

Audit and Inspection Plan

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Audit and Inspection Plan

Uttlesford District Council

Audit 2008/09

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

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Introduction

- 1 This plan sets out the audit and inspection work that we propose to undertake for the 2008/09 financial year. The plan is based on the Audit Commission's risk-based approach to audit planning and the requirements of moving towards Comprehensive Area Assessment (CAA). It reflects:
 - audit and inspection work specified by the Audit Commission for 2008/09;
 - current national risks relevant to your local circumstances; and
 - your local risks and improvement priorities.
- 2 During 2008/09, the role of Relationship Manager will be replaced by the post of Comprehensive Area Assessment Lead (CAAL). The CAAL will provide the focal point for the Commission's work in your local area, lead the CAA process, and ensure that the combined inspection programme across all inspectorates is tailored to the level and nature of risk for the area and its constituent public bodies. The Commission has become the statutory gatekeeper of all inspection activity involving local authorities.
- 3 As we have not yet completed our audit for 2007/08, the audit planning process for 2008/09, including the risk assessment, will continue as the year progresses, and the information and fees in this plan will be kept under review and updated as necessary.

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Responsibilities

- 4 We comply with the statutory requirements governing our audit and inspection work, in particular:
 - the Audit Commission Act 1998;
 - the Local Government Act 1999; and
 - the Code of Audit Practice.
- 5 The Code of Audit Practice (the Code) defines auditors' responsibilities in relation to:
 - the financial statements (including the annual governance statement); and
 - the audited body's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 6 The Audit Commission's Statement of Responsibilities of Auditors and of Audited Bodies (from April 2008) sets out the respective responsibilities of the auditor and the Council. The Audit Commission has issued a copy of the Statement to every audited body.
- 7 The Statement summarises where the different responsibilities of auditors and of the audited body begin and end and our audit work is undertaken in the context of these responsibilities.



Fees

- 8 The details of the structure of scale fees are set out in the Audit Commission's work programme and fee scales 2008/09. Scale fees are based on a number of variables, including the type, size and location of the audited body.
- 9 A summary of the fee is shown in the table below. The fee is determined by audit risks identified, mandated work and basic assumptions. A detailed breakdown of the audit and inspection fee is included in Appendix 2.

Table 1 Audit fee

Audit area	Planned fee 2008/09 (£)	Planned/Actual fee 2007/08 (£)	Page
Total audit fee	128,345	124,740 (*)	9
Total inspection fee	21,335	14,260	14
Certification of claims and returns	50,415	60,850	

(*) – this includes the additional fee of £10,000 set out in the Supplementary Audit Opinion Plan for 2007/08, issued in May 2008

- 10 The overall fee for all work relating to 2008/09 is £200,095 compared to £199,850 for 2007/08. This reflects an increased level of support to the Council for 2008/09 (included within the inspection fee in Table 1) offset by a reduction in the amount that we expect to charge for the certification of claims and returns.
- 11 In setting the fee, we have assumed that:
 - the level of risk in relation to the audit of the financial statements is not significantly different to that identified for 2007/08 (as modified in the 2007/08 Supplementary Opinion Audit Plan);
 - internal audit undertakes appropriate work on all systems; and
 - good quality working papers and records will be provided to support the financial statements by 30 June 2009.

Further details of the assumptions are outlined in Appendix 2.

Specific actions Uttlesford District Council could take to reduce its audit fees

- 12 The Audit Commission requires its auditors to inform a council of specific actions it could take to reduce its audit fees. We have identified the following actions Uttlesford District Council could take.

8 Audit and Inspection Plan | Fees

- Ensure that the Finance Team is effective in preparing the statement of accounts;
- Ensure that proper and effective financial systems and controls are in place during 2008/09, which we would be able to place reliance on for the purposes of forming our opinion on the Council's financial statements; and
- Put in place effective arrangements for securing efficiency, economy and effectiveness in its use of resources.

