

Our Ref PD/EHDC/2011-12

Anne Freimanis  
Chief Executive  
East Hertfordshire District Council  
Wallfields  
Pegs Lane  
Hertford  
SG13 8EQ

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
London NW1 2EP

T +44 (0)20 7383 5100  
F +44 (0)20 7383 4715  
DX 2100 EUSTON  
[www.grant-thornton.co.uk](http://www.grant-thornton.co.uk)

8 April 2011

Dear Anne

### **Indicative Audit Fees – 2011/12**

I'm writing to summarise the audit work that we propose to undertake for the 2011/12 financial year at East Hertfordshire District Council (the Council) and the associated indicative fee.

#### **Indicative Scale Fees**

In prior years, we used a fee calculation to determine the scale fee. For 2011/12, the Commission has independently set scale fees based on the fee for 2010/11. All councils have received notification of this fee and it is publically available at <http://www.audit-commission.gov.uk/localgov/audit/auditmethodology/fees/pages/individualfeeslocalgovt201112.aspx>.

The fee for 2011/12 has been set at £114,791. This represents a decrease of 5% on the 2010/11 fee.

The 2010/11 fees reflected our assessment of risk and complexity at the Council. We have not yet completed our 2010/11 audits, therefore the audit planning process for 2011/12, including the risk assessment, will continue as the year progresses and the fee will be reviewed and updated as necessary.

The scale fee is also based on the assumption that detailed working papers, and other specified information, are provided to an agreed timetable. Where agreed timetables are not met and/or poor documentation is provided such that additional audit work is necessary, or the audit is delayed, we reserve the right to charge additional fees to cover the costs incurred. We must seek approval from the Audit Commission for any variance to the scale fee.

The fees noted above exclude any work requested by you that the Audit Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

### **Value for Money Conclusion**

Under the Audit Commission Act, we must be satisfied that each Council has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources. To arrive at our conclusion we will focus on the Council's arrangements for:

- Securing financial resilience; and
- Prioritising resources within tighter budgets

Our work to support our conclusions will be risk-based. We will agree the detail of this with the Council during the course of the year.

### **Other Work**

The Audit Commission has specified we carry out additional audit work on the Whole of Government Accounts.

The lower threshold for certification of grants and returns has increased to £125,000. However, this is unlikely to affect the Council as the returns that we certify at the Council are above this threshold level. The Hourly rates for 2011/12 are:

<b>Staff grade</b>	<b>Rate (£ per hour)</b>
Partner	345
Manager	195
Senior Auditor	125
Other staff	95

Fee arrangements for objections do not change.

### **Audit Team**

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

Engagement Lead – Paul Dossett                      0207 728 3180    paul.dossett@uk.gt.com

Audit Manager – Nick Taylor                              01223 225514    nick.taylor@uk.gt.com

Audit Executive – Simon Cooke                            0207 728 2790    simon.j.cooke@uk.gt.com

**Additional Support and Quality Control**

Outside of our Code of Practice audit we are able to carry out non-Code work to support the Council in other areas they may require additional support. We would be happy to discuss with you options for how we may help further.

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact the engagement lead in the first instance. Alternatively you may wish to contact the Head of Government Audit at Grant Thornton UK LLP, Sarah Howard at [sarah.howard@gtuk.com](mailto:sarah.howard@gtuk.com).

Yours sincerely

Paul Dossett

Engagement Lead

Grant Thornton UK LLP

