

**Subject:** 2011/12 Audit Fee Letter  
**Date of Meeting:** 5 April 2011  
**Report of:** Audit Commission  
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**Wards Affected:** All

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

- 1.1 We would like the committee to review the Audit Commission 2011/12 fee letter.

**2. RECOMMENDATIONS:**

- 2.1 To note the fee letter and 2011/12 audit fee.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 2011/12 audit fees have been calculated following discussions with DCLG regarding the costs associated with the demise of the Audit Commission. The 2011/12 fee for the Council has reduced by 10 per cent. Following consultation on the 2011/12 fees the Commission has agreed, subject to affordability, to make additional rebates of up to £7.2 million. It has also committed to making further reductions in scale fees of up to 15 per cent for 2012/13.
- 3.2 The impact of stopping the Comprehensive Area Assessment, including the cost of making several hundred staff redundant, has limited the level of rebates the Commission can afford to give in 2010/11. However, in April 2010, the Commission issued a rebate of £23,240 against the one-off cost of audit work in relation to the first year of the International Financial Reporting Standards (IFRS). In addition, the Commission has issued a rebate to unitary councils of a further 3 per cent of their 2010/11 scale fee. This is £14,470 for the Council.

