

EXTERNAL AUDIT – ANNUAL AUDIT FEE PLAN 2010-2011
WDA/04/11

Recommendation

That Members note the 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.

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 On 16 April 2010 the Audit Commission 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 the previous year's audit work.
- 2.3 The Audit Commission's Audit Plan sets out the proposed audit work for 2010/11 is attached at Appendix 1.

3. Audit Plan 2010-11

- 3.1 The proposed audit work for 2010-11 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 the Audit Commission using a risk-based approach to audit planning as set out in the Code of Audit Practice.

- 4.2 The proposed work plan and fees assume a similar level of risk for the audit as in the previous year unless there are known changes at the Authority.
- 4.3 In brief, the auditor highlights the following key risks for 2010-11:
- The transition to the International Financial Reporting Standards (IFRS) basis for preparing the accounts;
 - Maintaining strong governance arrangements and demonstrating value for money in the procurement of waste disposal facilities; and
 - The Service Level Agreement with St Helens Council.
- 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 £71,453. This is a decrease compared with £75,780 in the previous year as a result of efficiencies on the audit and a specific rebate relating to audit work on the IFRS based accounts. This has been provided for in the Authority's budget for 2010-11.

6. Conclusion

- 6.1 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.