Process for agreeing any changes in audit fees

- 13 As set out in paragraph 3, we expect that the initial risk assessment may change as the year progress. Where this is the case, we will discuss this in the first instance with the Director of Corporate Resources. Supplements to the plan will be issued to record any revisions to the risk and the impact on the fee.

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Auditor's report on the financial statements

- 14 We are required to issue an audit report giving our:
- opinion on whether the financial statements present fairly the financial position of the Council as at 31 March 2009; and
 - conclusion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Financial statements

- 15 We have not undertaken a risk assessment for our audit of the financial statements as many of the specific risks which may become apparent after we have completed our 2007/08 audit. A separate opinion plan for the audit of the financial statements will be issued in December 2008.
- 16 At this stage we are aware of the following risks that are likely to impact on our audit of the financial statements:
- Proposed changes to the CIPFA Statement of Recommended Practice (SoRP), in particular the need for disclosure of movements in the revaluation reserve and the risk that the financial statements will not be compliant with the 2008 SoRP.
 - Budgetary control is a key control in any organisation to prevent or detect and correct a material misstatement in the accounts. Our review of the Council's budgetary control process undertaken as part of the 2006/07 audit showed that the Council's budgetary control procedures were not effective. The Council has put in place revised arrangements that will take effect for 2008/09 onwards, but the effectiveness of these arrangements will not become fully apparent until they have been operational for a sufficient length of time.
 - I qualified my opinion on the 2006/07 accounts due to the incorrect treatment of a waste vehicles lease as an operating lease rather than as a finance lease. The Council decided not to adjust the 2006/07 accounts to account for the lease as a finance lease (and accept the consequent qualified audit opinion) but instead decided that the adjustments would be made in the 2007/08 accounts (including the restatement of the 2006/07 accounts to reflect the change in accounting policy). The revised treatment will need to be continued for 2008/09.
 - The capacity of the Council's Finance Team is fragile, and whilst some new staff have been recruited, many of them are new to the final accounts process for a district council and new to Uttlesford District Council. This risk is more directly applicable to 2007/08, but capacity will remain a risk to the Council during 2008/09.

VFM conclusion

- 17 In reaching our conclusion, we will review evidence that is relevant to the Council's performance management and financial management arrangements.
- 18 The key risks highlighted from the planning are summarised in the table below with details of planned work to mitigate the risks. Full details of the risk assessment are outlined in Appendix 3.

Table 2 Key risks identified

Key risks identified	Planned work to address the risk
<p>The Value for Money Conclusion issued in respect of the Council's arrangements at 31 March 2007 was qualified on the grounds that the Council did not have adequate arrangements:</p> <ul style="list-style-type: none"> • To maintain a sound system of internal control. • To manage and improve value for money. • To put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities. • To ensure that its spending matches its available resources. • For managing performance against budgets. • For the management of its asset base. 	<p>We will review the Council's progress in improving its arrangements as part of our planned work on Use of Resources and the Value for Money Conclusion.</p>
<p>The Council's corporate capacity is stretched due to the financial constraints and recent redundancies. Whilst the Council has sought to preserve capacity in key service delivery areas, its corporate capacity challenges is likely to affect its</p>	<p>We will review the Council's corporate capacity and make recommendations for ensuring that the Council manages and maintains its performance.</p>

performance and ability to achieve its objectives and to manage and improve its performance.	
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Use of Resources 2007/08

- 19 This audit plan covers the last year of the current regime for Use of Resources assessment as part of the CPA framework. The work required to arrive at the 2007/08 Use of Resources assessment is fully aligned to that required to arrive at the auditor's 2007/08 Value for Money conclusion.
- 20 Appendix 1 outlines the criteria and scoring.
- 21 The initial risk assessment for use of resources work is shown in Appendix 3. This will be updated through our continuous planning process as the year progresses.

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Mandated work

22 As part of the audit, the mandated work programme comprises:

- data quality for 2007/08; and
- whole of government accounts.

Appendix 1 highlights the work to be undertaken.

