

By: Cabinet Member for Finance
Director of Finance
To: Governance and Audit Committee – 30 June 2010
Subject: **Kent County Council - Audit Fee 2010/11**
Classification: Unrestricted

Summary: Each year the Audit Commission must confirm the audit work that it proposes to undertake, including the amount of fee to be charged.

FOR DECISION

Introduction and background

1. The Audit Commission are required to notify the Council as to the nature and scope of work to be undertaken in relation to the 2010/11 financial year. The notification includes the level of fee to be charged.

Annual Audit and Inspection Fee 2010/11

2. The letter attached sets out the audit plan and fee for the 2010/2011 financial year. The fee letter was drafted prior to the Government's announcement in relation to the abolition of the Comprehensive Area Assessment (CAA) and restrictions of the inspection regimes. These elements of the fee are therefore subject to change pending the outcome of future consultation.
3. The gross fee proposed of £385,000 is subject to a rebate of £24,494. An analysis of the fee compared to 2009/10 is provided in the table of page 1, but the fee for the year as shown is 7.7% below the average or "scale" for similar types of audit determined by the Audit Commissions work programme and scales of fees.
4. Page 3 of the fee letter sets out the risks identified by the Audit Commission in relation to its work and its proposed response to these. This risk assessment will be revisited in early 2011, with any changes reported to the Committee by the District Auditor.
5. Mr Wells, District Auditor, will provide a verbal update for Members on the latest changes resulting from the Government announcement on CAA.

Recommendations

6. Members are asked to approve the fee proposed.

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