 	Section 27 of the Local Government (Wales) Measure 2009
<ul style="list-style-type: none"> Grant certification services 	Section 23(4)(a) Public Audit (Wales) Act 2013
<ul style="list-style-type: none"> Studies at the request of educational bodies under section 145B of the Government of Wales Act 1998 	Section 23(4)(b) Public Audit (Wales) Act 2013
<ul style="list-style-type: none"> Auditing the accounts of a local government body and undertaking studies by agreement with a local government body A fee scale must be prescribed for the audit of the accounts of local government bodies 	Section 20(A1)(a)-(b) of the Public Audit (Wales) Act 2004
Other fee charging provisions	
<ul style="list-style-type: none"> Benefit administration studies for the Secretary of State. The amount of the fee must be a reasonable amount agreed between the Secretary of State and the Wales Audit Office. 	Section 45 of the Public Audit (Wales) Act 2004
<ul style="list-style-type: none"> Assisting Her Majesty's Chief Inspector for Education and Training in Wales 	Section 41A of the Education Act 1997

Fee scales

- 8 Fee scales are a means of regulating the cost of public audit, through setting limits and by reviewing fees against those limits. Fee scales also provide a framework for auditors to assess the amount of annual audit work necessary and the fee to be charged for that work at a particular audited body.
- 9 The Wales Audit Office is required to prescribe fee scales for:
- work relating to the audit of local government bodies;
 - work under the Local Government (Wales) Measure 2009; and
 - data matching work.¹
- 10 The Wales Audit Office was not able to prescribe these fee scales until 1 April 2014 and hence this fee scheme has been updated to include the fee scales consulted upon and prescribed by the Auditor General in March 2014.
- 11 Fee scales for the audit of 2013-14 accounts and 2014-15 improvement audits and assessments are attached in [Appendix 2](#). [Appendix 2](#) also contains separate fee scales for work conducted at unitary authorities, fire and rescue authorities, national park authorities, police and crime commissioners and chief constables, town and community councils and local government pension funds.

Other fees

- 12 Audit and inspection fees reflect the amount of staff time that will be spent on that audit or inspection. Staff are charged to audits at grade-related hourly rates. In accordance with the Act, these hourly rates have been calculated so as not to recover more than the full cost of carrying out that work. Hourly rates reflect the direct costs of staff plus an appropriate proportion of overheads. Other than as specified elsewhere in this scheme, audit fees will be charged in accordance with the hourly fee rates set out in Exhibit 2. These rates will apply to all work that the Wales Audit Office will charge for from 1 April 2014 except to the extent that the fee scales set out in this scheme regulate the amount to be charged.
- 13 In the case of the provision of administrative, professional or technical services agreed before 1 April 2014, fees will be charged in accordance with the relevant agreement, subject to such fees being capped at the full cost of providing the service.
- 14 Where specialist support or legal or professional advice is required, this will be charged to audited bodies in addition to the cost of Wales Audit Office staff.

¹ Fee scales for data matching work are not currently required as this is biennial work for which fee scales will be included in Fee Scheme 3 later in 2014

Payment of fees

Exhibit 2: Hourly fee rates

Grade	Hourly rate (£ per hour)
Financial audit	
Engagement lead	£162
Audit manager	£111
Team leader	£75
Team member	£56
Trainee	£45
Technician	£30
Performance audit	
Engagement lead	£173
Performance audit manager	£111
Performance audit lead	£93
Performance auditor	£65

- 15 Where audit fees are set and charged in advance, those fees (plus VAT where appropriate) are collected in monthly instalments from audited bodies, unless otherwise agreed.
- 16 Where fees are calculated on a daily basis, those fees (plus VAT where appropriate) are collected on completion of the work or in stage payments as the work progresses.

