

**EXTERNAL AUDIT PLAN 2016-17**  
**WDA/07/17**

**Recommendation**

That:

1. Members approve the external auditor's plan and fee for the 2016-17 audit.

THIS PAGE INTENTIONALLY BLANK

**EXTERNAL AUDIT PLAN 2016-17****WDA/07/17****Report of the Treasurer****1. Purpose of the Report**

- 1.1 The external auditor is required to provide a plan setting out the work they propose to carry out at the Authority prior to commencing their substantive auditing. The auditor's plan is attached at appendix 1 to this report,

**2. Background**

- 2.1 As a statutory local authority Merseyside Waste Disposal Authority is required to have its accounts and value for money arrangements audited by external auditors.
- 2.2 Grant Thornton was appointed as the Authority's external auditor for a period of five years. The terms of the appointment include an indication of the scale fee for the audit (i.e. the normal and reasonable cost of the audit to the Authority under most circumstances).

**3. Audit proposals**

- 3.1 The auditor, Grant Thornton, has provided details of their proposed plan and fee for the external audit of the Authority in Appendix 1 to this report. The fee proposed remains in line with expectation and amounts to £29,363. This continues to be significantly lower than the amount charged under the previous audit regime.
- 3.2 The purpose of the plan is to set out for the Authority how the external auditor proposes to carry out their work to audit the Authority's statement of accounts for the financial year 2016-17 (which are due to be finalised in the near future) and to assess whether the Authority has provided value for money over the same period.
- 3.3 The audit plan sets out the auditor's view of the key risks facing the Authority, both from our own activity and from external influences. The plan also shows how the auditor plans to carry out work in response to those risks, which include:

- The Resource Recovery Contract;
  - The financial position of the authority;
  - Key staffing changes;
  - Changes to the CIPFA Code of Practice for the accounts; and
  - The challenge of earlier closedown of the accounts
- 3.4 Within the plan the external auditor has identified the key contacts for the audit and key dates by when their work will be concluded. The key contacts are:
- Jackie Bellard – Engagement Lead
  - Perminder Sethi – Engagement Manager
- 3.5 Other staff will carry out the work with the named contacts and their reports will be made to the Authority as specified in the plan.

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

- 4.1 The Authority is required to have an external auditor appointed to ensure it meets its statutory duties and obligations

#### **5. HR Implications**

- 5.1 There are no HR implications arising from this report.

#### **6. Environmental Implications**

- 6.1 There are no environmental implications arising from this report.

#### **7. Financial Implications**

- 7.1 The proposed audit fee of £29,363 is in line with the (now former) Audit Commission's 'scale fee' for the Authority. The cost of the fee was provided for in the budget for 2016-17.

#### **8. Legal Implications**

- 8.1 The appointment of the external auditor is a statutory requirement for the Authority; their plan sets out how they propose meeting their audit obligations.

#### **9. Conclusion**

- 9.1 The Authority is required to have an external audit to review its arrangements, the audit plan sets out how the auditors propose to meet

their obligations within the fee established by the Audit Commission.  
Members are asked to approve the plan and the fee.

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

Email: [peter.williams@merseysidewda.gov.uk](mailto: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.