

**ANNUAL AUDIT FEE PLAN 2010/11**  
**WDA/13/10**

**Recommendation**

That:

1. Members note the fees and planned audit work proposed by the Audit Commission for 2010/11.

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**Report of the Treasurer**

**1. Purpose of the Report**

- 1.1 To inform Members of the proposed audit work identified by the Audit Commission for 2010/11 and their associated fees.

**2. Background**

- 2.1 The Authority agrees an Audit Plan each year with the Audit Commission, who are the Authority's external auditors.
- 2.2 At this stage the Audit Commission submit a high level indication of planned audit work and proposed fees for the Authority to approve. The work plan will be reviewed as the year progresses and once the outcome of the previous year's audit work is known.
- 2.3 The Audit Commission's notification of audit fees and proposed audit work for 2010/11 is attached at Appendix 1.

**3. Audit Plan 2010/11**

- 3.1 The audit work and fees excludes any inspection and assessment fees in relation to Comprehensive Area Assessment. The Auditor will notify the Authority separately of any implications in relation to this aspect of their work.
- 3.2 The proposed audit work for 2010/11 identifies the following key audit areas:
- Financial Statements
  - Value for Money Conclusion
  - Whole of Government Accounts

#### **4. Risk Implications**

- 4.1 The Authority's Audit Plan is developed by the Audit Commission using a risk-based approach to audit planning as set out in the Code of Audit Practice. The initial risk assessment identified by the Audit Commission in relation to the Authority is set out on page 2 of their letter in Appendix 1.
- 4.2 The Audit Commission will not complete their audit work for 2009/10 until later in the year. Whilst the outcome of this audit work is not known, the proposed work plan and fees assume a similar level of risk.
- 4.3 In brief, the auditor highlighted the following key risks for 2010/11:
- Maintaining strong governance arrangements and demonstrating value for money in the procurement of waste disposal facilities.
  - The extent of management capacity to deal with significant changes in the business.
- 4.4 The Audit Commission will reassess risks throughout the year which will inform the proposed audit work.

#### **5. Financial Implications**

- 5.1 The total indicative fee for 2010/11 is £75,000. This compares to the revised planned fee of £75,780 in 2009/10. This has been provided for in the Authority's budget for 2010/11.

#### **6. HR Implications**

- 6.1 There are no HR implications associated with this report.

#### **7. Environmental Implications**

- 7.1 There are no environmental implications associated with this report.

#### **8. Conclusion**

- 8.1 Members are asked to note the planned audit work and fees proposed by the Audit Commission for 2010/11.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.