Public Audit (Wales) Act 2013

– full text of section 24

- 1 The Wales Audit Office must prepare a scheme relating to the charging of fees by the Wales Audit Office.
- 2 The scheme must include the following:
 - a a list of the enactments under which the Wales Audit Office may charge a fee;
 - b where those enactments make provision for the Wales Audit Office to prescribe a scale or scales of fees, that scale or those scales;
 - c where those enactments make provision for the Wales Audit Office to prescribe an amount to be charged, that amount; and
 - d where no provision is made for a scale or scales of fees or for an amount to be prescribed, the means by which the Wales Audit Office is to calculate the fee.
- 3 The scheme may, amongst other things:
 - a include different provision for different cases or classes of case; and
 - b provide for times at which and the manner in which payments are to be made.
- 4 The Wales Audit Office:
 - a must review the scheme at least once in every calendar year;
 - b may revise or remake the scheme at any time; and
 - c must lay the scheme (and any revision to it) before the National Assembly.
- 5 Where the Welsh Ministers prescribe a scale or scales of fees under:
 - a section 64F of the Public Audit (Wales) Act 2004 (fees for data matching); or
 - b section 27A of the Local Government (Wales) Measure 2009 (Welsh Ministers' power to prescribe a scale of fees) to have effect instead of a scale or scales prescribed by the Wales Audit Office, the Wales Audit Office must revise the scheme to include the scale or scales prescribed by the Welsh Ministers instead of those prescribed by the Wales Audit Office.
- 6 If a revision made in accordance with subsection (5) is the only revision to a scheme, it does not require the approval of the National Assembly.
- 7 The scheme takes effect when approved by the National Assembly or, in the case of a revision made in accordance with subsection (5), once it has been laid before the Assembly.
- 8 The Wales Audit Office must publish the scheme (and any revision to it) as soon as reasonably practicable after it takes effect.

Wales Audit Office fee scales from 1 April 2014

Unitary authorities

Fee scale for audit of accounts for unitary authorities

Gross expenditure £000,000	Total fee range £000		
	Minimum	Median	Maximum
100	119	140	160
200	143	168	193
300	159	187	215
400	172	202	232
500	183	215	246
600	192	225	259
700	200	235	269
800	207	243	279
900	213	251	288
1,000	220	258	296
1,100	225	265	304
1,200	230	271	311

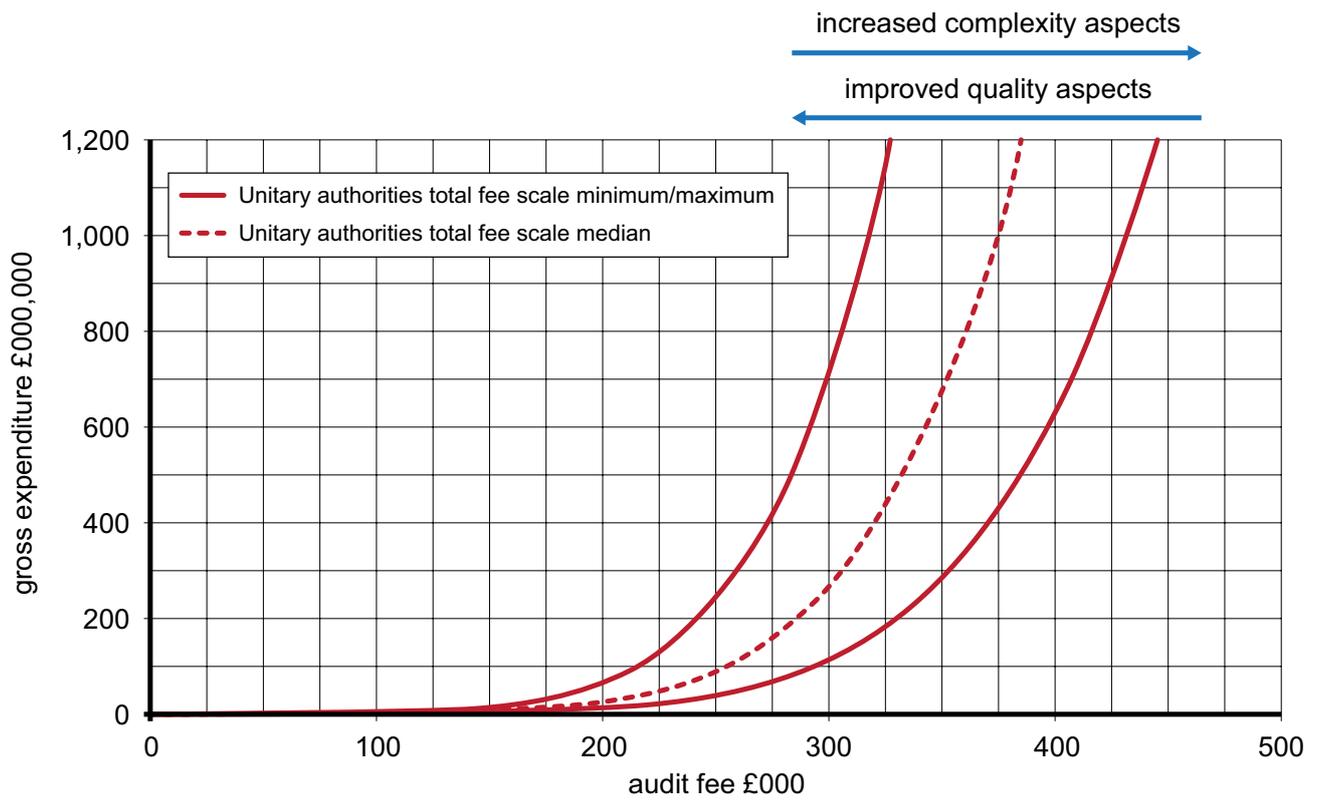
Fee scale for improvement audits and assessments for unitary authorities

