

## WIRRAL COUNCIL

### AUDIT AND RISK MANAGEMENT COMMITTEE

29 JUNE 2009

### REPORT OF THE DIRECTOR OF FINANCE

#### ANNUAL AUDIT FEES 2009-10

#### 1. EXECUTIVE SUMMARY

1.1. This report outlines the proposed Audit Commission fees for 2009-10.

#### 2. BACKGROUND

2.1. The Audit Commission fee is based on a risk based approach to audit planning as set out in the Code of Audit Practice. It reflects only the audit element of the work, excluding any inspection and assessment fees.

2.2. Audit Area	Planned Fee 2009/10 £	Planned Fee 2008/09 £
Financial Statements	256,298	271,900
Use of Resources/VFM Conclusion	126,274	132,350
Whole of Government Accounts	7,428	2,400
<b>Total Audit Fee</b>	<b>390,000</b>	<b>406,650</b>
Certification of claims and returns	168,035	136,960
Total	558,035	543,610

2.3. The Audit Commission has published its work programme and scale of fees for 2009/10. The scale fee for Wirral Council is £343,236. The fee proposed for 2009/10 is 13 percent above the scale fee.

2.4. The assumption by the Audit Commission is that all bodies will be at the fee scale but if there are specific audit risks then they could be up to 30% above the fee scale. The Wirral fee has been reduced by 4.1% due to reductions in respect of better quality assurance of information that is presented for audit and a stronger control environment reflected in the higher Use of Resources scores.

2.5. However, there are some factors that place the Council towards high risk in terms of 'audit risk' and that means that the Audit Commission has more work to do because of individual circumstances including:

- a. the political structure of the Council means that the Auditors have more meetings/communication with Members than in other councils and they also attend more committee meetings.

- b. There are ongoing capacity issues in Internal Audit and Internal Audit has also needed to respond to reactive work and so the Audit Commission has not been able to rely on Internal Audit work to inform their opinion/grants/other work.
- c. The Audit Commission receives a relatively high number of questions from members of the public on an ongoing basis.

### **3. FINANCIAL IMPLICATIONS**

- 3.1. The total cost of audit fees is expected to increase by £14,425.

### **4. STAFFING IMPLICATIONS**

- 4.1. There are no staffing implications.

### **5. EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1. There are no equal opportunity implications.

### **6. PLANNING IMPLICATIONS**

- 6.1. There are no planning implications.

### **7. COMMUNITY SAFETY IMPLICATIONS**

- 7.1. There are no community safety implications.

### **8. HUMAN RIGHTS IMPLICATIONS**

- 8.1. There are no human rights implications.

### **9. AGENDA 21 IMPLICATIONS**

- 9.1. There are no Agenda 21 implications.

### **10. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 10.1. There are no local Member support implications.

### **11. BACKGROUND PAPERS**

- 11.1. Letter from the Audit Commission 26 April 2009.

### **12. RECOMMENDATION**

- 12.1. That the audit fees for 2009-10 be agreed.

IAN COLEMAN  
DIRECTOR OF FINANCE