

Audit Committee – 15th April 2010

Report of the Interim Director of Finance

Audit Commission Fee Letters 2010/11

Purpose of Report

1. The Audit Commission's Fee Letters for 2010/11 are attached and the Audit Manager will be available at the meeting to deal with any issues.

Background

2. In addition to their work on the Council's accounts and financial systems, the External Auditors have a wide mandate to carry out Inspection and Value for Money work. Outline proposals for the work to be carried out and the fees to be charged are set out in the following documents:-
 - The Annual Audit Fee Letter 2010/11 is attached as Appendix 1. This sets out work to be carried out in accordance with the Code of Audit Practice (attached as Appendix 2) and in accordance with the Statement of Responsibilities of Auditors and of Audited Bodies (attached as Appendix 3). The letter shows an increase in the fee for the financial statements element of the audit compared to 2009/10. This reflects the costs of additional audit work arising from the introduction of International Financial Reporting Standards. However the Audit Commission has indicated its intention to offset these increases by a subsidy to audited bodies. This subsidy will be 6 per cent of the scale fee. This should amount to £21,383. This means that the total audit fee for 2010/11, net of the subsidy, should in practice amount to £308,574 (rather than the £329,957 shown in the letter).
 - The Annual Inspection Fee Letter 2010/11 is attached as Appendix 4. This relates to work on the "Managing Performance" theme of the Council's organisational assessment under Comprehensive Area Assessment (CAA). The planned fee for this work is £16,630.

Finance

3. The Council has made revenue budget provision for the annual audit fee, inspection fees and grant audits. It is anticipated that any costs arising from the above audit work will be met from within existing resources.

Law

4. Legislation appertaining to Local Authority Audit and Accounts is contained in the Local Government Act 1999, the Audit Commission Act, 1998, and regulations made therein.

Equality Impact

5. There are no direct implications for children and young people.

Recommendation

6. That Members note the Audit Commission fee letters attached to this report.



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Bill Baker
Interim Director of Finance

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