All unitary authorities	Total fee range £000		
	Minimum	Median	Maximum
	98	117	136

Total fee scale for unitary authorities

Gross expenditure £000,000	Total fee range £000			
	Minimum	Median	Maximum	2013-14 median
100	217	257	296	196
200	241	285	329	242
300	257	304	351	273
400	270	319	368	298
500	281	331	382	319
600	290	342	395	337
700	298	352	405	353
800	305	360	415	367
900	311	368	424	380
1,000	318	375	432	393
1,100	323	382	440	404
1,200	328	388	447	415

Graphic of total fee scale for unitary authorities



Fire and rescue authorities

Fee scale for audit of accounts for fire and rescue authorities

Gross expenditure £000,000	Total fee range £000		
	Minimum	Median	Maximum
20	34	41	47
40	41	49	57
60	46	55	63
80	50	59	68
100	53	63	72

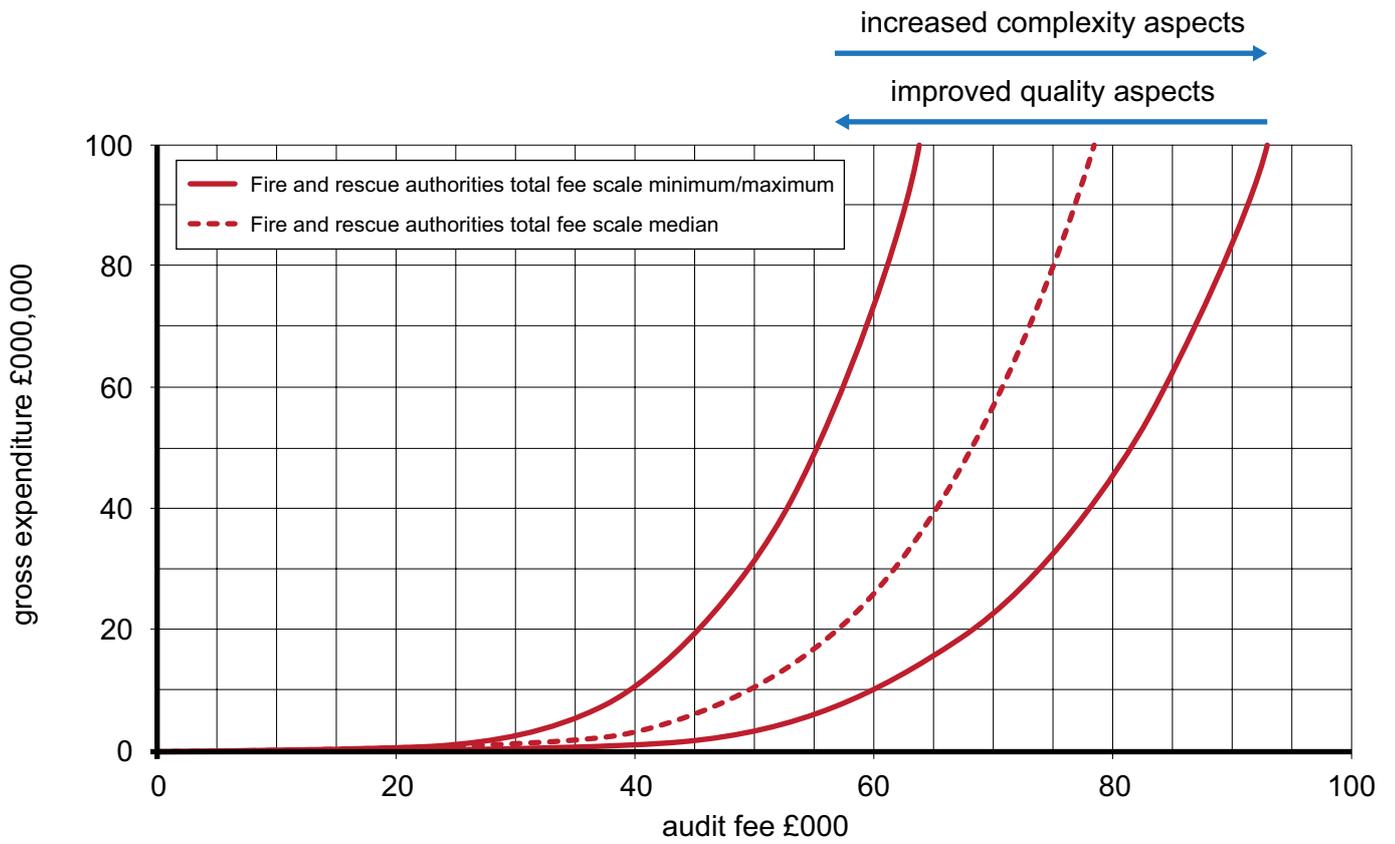
Fee scale for improvement audits and assessments for fire and rescue authorities

