

Our reference MW/AD

19 December 2011

Mr James Corry
Chief Executive
Wyre Borough Council
Civic Centre
Breck Road
Poulton Le Fylde
FY6 7PU

Direct line 0844 798 2447
Email m-waterman@audit-
commission.gov.uk

— Dear Mr Corry

Wyre Borough Council – Consultation on interim auditor appointment for 2012/13

The Audit Commission has previously appointed KPMG LLP to audit the 2011/12 accounts of Wyre Borough Council. The Commission now needs to make a new auditor appointment for 2012/13.

As you will be aware, following a request from DCLG, the Commission Board agreed to outsource the work currently undertaken by its in-house audit practice. New contracts will be awarded for three or five years, commencing from the audit of the accounts for 2012/13. We must wait until the procurement is completed before we can confirm the national picture on auditor appointments, including at bodies currently audited by a firm. This means we will not be in a position to make the new auditor appointments before 1 September 2012.

As an auditor must be in place at the start of the financial year, to deal with any issues relating to the 2012/13 accounts, we are proposing to make an interim auditor appointment to cover the period from 1 April 2012 to 31 August 2012.

We are proposing to extend your current auditor's appointment to deal with any issues that may arise relating to the 2012/13 accounts during this period. We hope you agree this makes practical sense, as your current auditor will be completing the audit of the financial statements for 2011/12 at this time, so will already be monitoring issues that could have an impact on their audit opinion and certificate. Any disruption will therefore be kept to the absolute minimum.

Proposed interim auditor appointment

The Commission has a statutory duty to consult local government audited bodies on the appointment of their auditor. We also consult NHS bodies.

The Commission proposes to appoint KPMG LLP to audit the accounts of Wyre Borough Council for 2012/13 on an interim basis. The scope of the interim auditor's role is set out below. The appointment will be made under section 3 of the Audit Commission Act 1998.

Audit Commission, 1st Floor, Millbank Tower, Millbank, London, SW1P 4HQ
T 0844 798 1212 F 0844 798 2945 www.audit-commission.gov.uk

The firm will advise you of the name of the Engagement Lead direct once the appointment has been confirmed.

Scope of interim auditor's role and fees

We do not expect the interim auditor will need to undertake any substantive audit work relating to 2012/13. Their role will be limited to keeping a watching brief. Provided this is the case, the Commission will meet any costs incurred by the interim auditor.

Any issues requiring the interim auditor to do substantive audit work will be of an exceptional nature, for example a need to exercise their statutory reporting powers. The interim auditor will tell both the audited body and the Commission about the need to do the work. Where appropriate the Commission will determine a variation to the scale audit fee to reflect the costs of the work. The additional fee will then become payable by the audited body.

Consultation process and timetable

If you wish to object to the proposed interim appointment please submit your reasons for doing so **by Friday 17 February 2012**. You can respond by email to auditor-appointments@audit-commission.gov.uk or by letter.

If there are any matters you wish to discuss or clarify please contact Andrew Davies on 0844 798 2450 or me on 0844 798 2447.

The Commission Board will consider the proposed appointment at its meeting scheduled for 22 March 2012. We will write to you to confirm the Board's decision shortly afterwards.

Future auditor appointment

Following the award of contracts in spring 2012, we will consult you on the appointment of the new auditor to audit the 2012/13 and future years' accounts. We will set out, early in 2012, the consultation process we will follow. For bodies currently audited by the audit practice, there will be an opportunity to attend an introductory event in each contract area with the Commission and the firm awarded the contract. The events will take place in May 2012.

More information on the procurement and the future of the Commission is available on our website [here](#).

Yours sincerely



Marcine Waterman
Director of Audit Policy and Regulation