

**GOVERNANCE AND AUDIT COMMITTEE
22 MARCH 2010**

**EXTERNAL AUDIT MATTERS
Borough Treasurer**

1 PURPOSE OF DECISION

- 1.1 The District Auditor has requested that several documents forming part of the 2010/11 and 2011/12 audits be considered by the Committee.
- 1.2 The District Auditor will attend the meeting of the Committee and will present and answer questions on these documents.

2 RECOMMENDATION(S)

- 2.1 That the Governance and Audit Committee note the content of the Audit Plan 2010/11, the Annual Audit Fee 2011/12 Letter and the Audit Commission publication 'A new approach to value for money audit'.**

3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 3.1 Nothing to add to the report

Borough Treasurer

- 3.2 Nothing to add to the report

Equalities Impact Assessment

- 3.3 There are no equalities issues arising from this report.

Strategic Risk Management Issues

- 3.4 The Audit Plan 2010/11 and the Annual Audit Fee Letter 2011/12 take account of the District Auditor's assessment of the risks facing the Council. Some of these, such as the economic climate and public spending pressures, are also included in the Council's Strategic Risk Register.

4 SUPPORTING INFORMATION

- 4.1 Attached to this summary report are three documents that the District Auditor has requested the Committee consider:
- Audit Plan 2010/11
 - Annual Audit Fee 2011/12 Letter

- A new approach to value for money audit, published by the Audit Commission

4.2 A summary of the audit fees is set out in the following table:

Audit Area	2009/10	2010/11	2011/12
Statutory audit fee	£242,100	£256,600	£230,940
IFRS and VFM rebate	£0	(£22,200)	£0
Certification of grant claims and returns	£74,000	£74,000	£60,000
Total	£316,100	£308,400	£290,940

4.3 The budget for external audit fees is £316,570 for 2010/11 and £298,570 for 2011/12. The statutory audit fee and the charge for the certification of grant claims and returns are therefore within budget in both years.

4.4 In addition, the budget also makes provision for charges associated with the National Fraud Initiative (approximately £2,000) and any additional costs arising from investigations undertaken by external audit in response to questions asked or objections made by local electors. Our experience to date is that the cost associated with questions or objections is minimal and if this trend continues there should be a small underspend to report on the external audit fees budget in both 2010/11 and 2011/12.

Background Papers

None

Contact for further information

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