All fire and rescue authorities	Total fee range £000		
	Minimum	Median	Maximum
	11	16	21

Total fee scale for fire and rescue authorities

Gross expenditure £000,000	Total fee range £000			
	Minimum	Median	Maximum	2013-14 median
20	45	57	68	48
40	52	65	78	61
60	57	71	84	71
80	61	75	89	79
100	64	79	93	85

Graphic of total fee scale for fire and rescue authorities



National park authorities

Fee scale for audit of accounts for national park authorities

Gross expenditure £000,000	Total fee range £000		
	Minimum	Median	Maximum
2	22	26	29
4	26	31	35
6	29	34	39
8	31	37	42
10	33	39	45

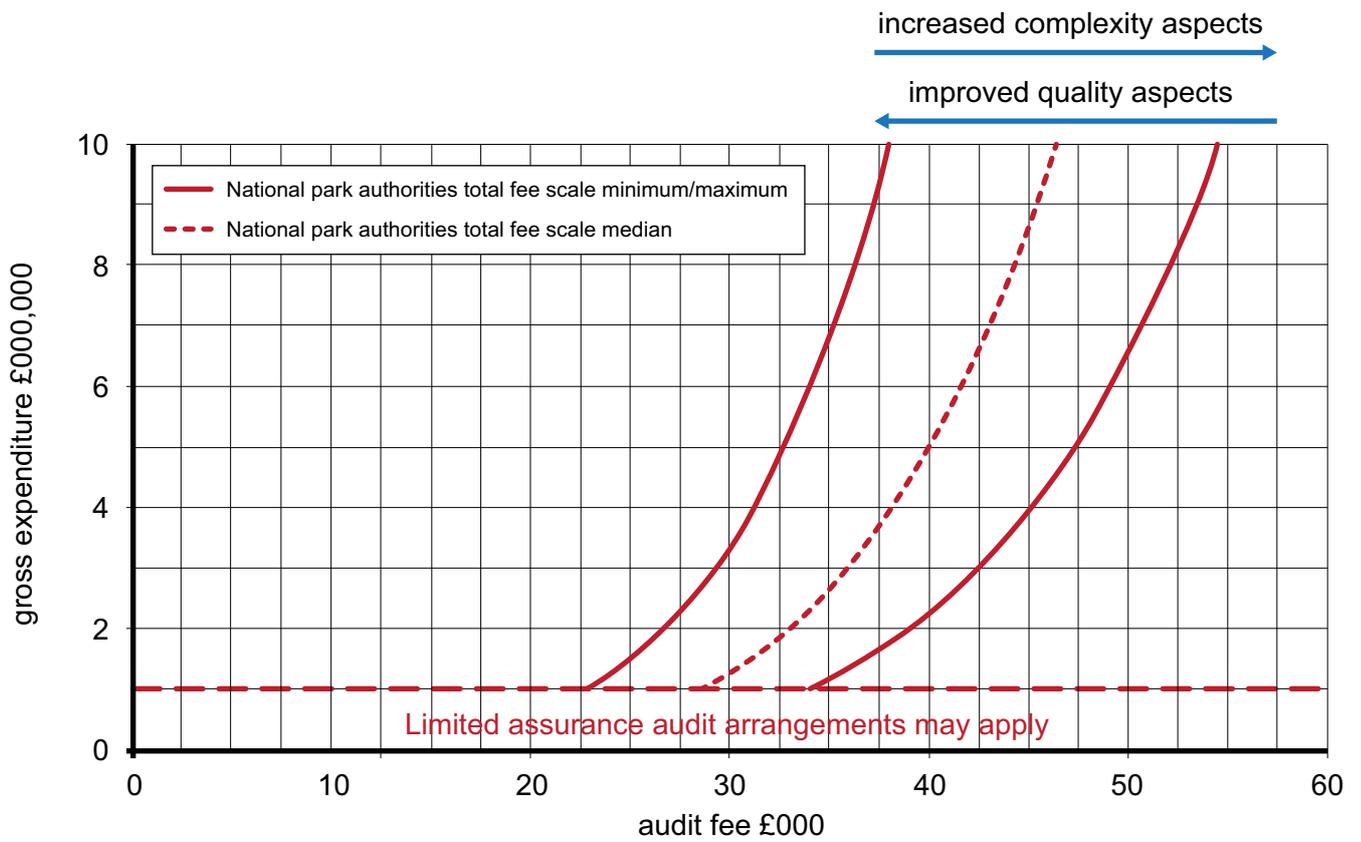
Fee scale for improvement audits and assessments for national park authorities

All national park authorities	Total fee range £000		
	Minimum	Median	Maximum
	5	7	10

Total fee scale for national park authorities

Gross expenditure £000,000	Total fee range £000			
	Minimum	Median	Maximum	2013-14 median
2	27	33	39	23
4	31	38	45	30
6	34	41	49	35
8	36	44	52	39
10	38	46	55	42

