

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

11 October 2011

### Report of the Director of Finance

#### Part 1- Public

#### Delegated

#### **1 AUDIT COMMISSION – PROPOSED WORK PROGRAMME AND SCALES OF FEES 2012/13**

**This report informs members of the Audit Commission's Proposed Work Programme and Scales of Fees for 2012/13.**

#### **1.1 Introduction**

- 1.1.1 Attached for information at **[Annex 1]** is the Audit Commission's 2012/13 Proposed Work Programme and Scales of Fees. Members should note that this is technically a consultation process and the return date for comments is 24 October.
- 1.1.2 The document sets out the Commission's responsibilities, and the work programme is designed to discharge those responsibilities. The document outlines at a high level the work that the Audit Commission plans to undertake in the local government, housing and community safety sectors during 2012/13, together with the proposed fee scales for that year.
- 1.1.3 For 2012/13, the Commission will reduce total audit fees by 10 per cent from the published 2011/12 scale fees. This continues their programme, begun before the abolition announcement in August 2010, to deliver cost cuts of £70 million (30 per cent) over a three-year period.
- 1.1.4 The Commission is currently undertaking an exercise to outsource the work of the in-house audit practice. This follows the announcement on 28 July 2011 of the decision to transfer the Commission's in-house audit practice to the private sector. The procurement timetable is for new auditor appointments to be in place by 1 September 2012, for the 2012/13 audit year.
- 1.1.5 The Commission hope the procurement exercise will realise further reductions in the cost of audit which we can pass on to audited bodies in the form of even lower fees. Therefore the final work programme and scales of fees for 2012/13 will be published in April 2012, when the procurement has been completed.

- 1.1.6 The proposed scale of fees for each audited body is made available on the Commission's website and ours is £90,203 compared to a charge for 2011/12 of £100,225.
- 1.1.7 The Commission also charge fees for certification work and set a schedule of hourly rates which are to be held at there 2011/12 levels for 2012/13.
- 1.1.8 On this occasion, I suggest that there are no particular comments that need to be made in response to the consultation. However, I do clearly welcome the reduction in total audit fees.

## 1.2 Legal Implications

- 1.2.1 Legally, we have no choice but to accept the final version of the 2012/13 work programme and scales of fees and will continue to cooperate with our external auditors who serve us.

## 1.3 Financial and Value for Money Considerations

- 1.3.1 As set out above.

## 1.4 Risk Assessment

- 1.4.1 None.

## 1.5 Equality Impact Assessment

- 1.5.1 None

## 1.6 Recommendations

- 1.6.1 Members are **RECOMMENDED** to NOTE the contents of the document and the anticipated reduction in fees.

Background papers:

Nil

contact: Neil Lawley  
Paul Worden

Sharon Shelton  
Director of Finance

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Consultation paper

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/a	
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*