

LONDON BOROUGH OF HARROW

GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

29 JUNE 2010

REFERENCE FROM CABINET – 23 JUNE 2010

Comprehensive Area Assessment (CAA) and Audit Fee Letters 2010/11

Cabinet considered a report of the Corporate Director Finance, which provided an opportunity to comment on the proposed work plan and fees of the Audit Commission and the External Auditor.

The Leader of the Council stated that detailed discussions had taken place on the fees at the Governance, Audit and Risk Management Committee (GARMC), the levels of which had been the subject of cross-party concern. Whilst there would be some saving on the fees charged in the future due to the discontinuation of the Comprehensive Area Assessment (CAA) and Use of Resources by the government, Cabinet remained concerned about the levels already charged, particularly in the light of the fact that some local authorities had been charged below the scale audit fee.

The Leader moved a number of recommendations, which were duly seconded.

RESOLVED: That

- (1) the GARMC be congratulated on the excellent job it had done in monitoring the Audit and Inspection fees, which were 10% above the Audit Commission's recommended scale fee;
- (2) GARMC keep the Audit and Inspection fees under review in subsequent years and monitor the fee for 2010/11 given that all CAA work was to be discontinued;
- (3) Cabinet is of the view that, in these difficult financial times, audit fees should be subject to the same cuts as in other parts of the private and public sector.

Reason for Decision: To ensure that Cabinet had a view of the work to be undertaken by the Audit Commission and the External Auditor in 2010/11.

FOR CONSIDERATION

[The report considered by Cabinet is attached herewith.]

Background Documents:

Minutes of Cabinet

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