Graphic of total fee scale for national park authorities

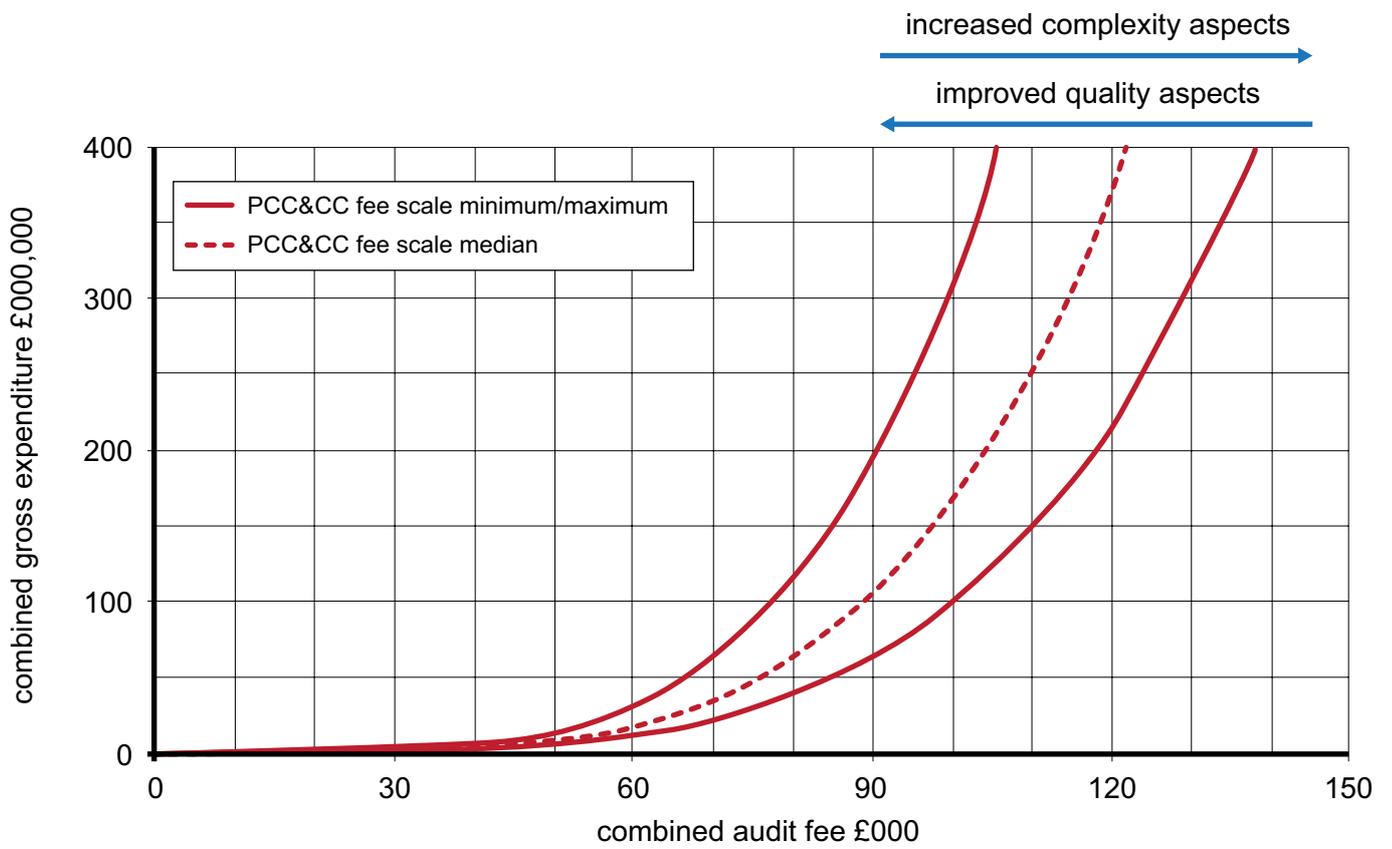


Police and crime commissioners and chief constables

Fee scale for audit of accounts for police and crime commissioners and chief constables

Combined gross expenditure of PCC and CC £000,000	Combined fee range for PCC and CC £000			
	Minimum	Median	Maximum	Estimated median from last year
50	67	76	85	55 to 60
100	78	89	100	73 to 79
150	85	97	110	86 to 93
200	90	104	117	96 to 105
250	95	109	124	105 to 115
300	99	114	129	113 to 123
350	103	118	134	121 to 131

Graphic of fee scale for police and crime commissioners and chief constables



Town and community councils

Fee scale for audit of accounts of town and community councils with income or expenditure up to £1,000,000

Annual income or expenditure (fees are payable on whichever is the higher each year)	Type of audit	Proposed fee	Fee charged in previous year
£Nil - £1,000	Basic	£30	No fee payable
£1,001 - £5,000	Basic	£80	£60
£5,001 - £10,000	Basic	£175	£130
£10,001 - £30,000	Basic	£205	£150
£30,001 - £60,000	Basic	£295	£310
£60,001 - £100,000	Basic	£350	£425
£100,001 - £200,000	Basic	£415	£575
£200,001 - £300,000	Intermediate	£650	£920
£300,001 - £400,000	Intermediate	£650	£1,100
£400,001 - £500,000	Intermediate	£650	£1,520
£500,001 - £750,000	Intermediate	£920	£2,045
£750,001 - £1,000,000	Intermediate	£920	£2,625

Local government pension funds

Fee scale for audit of accounts for local government pension funds

All pension funds	Total fee range £000			
	Minimum	Median	Maximum	2013-14 median
	30	40	50	28