

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

30 JUNE 2011

SUBJECT:	MERSEYSIDE PENSION FUND AUDIT FEES
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR ADRIAN JONES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report confirms that the fees to be charged by the Audit Commission for the audit of the accounts and financial statements of Merseyside Pension Fund for the year ended 31 March 2011 total £54,065. This is consistent with the indicative fees set out in the Audit Opinion Plan presented to the Pensions Committee on 11 January 2011.

2.0 RECOMMENDATION

- 2.1 That Members note the fees of £54,065 for the audit of the accounts and financial statements of Merseyside Pension Fund for the year ended 31 March 2011.

3.0 REASON FOR RECOMMENDATION

- 3.1 There is a new statutory scale of fees which the Audit Commission applies. For multi employer pension funds, this is based on two elements: a fixed element of £33,300 (the same as in 2009/2010) and a variable element, based on 0.00055% of net assets.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 The audit of MPF is treated as a separate audit from the Wirral Council audit. Consequently a separate Audit Plan is issued, and a separate auditor's report is issued to those charged with governance.
- 4.2 The Audit Opinion Plan for the audit of the accounts for the year ended 31 March 2011 was presented to the Pensions Committee on 11 January 2011.
- 4.3 The variable element is calculated by reference to the 2008/09 closing net asset balance in the audited fund account.
- 4.4 The fee includes a one-off charge of £1400 to reflect the additional audit time required for gaining assurance that the investment balances were accurately transferred from the old "Shareholder" system to the successor "OpenAir".

- 4.5 For 2010/2011 the Audit Commission will absorb the extra audit costs arising from the transition to International Financial Reporting Standards (IFRS) within the current cost envelope.

5.0 RELEVANT RISKS

- 5.1 There no risk associated with noting these fees. Should the draft accounts required a material increase in auditing time due to errors or omissions, then there is a risk that the fee could increase.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 As this is a statutory issue, no other options were considered.

7.0 CONSULTATION

- 7.1 There was no consultation with other bodies.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 None arising from this report.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 The costs will be funded from the MPF budget. There are no staffing or assets implications.

10.0 LEGAL IMPLICATIONS

- 10.1 None arising from this report.

11.0 EQUALITIES IMPLICATIONS

- 11.1 None arising from this report.

- 11.2 Equality Impact Assessment (EIA)
(a) Is an EIA required? No

12.0 CARBON REDUCTION IMPLICATIONS

- 12.1 None apply.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 13.1 None arising from this report.

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APPENDICES

None.

FNCE/150/11

REFERENCE MATERIAL

Audit Opinion Plan: Pensions Committee 11 January 2011

SUBJECT HISTORY (last 3 years)

Council Meeting	Date