

**ANNUAL AUDIT FEE 2009/10****Report By: DIRECTOR OF RESOURCES****Wards Affected**

County-wide.

**Purpose**

1. To inform the Audit and Corporate Governance Committee of the work to be undertaken for 2009/10 financial year by the Audit Commission. The report also provides a total indicative fee.

**Financial Implications**

2. These are outlined in the report.

**RECOMMENDATION**

**THAT the Audit and Corporate Governance Committee notes the content of the Annual Audit Fee Letter and agrees the proposed fee.**

**Reasons**

3. The Audit Commission is the Council's appointed external auditor. It is important the Audit and Corporate Governance Committee is informed of the total planned fee and the planned outputs of the work programme.

**Considerations**

4. The Annual Audit Fee letter (attached) contains details of the amount to be paid to the Audit Commission. This is reflected in the Council's budget and the proposed £287,916 is fully funded.
5. An important underlying assumption used in setting the fee is that the general level of risk in relation to the audit of financial statements is not significantly different from that identified in 2008/09.
6. The programme to be undertaken is covered by two headings. The financial statement work covers the review and audit of the Council's statutory statements. Use of Resources and VFM conclusion work covers the assessment forming part of the new Comprehensive Area Assessment and in addition the statutory requirement to indicate if the Council provides value for money.
7. The value for money audit work requires a risk assessment to be carried out that leads to the planned work. The detail of the risks is contained on page 2 of the attached letter. In summary these cover:
  - a) The waste disposal contract's potential impact on the Council's future

financial position.

- b) Benefit realisation from significant projects.
  - c) The effectiveness of managing the workforce as part of the new 'Use of Resources'.
  - d) Following up issues such as performance management around the Amey highways renegotiation.
8. The letter's Appendix 1 contains planned outputs and indicative dates that will help plan committee agendas in 2009/10.

## **Risk Management**

9. The fees indicated in the letter may be affected by a variation in risk levels and these will be monitored as the year progresses.

## **BACKGROUND PAPERS**

None