

## Attachment B – Audit Fees for 2021 and 22

### 1. Estimated audit hours

Deloitte estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

<b>Audit team member</b>	<b>2020 Actual</b>	<b>2021 budget</b>	<b>2022 budget</b>
Appointed Auditor	86	80	75
Review Partner	15	15	15
Audit Manager	207	180	170
Other CA qualified staff	339	300	280
Non CA qualified staff	737	665	640
IT and valuation specialists	10	10	10
<b>Total audit hours</b>	<b>1,394</b>	<b>1,250</b>	<b>1,190</b>

### 2. Proposed fees for the next two years:

<b>Structure of audit fees</b>	<b>2020 Actual fees charges **</b>	<b>2021 budget fees</b>	<b>2022 budget fees</b>
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	212,325	195,000	187,200
OAG Audit Standards and Quality Support charge	11,150	14,100	17,050
<b>Total audit fee (excluding disbursements)</b>	<b>223,475</b>	<b>209,100</b>	<b>204,250</b>
Estimated Disbursements	16,310	16,000	16,000
<b>Total billable audit fees and charges</b>	<b>239,785</b>	<b>225,100</b>	<b>220,250</b>
GST	35,968	33,765	33,038
<b>Total (including GST)</b>	<b>275,753</b>	<b>258,865</b>	<b>253,288</b>

\*\* Actual fees charged were approved by OAG in 2021 after the FY20 audit was completed. The additional audit fees relate to additional time spent on the revaluation process, increased substantive testing due to errors and additional review of the annual report.

### 3. Reasons for changes in audit fees

<b>Reasons for increased or decreased audit fees compared to previous period budgeted fees.</b>	<b>2020 actual</b>	<b>2021 budget</b>	<b>2022 budget</b>
Approximate 1.5% inflationary movement (Reflecting wage inflation)	0	2,300	2,700
Material increases in the fair value of assets each year has resulted in an increase in the frequency of revaluations performed for each class of asset. For example, a full revaluation of roading has been done each year for the last three years vs. 3 year cycle.	35,000	28,675	-7,000
Given the level of detail that the annual reports are presented at, the history of the number of versions of annual reports and number of different KDC staff involved in preparing the financials, more time is required to review the annual report.	10,000	5,000	-2,500
An increase in the amount of time spent on contributions revenue, landfill provision, cash flow due to the complexity in these areas.	10,000	1,700	-1,000
<b>Total increase (decrease) in audit fees</b>	<b>55,000</b>	<b>37,675</b>	<b>-7,800</b>