

**AUDITOR REPORTS**  
**WDA/29/26**

**Recommendation**

That Members Note:

1. the External Audit Plan in respect of the 2025-26 accounts included at Appendix 1;
2. the proposal for building back financial assurance included at Appendix 2

THIS PAGE INTENTIONALLY BLANK

## **AUDITOR REPORTS**

**WDA/29/26**

### **Report of the Director of Finance**

#### **1. Purpose of the Report**

- 1.1 The Authority is statutorily required to prepare a Statement of Accounts that complies with proper accounting practices. The auditor carries out their review and gives an opinion on the statement of accounts.
- 1.2 Members are asked to note the proposed external audit plan in respect of 2025-26.

#### **2. Audit Plan**

- 2.1 Appendix 1 contains the proposed External Audit plan in respect of 2025/26. This includes the approach in respect of the following:
  - Identified Risks
  - Approach to the Group accounts
  - Approach to materiality
  - Approach to auditing Value for Money arrangements
  - Proposed timetable envisaging signing the accounts shortly after an Audit & Governance Committee meeting to be held in November 2026.
  - Proposed audit fee of £170,708 (increased from £166,059 in respect of 2024-25)

#### **3. Build Back Assurance**

- 3.1 The Authority is taking part in the build back assurance process with external auditors, with a view to obtaining better assurance over the classification of reserves that the Authority holds. If successful, this will lead to the auditors being able to issue a more limited disclaimer in respect of the 2025/26 accounts. MHCLG has awarded the Authority a government grant of £49,956 to help fund this work. Further information is included at Appendix 2.

**Audit and Governance Committee**

**18<sup>th</sup> June 2026**

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

- 4.1 The risk implications are outlined within Appendix 1, External Audit Plan report. Failure to adequately address these will mean the Authority cannot demonstrate compliance with statutory requirements nor effective stewardship of public money.

#### **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 audit costs are set out in the audit report and will be included in the Authority's revised estimates for 2025-26.

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

- 8.1 The Authority will comply with its legal obligation regarding the statement of accounts.

#### **9. Conclusion**

- 9.1 Members are therefore requested to note the Auditor's reports.

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

Email: [Tim.Shaw@merseysidewda.gov.uk](mailto:Tim.Shaw@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

#### **Appendices**

Appendix 1: External Audit Plan for 2025-26.

Appendix 2: Building Back Assurance