

## **WIRRAL COUNCIL**

### **AUDIT AND RISK MANAGEMENT COMMITTEE**

**29 JUNE 2009**

#### **REPORT OF THE DIRECTOR OF FINANCE**

##### **MERSEYSIDE PENSION FUND - AUDIT COMMISSION FEES 2009-2010**

### **1. EXECUTIVE SUMMARY**

- 1.1 This report requests Committee to note the fee levels proposed by the Audit Commission for the current financial year which were approved by the Pensions Committee on 18 June 2009.

### **2. BACKGROUND**

- 2.1 The Audit Commission undertakes a separate audit of Merseyside Pension Fund (MPF), and makes a separate charge. The annual fee for the financial year ended 31 March 2009 was £61,750 plus VAT. The audit to which that fee level relates is expected to be completed in September 2009.
- 2.2 The Audit Commission has given notice of the indicative fee levels for 2009-2010. The scale fee would be £70,900, an increase of 15%. However, in previewing the audit of the 2009-2010 accounts, the Audit Commission is aware of both local and national changes, and has proposed a fee level 4% above the scale fee. As such the proposed fee for 2009-2010 is £73,700 plus VAT. This represents an overall 19% increase above the level for 2008-2009.
- 2.3 The justification for such an increase lies in the increasing complexity of pension fund regulations. In addition, the proposed change of accounting system mid year will require additional audit checks.
- 2.4 In setting the fee at this level, the Audit Commission has assumed that the general level of risk in the audit of the financial statement is not significantly different from that identified for 2008-2009. He will issue a separate plan for the audit of the financial statements in November 2009, after completion of the 2008-2009 audit. This will detail the risks identified, planned audit procedures and any further changes in fee. Should any further changes be required to fee levels, a report would be made to Pensions Committee.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The proposed fee represents an increase of £12,000.

**4. STAFFING IMPLICATIONS**

4.1 There are no staffing implications in this report.

**5. EQUAL OPPORTUNITY IMPLICATIONS**

5.1 There are none arising directly from this report.

**6. COMMUNITY SAFETY IMPLICATIONS**

6.1 There are no specific implications for any Member or Ward.

**7. LOCAL MEMBER SUPPORT IMPLICATIONS**

7.1 There are none arising directly from this report.

**8 LOCAL AGENDA 21 IMPLICATIONS**

8.1 There are none arising from this report.

**9 PLANNING IMPLICATIONS**

9.1 There are none arising from this report

**10. BACKGROUND PAPERS**

10.1 Letter from the Audit Commission - April 2009.

**11 RECOMMENDATION**

11.1 That the Committee note the proposed increase in Audit Commission fees for 2009-2010.

IAN COLEMAN  
DIRECTOR OF FINANCE