

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

21 June 2010

Report of the Director of Finance

Part 1- Public

Delegated

1 AUDIT COMMISSION - ANNUAL AUDIT AND INSPECTION FEE 2010/11

The purpose of this report is to advise Members of the receipt of the Annual Audit and Inspection Fee letter for 2010/11.

1.1 Introduction

1.1.1 Back in April, the Chief Executive received from our District Auditor the Annual Audit and Inspection Fee letter for 2010/11 [**Annex 1**].

1.1.2 Members will note from the letter that the Gross Audit Fee for 2010/11 is £105,500 which is set within the context of the Audit Commission's published work programme and scales of fees 2010/11. In recognition of the financial pressures that public bodies are facing, the Audit Commission decided that it should rebate the one-off element of the cost of transition to International Financial Reporting Standards that will arise during 2010/11. The rebate for TMBC is £6,812 reducing the Gross Audit Fee to £98,688. This compares to a cost of £96,600 in 2009/10.

1.1.3 In addition to the Gross Audit Fee, there are also inspection and other fees of some £43,152 in total (see the fourth page of the District Auditor's letter). As Members may well be aware, since receiving this letter it was announced by the incoming government that the Comprehensive Area Assessment process would be abolished. The Audit Commission took the decision to cease all work on the assessments with immediate effect. The inspection fees do include an allowance of £9,152 for the CAA process so it is expected that the fees will reduce, in due course, as a result.

1.1.4 I am assured by my District Audit colleagues that they will bring an update in this important issue to a future Audit committee meeting. Trevor Greenlee, our Audit Manager, will however be at the meeting to answer any questions Members may have on the night.

1.2 Legal Implications

1.2.1 Members should note the fee proposals made, but recognise that with the abolition of CAA these fees will need to be adjusted

1.3 Financial and Value for Money Considerations

1.3.1 The fees are in line with previous expectations, but with the abolition of CAA it is expected that these costs will reduce.

1.4 Risk Assessment

1.4.1 None

1.5 Recommendations

1.5.1 Members are **RECOMMENDED** to note the position regarding audit fees for 2010/11 as set out in this report.

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton
Director of Finance