

23 April 2009

Mrs Maggie Mooney  
Chief Executive  
Carlisle City Council  
Civic Centre  
CARLISLE  
CA3 8QG

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commission.gov.uk

Dear Maggie

### Annual audit fee 2009/10

I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at Carlisle City Council. The fee:

- is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10; and
- reflects only the audit element of our work, excluding any inspection and assessment fees. Your Comprehensive Area Assessment Lead will write to you separately on inspection fees.

As I have not yet completed my audit for 2008/09, the audit planning process for 2009/10, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2009/10 is for £123,075 (exclusive of VAT) which compares to the planned fee of £125,423 for 2008/09. A summary of this is shown in the table below.

#### Audit fee

<b>Audit area</b>	<b>Planned fee 2009/10</b>	<b>Planned fee 2008/09</b>
Financial statements	81,869	84,903
Use of Resources/VFM Conclusion	41,206	40,520
<b>Total audit fee</b>	<b>123,075</b>	<b>125,423</b>
Certification of claims and returns	43,883	38,500

The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for Carlisle City Council is £110,780. The fee proposed for 2009/10 is 11 per cent above the scale fee (17 per cent above the scale fee in 2008/09).

In setting the fee at this level, I have assumed that the general level of risk in relation to the audit of the financial statements has improved from that identified for 2008/09. A separate plan for the audit of the financial statements will be issued in December 2009. This will detail the risks identified, planned audit procedures and any changes in fee.

The quoted fee for grant certification work is an estimate only and will be charged at published daily rates. If I need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with the Director of Corporate Resources and then prepare a report outlining the reasons why the fee needs to change for discussion with the audit committee.

My use of resources assessments will be based upon the evidence from three themes:

- Managing finances;
- Governing the business; and
- Managing resources.

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my value for money conclusion. I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The above fee excludes any work requested by you that the 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.

The key members of the audit team for the 2009/10 are:

Audit Manager – Gina Martlew      0844 798 4759

Team Leader – Angela Stubbs      0844 798 4767

I am 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 me in the first instance. Alternatively you may wish to contact the North West Head of Operations, Terry Carter ([t-carter@audit-commission.gov.uk](mailto:t-carter@audit-commission.gov.uk)).

Yours sincerely

Robin Baker  
District Auditor

cc Director of Corporate Resources

cc Chair of the Audit Committee

## Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit Committee.

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**Table 1**

<b>Planned output</b>	<b>Indicative date</b>
Audit plan	December 2009
Annual governance report	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Use of resources report	September 2010
Final accounts memorandum (to the Director of Finance)	October 2010
Annual audit letter	November 2010