

GOVERNANCE COMMITTEE MEETING: 19th MARCH 2012

SUBJECT: AUDIT COMMISSION - AUDIT PLAN 2011/2012

REPORT OF THE CHIEF FIRE OFFICER AND FINANCE OFFICER

1.0 Purpose of the report

1.1 This report details the Audit Commission's (AC) Audit Plan which notifies the Council of the work that the AC is proposing to undertake in respect of the audit of the financial statements and the value for money conclusion for 2011/2012.

2.0 Audit Plan 2011/2012

2.1 The attached document (Appendix 1) advises on the nature of this work together with the scale fee charge for the 2011/2012 audit and the assumptions that inform this charge to the Authority.

2.2 It is welcomed that the Audit Commission has reviewed the fees it is intending to charge the Authority for its audit services, to recognise the cuts in government grant funding to local government. This has meant that the fees stated on page 14 of the document as £68,080 shows a further reduction in the audit scale fees charged compared to the 2010/2011 total of £74,000. This represents an 8% reduction in scale fees for 2011/2012 and is welcomed by the Authority.

2.3 The Audit Plan identifies the most important (higher risk) audit work areas based upon a risk assessment process. The areas of work are set out in the attached document on Pages 7 and 8 which detail some the main risks associated with compilation of the financial statements and on pages 10 to 12 which detail some of the main risks associated with their value for money conclusion. All areas have been discussed with officers and are considered generic for a fire service of the size of this Authority and as such officers have no major concerns with the areas identified.

2.4 An officer, Lynn Hunt, of the Audit Commission, will be in attendance at the Governance Committee meeting in order to outline the content of the Plan and to answer any questions that may arise.

3.0 Description of Decision

3.1 The Committee is recommended to:

- Note the contents of this report
- Note the reduced audit fees for the work to be undertaken in 2011/2012, based on the Audit Commission's risk-based approach to audit planning.

Background Papers

Audit Commission: Audit Opinion Plan 2011/2012

