

EXTERNAL AUDIT - FEE LETTER 2013-14
WDA/26/13

Recommendation

That:

1. Members note the external audit fee for 2013-14.

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Report of the Treasurer

1. Purpose of the Report

- 1.1 The Authority is required to have an external audit of its statement of accounts and arrangements to secure value for money. The external auditor's proposed charge for this work for 2013-14 is set out in the letter attached at Appendix 1 for the Authority to note.

2. Background

- 2.1 The Authority is subject to statutory external audit of its statement of accounts and arrangements to secure value for money. Under the current regime the Authority's auditor is appointed by the Audit Commission.
- 2.2 The auditor appointed by the Audit Commission is Grant Thornton UK LLP. The appointment is for a period of five years, after which the Authority will appoint its own external auditor.
- 2.3 The fee for the five year appointment is subject to review and moderation by the Audit Commission who set a 'scale fee' for each type of audit. The Grant Thornton proposed fee is set within the terms of this scale.

3. Audit fee letter

- 3.1 The fee letter set out at Appendix 1 shows the fee proposed for the 2013-14 external audit. The fee is set at £39,150 which is the Audit Commission's scale fee for the Authority. This fee is the same as the scale fee for 2012-13 and shows a significant saving on previous arrangements.
- 3.2 The letter sets out in very broad terms the basis of the fee and the work that Grant Thornton expect to carry as part of the fee. The letter also sets out the proposed members of the audit team and the likely outputs of the audit work.

- 3.3 The letter mentions the potential for additional work, in particular in respect of the RRC procurement, but does not confirm the extent of any proposed additional work or its costs. When Grant Thornton carry out such work as they need to that will enable them to propose any further work on the RRC procurement a further report on that proposal will be brought before Members.
- 3.4 The fee letter does not provide a detailed schedule or plan of the proposed work that Grant Thornton will carry out in respect of their work for their 2013-14 audit opinion, that will follow at a later date and a further report will be made to Members at that time.

4. Risk Implications

- 4.1 The Authority is required to have a statutory external audit of its statements of accounts and its value for Money arrangements. The proposed fee is within the Audit Commission's framework and so is likely to enable Grant Thornton to carry out their work to ensure the Authority meets its statutory duties.

5. HR Implications

- 5.1 There are no HR implications

6. Environmental Implications

- 6.1 There are no environmental implications

7. Financial Implications

- 7.1 The proposed fee for the audit has been provided for within the Authority's budget approved for 2013-14. It represents a reduction compared with the previous audit regime, which allows for such additional works as may be required to review the RRC procurement.

8. Conclusion

- 8.1 Members are asked to note the proposed external audit fee which will enable Grant Thornton to carry out their work which ensures the Authority meets its statutory duty to have an external audit each year.

The contact officer for this report is: Peter Williams
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: peter.williams@merseysidewda.gov.uk

Tel: 0151 255 2542

Fax: 0151 227 1848

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