

**EXTERNAL AUDIT – ANNUAL AUDIT PLAN 2012/13**  
**WDA/29/13**

**Recommendation**

That Members note the planned audit work and fees proposed by Grant Thornton for 2012/13.

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**Report of the Treasurer**

**1. Purpose of the Report**

- 1.1 To inform Members of the proposed audit work identified the Authority's external auditor, Grant Thornton, for 2012/13.

**2. Background**

- 2.1 The Authority agrees an Audit Plan each year with the Grant Thornton, who are the Authority's external auditors.
- 2.2 On 1<sup>st</sup> February 2013 Grant Thornton submitted a high level indication of planned audit work and proposed fees for the Authority to approve. The work plan has been reviewed as the year progressed and takes into account the outcome of initial planning work.
- 2.3 Grant Thornton's Audit Plan sets out the proposed audit work for the 2012/13 financial year and is attached at Appendix 1.

**3. Audit Plan 2012/13**

- 3.1 The proposed audit work for 2012/13 identifies the following key audit areas:
- Financial Statements
  - Value for Money Conclusion

**4. Risk Implications**

- 4.1 The Authority's Audit Plan is developed by Grant Thornton using their risk-based approach to audit planning in line with Auditing Standards.
- 4.2 The proposed work plan takes account of risk assessments made by Grant Thornton in preparing for their work and has been developed through discussions with Authority officers and review of documentation and processes at the Authority.

4.3 In brief, the auditor highlights the following key issues for 2012/13:

- RRC procurement
- Financial position in local government
- Short term procurement
- Contract management; and
- Group companies

4.4 The auditor sets out how these issues will be addressed through a comprehensive audit plan.

4.5 Grant Thornton will reassess risks throughout the year which will inform the proposed audit work.

## **5. Financial Implications**

5.1 The scale fee already noted by Members on 1<sup>st</sup> February 2013 for 2012/13 is £39,150. This is a significant decrease compared with in the previous year as a result of a change in the audit appointment and external audit regime.

5.2 As reported in February that fee does not include any amounts in respect of additional costs that may be charged for any additional work required by the external auditor in respect of the procurement of the Resource Recovery Contract (RRC). The additional fee proposed for this work is £23,000 which gives a total fee of £62,150. This is £10k lower than under the previous audit regime. There is adequate budget provision for the audit fee proposed.

5.3 The additional fee has to be approved by the Audit Commission, and is dependent upon the work carried out, it may not be as high as suggested in the plan.

## **6. Human Resources implications**

6.1 There are no human resources 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 external auditor, Grant Thornton, for 2012/13.

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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.