

**Audit Committee – 22nd September 2011**

**Report of the Treasurer**

**Audit Commission Fee Letter 2011/12**

**Purpose of Report**

1. The Audit Commission's Fee Letter for 2011/12 is 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 carry out Value for Money (VFM) work and the Whole of Government accounts. 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 2011/12 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 a decrease in the total audit fee from £444,957 to £411,961 in 2011/12 due to the following reasons:
    - a) No inflationary increase in scales fees and hourly rates
    - b) A cut in the scale fees for VFM work
    - c) Lower audit costs following the implementation of IFRS.

**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 letter attached to this report.



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**Iain Newman**  
**Treasurer**

Contact Officer: Jan Szczechowski  
Telephone 01384 814805  
Email: [Jan.Szczechowski@dudley.gov.uk](mailto:Jan.Szczechowski@dudley.gov.uk)