

06 June 2022

Clare James  
Wyre Council  
Civic Centre  
Breck Road  
Poulton-le-Fylde  
Lancashire  
FY6 7PU

Our Ref: PH/SK/2022

Dear Clare,

## **Audit scale fee for 2021/22 and 2022/23**

We are writing to you with regard to the scale fee for the 2021/22 and 2022/23 audit work.

The audit scale fee set by Public Sector Audit Appointments Ltd. (PSAA) for the 2021/22 audit is £37,470 (2020/21: £37,470). However, it is important to note that this is the scale fee for the year, and there may be variations to this fee if additional work is required that was not foreseen at the time the scale fee was set. For 2021/22, the following factors may result in additional work and therefore variations to this fee:

- **Infrastructure assets** – The Council holds a substantial infrastructure assets balance of £73.7m on the Balance Sheet. On 16 May 2022, the Chartered Institute of Public Finance and Accountancy (CIPFA) published an urgent consultation on proposed changes to the CIPFA Code of Practice in relation to the accounting for Infrastructure Assets. This consultation has proposed significant changes to the accounting of these assets and the information that Council's will be required to hold. The impact of these changes will also be significant on the audit, and additional procedures will be required in order for us to gain assurance over the values disclosed.
- **Value for Money** – The National Audit Office (NAO) introduced a new Code of Audit Practice, which came into effect from the 2020/21 financial year. This introduced significant changes to the requirements around Value for Money (the arrangements to secure economy, efficiency, and effectiveness in the use of resources), including the need to provide a public narrative commentary against the Value for Money criteria in a new "Auditor's Annual Report" (AAR). This is additional work that has not been factored into the scale fee set out above, and as a result it is likely that scale fee variations will be necessary.

There may be additional factors that we need to take into consideration during the 2021/22 audit, which impact on the final fee. However, as these factors arise, we will highlight them immediately to the Council.

The 2022/23 scale fee has not yet been set by the PSAA. Our understanding is that the 2022/23 scale fee will be published in November 2022.

Please do not hesitate to be in touch to discuss any of the matters noted above

Yours faithfully

## **Deloitte LLP**

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