

**Our reference** HT/BHCC/1112fee

11 March 2011

John Barradell  
Chief Executive  
Brighton & Hove City Council  
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commission.gov.uk

— Dear John

## **Brighton & Hove City Council Audit Fee 2011/12**

I am writing to confirm the audit work that I propose to undertake for the 2011/12 financial year at the Council. The fee reflects the risk-based approach to audit planning set out in the Code of Audit Practice and work mandated by the Audit Commission for 2011/12. The audit fee covers:

- the audit of your financial statements;
- the value for money conclusion; and
- the whole of government accounts return.

As I have not yet completed my audit for 2010/11 the audit planning process for 2011/12, including the risk assessment, will continue as the year progresses.

### **Audit fee**

The Audit Commission has set the 2011/12 scale fee for each audited body. This is a change from previous years when fees were calculated using fixed and variable elements. The 2011/12 scale fee shows reductions in the total audit fee because there is:

- no inflationary increase in 2011/12 for the audit scale of fees or the hourly rates for certifying claims and returns;
- a cut in scale fees resulting from our new approach to local value for money audit work; and
- a cut in scale audit fees of 3 per cent for local authorities, police and fire and rescue authorities, reflecting lower continuing audit costs after implementing the international financial reporting standards.

Audit Commission, Suite 2, Ground Floor, Bicentennial Building, Southern Gate,  
Chichester, West Sussex, PO19 8EZ  
T 0844 798 1717 F 0844 798 1705 [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

The scale fee for Brighton & Hove City Council is £350,550. It is based on the planned 2010/11 fee, adjusted for the proposals summarised above. Variations from the scale fee will only occur where my 2011/12 assessment of audit risk and complexity has changed. At this time, I have concluded that no variation is needed.

<b>Audit area</b>	<b>Scale fee 2011/12</b>	<b>Planned fee 2010/11</b>
Audit fee	£350,550	£389,500
Certification of claims and returns (estimate)	£58,000	£60,000

The Audit Commission Act 1998 requires me to charge fees for certification work that cover the costs of the work undertaken. The quoted fee for grant certification work is an estimate only and will be charged at published daily rates. Certification work may vary depending on the requirements of grant paying bodies.

I will issue a separate opinion audit plan by March 2012. This will set out the risks identified in the financial statements and value for money conclusion audit. The audit plan will detail the audit procedures I will undertake and the reasons for any changes in fee. If I need to make any significant amendments to the audit fee, I will first discuss this with the Director of Finance. I will then prepare a report outlining the reasons the fee needs to change for discussion with the Audit Committee.

At this stage I propose to continue to review how successful the Council has been in introducing its strategic commissioning model. This review will consider how this is impacting on meeting the needs of service users within a financial environment of decreasing resources. I intend to undertake this work to support the value for money conclusion. I will issue a detailed project plan before work begins.

I will issue several reports over the course of the audit. I have listed these at Appendix 1.

The fee excludes work you may ask the Commission to undertake using its advice and assistance powers. If you ask for any such work I will discuss and agree a project specification with you separately.

## **Audit team**

Your audit team seeks to provide you with a high quality service and must:

- understand you and your priorities;
- provide you with fresh, innovative and useful support;
- be independent and challenging in delivering a rigorous audit as well as being readily accessible and responsive to your needs;
- understand national developments that impact on you; and

- communicate relevant information to you in a prompt, clear and concise manner.

The key members of the audit team for 2011/12 are:

Name	Contact details	Responsibilities
Helen Thompson District Auditor	<a href="mailto:helen-thompson@audit-commission.gov.uk">helen-thompson@audit-commission.gov.uk</a> 0844 798 1790	I am responsible for the overall delivery of the audit including the quality of outputs, and I sign the auditor's report. I liaise with the Chief Executive, Director of Finance and Chair of the Audit Committee.
Simon Mathers Audit Manager	<a href="mailto:s-mathers@audit-commission.gov.uk">s-mathers@audit-commission.gov.uk</a> 0844 798 1776	Simon manages and coordinates the different elements of the audit work. He is the key point of contact for the Director of Finance and leads on the value for money conclusion work.
Jeremy Jacobs Co-Team Leader	<a href="mailto:j-jacobs@audit-commission.gov.uk">j-jacobs@audit-commission.gov.uk</a> 0844 798 6121	Jeremy, the current Co-Team Leader, has experience of auditing your financial statements and delivering project work. Together with Jessica Grange he will lead the on-site team in delivering the audit.
Jessica Grange Co-Team Leader	<a href="mailto:j-grange@audit-commission.gov.uk">j-grange@audit-commission.gov.uk</a> 0844 798 6116	Jessica, the other current Co-Team Leader, has experience of auditing your financial statements and delivering project work. Together with Jeremy Jacobs she will lead the on-site team in delivering the audit.

I am committed to providing you with a high-quality service. If you are in any way dissatisfied, or would like to discuss how I can improve our service, please contact me. Alternatively you may wish to contact Chris Westwood, Director of Professional Practice, Audit Practice, Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ ([c-westwood@audit-commission.gov.uk](mailto:c-westwood@audit-commission.gov.uk))

Yours sincerely

Helen Thompson  
District Auditor

**cc** Catherine Vaughan, Director of Finance.  
Cllr Les Hamilton, Chair of the Audit Committee.

## Appendix 1- Planned outputs

I will discuss and agree reports with officers before issuing them to the Audit Committee.

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**Table 1**

<b>Planned output</b>	<b>Indicative date</b>
Opinion audit plan	March 2012
Annual governance report	September 2012
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2012
Annual audit letter	November 2012
Annual claims and returns report	February 2013

