

Our reference HT/SDNPA/1112fee

25 March 2011

Richard Shaw
Chief Executive
South Downs National Park Authority
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Direct line

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Dear Richard

South Downs National Park Authority 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; and
- the value for money conclusion.

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 scale fee for South Downs National Park Authority is £20,097. This compares to the 2010/11 audit fee of £23,100. 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.

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.

I have identified one risk which will change the work I need to do in 2011/12. You have agreed to delegate the day-to-day processing of planning applications to the fifteen local authorities within the geographical boundaries of the national park. The Authority will pay local councils for work done to determine minor planning applications and will receive income from the local councils in the form of fees and charges paid by planning applicants. This income and expenditure is likely to be material to the 2011/12 financial statements of the Authority, but is unlikely to material at any one of the local councils. The Authority is therefore likely to be reliant on financial and other information systems at the local councils, and any controls within those systems, to gain assurance that this income and expenditure is fairly stated. I will need to undertake work to document those systems and potentially test controls. I can do this directly or by requesting the auditor of those local councils to undertake additional work on my behalf. This will take more time and will have an impact on the audit fee.

At this stage, I cannot quantify the impact this will have on the fee, and I will discuss this with your officers as the audit progresses. If I need to make any significant amendments to the audit fee, I will first talk to your Chief Finance Officer. I will then prepare a report outlining the reasons the fee needs to change for discussion with the Audit Committee.

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	helen-thompson@audit-commission.gov.uk 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, Chief Finance Officer, Director of Corporate Services and Chair of the Audit Committee.
Simon Mathers Audit Manager	s-mathers@audit-commission.gov.uk 0844 798 1776	Simon manages and coordinates the different elements of the audit work. He is the key point of contact for the Chief Finance Officer.

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)

Yours sincerely

Helen Thompson
District Auditor

cc Catherine Vaughan, Chief Finance Officer.
John Beckerleg, Director of Corporate Services.
Norman Dingemans, Chair of the Audit Committee.

Appendix 1- Planned outputs

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

Table 1

Planned output	Indicative date
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