

Audit and Corporate Governance Committee Report

Report of: Strategic Director
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To: Audit & Corporate Governance Committee
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AGENDA ITEM 6

Annual audit fee 2011/12

Recommendations

1. To note the estimated external audit fee for the 2011/12 financial year and the contents of the appended letter from the Audit Commission.
2. To approve an extension of up to two years for the Engagement Lead, being satisfied that there is no risk to auditor independence.

Purpose of Report

1. The purpose of this report is to inform the committee of the estimated external audit fee for the 2011/12 financial year and the contents of the letter from the Audit Commission. It also seeks the committee's approval of an extension of up to two years for the Engagement Lead, being satisfied that there is no risk to auditor independence.

Background

2. Each year the council's external auditor, the Audit Commission, informs us of the following year's estimated audit fee. The fee covers its annual audit of the council's statement of accounts, as well as other audit and inspection work.

3. Appended to this report is the latest audit fee letter which covers their work relating to the 2011/12 financial year. This is an early estimate and the Audit Commission reserves the right to change the fee as new information comes to light and actual auditing time may vary. The letter also includes other general information relating to the 2011/12 audit. The committee is asked to note the fee.
4. Additionally, this year the District Auditor, Maria Grindley, who has the responsibility for signing off the audit opinion on the council's statement of accounts and is our 'Engagement Lead' is requesting the council's agreement to extend her appointment beyond the usual five year term.
5. The council's s.151 Chief Finance Officer is content that this extension will not compromise the auditor's independence. The committee is requested to approve this extension.

Background Papers

Audit Commission's letter on the annual audit fee 2011/12