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CPA and inspection

- 23 From April 2009, the Audit Commission, jointly with the other public service inspectorates, will be implementing Comprehensive Area Assessment (CAA). Therefore, 2008/09 is the last year in which corporate assessments and programme service inspections will be undertaken as part of the CPA framework.
- 24 The Audit Commission’s CPA and inspection activity is underpinned by the principle of targeting our work where it will have the greatest effect, based upon assessments of risk and performance.
- 25 The Council’s CPA category is, therefore, a key driver in the Commission’s inspection planning process. For CPA 2007, the Council was categorised as ‘fair’.
- 26 I have applied the principles set out in the CPA framework, ‘CPA – District Council Framework From 2006’, recognising the key strengths and areas for improvement in the Council’s performance.
- 27 Strengths in the Council’s performance include:
- The Council’s overall performance, as reflected in performance indicators, continues to be good despite the financial and capacity challenges facing the Council; and
 - The Council recognise the challenges it faces in improving its financial position and capacity, and has shown a willingness to work positively with stakeholders to address these issues.
- 28 Areas for improvement in the Council’s performance include:
- The Council’s financial position remains extremely challenging, and it faces a difficult period as it seeks to restore its financial position and to re-build its reserves;
 - The Council’s capacity to maintain and improve service performance will inevitably be compromised to some degree by the lack of capacity within the Council following the recent reduction in the number of posts.
 - The recent inspection of the Council’s Strategic Housing service concluded that the service was ‘fair’ (one star) but with poor prospects for improvement due to the financial and capacity challenges facing the Council.
- 29 On the basis of the planning process, I have identified where inspection activity will be focused for 2008/09 as follows.

Table 3 Summary of inspection activity

Inspection activity	Reason/impact
Relationship Manager (RM)/Comprehensive Area Assessment Lead (CAAL) role	To act as the Commission’s primary point of contact with the Council and the interface at the local level between the Commission and

	<p>the other inspectorates, government offices and other key stakeholders.</p> <p>Given the Council's financial and capacity challenges, a greater role will be carried out in 2008/09 to support the Council's improvement, including the Voluntary Improvement Board set up in May 2008.</p>
Direction of Travel (DoT) assessment	<p>An annual assessment, carried out by the RM, of how well the Council is securing continuous improvement. The DoT statement will be reported in the Annual Audit and Inspection Letter. The DoT assessment summary will be published on the Commission's website.</p>
Housing Management Inspection	<p>Our Housing Inspectorate will carry out an inspection of your Housing Management function, following the Strategic Housing Inspection carried out in 2007/08</p>

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Advice and assistance

- 30 Under paragraph 9 of Schedule 2A of the Audit Commission Act 1998 we have powers to provide 'advice and assistance' (A&A) to another public body where this is requested.
- 31 If you wish the Commission to provide additional services under these powers, please contact Dorothy Welsh.

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The audit and inspection team

- 32 The key members of the audit and inspection team for the 2008/09 audit are shown in the table below.

Table 4 Audit and inspection team

Name	Contact details	Responsibilities
Ian Davidson Corporate Area Assessment Lead	i-davidson@audit-commission.gov.uk 0844 798 5841	The primary point of contact with the Council and the interface at the local level between the Commission and the other inspectorates, government offices and other key stakeholders.
Paul King District Auditor	paul-king@audit-commission.gov.uk 0844 798 5811	Responsible for the overall delivery of the audit including the quality of outputs, signing the opinion and conclusion, and liaison with the Chief Executive and the Performance Select Committee.
Melanie Matthews Audit Manager	m-matthews@audit-commission.gov.uk 0844 798 3066	Manages and coordinates the different elements of the audit work. Key point of contact for the Director of Corporate Resources, Head of Finance and Head of Internal Audit.

Quality of service

- 33 We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact the Eastern Sub-Region Head of Operations, Susan Fenwick.
- 34 If we are unable to satisfy your concerns, you have the right to make a formal complaint to the Audit Commission. The complaints procedure is set out in the leaflet '*Something to Complain About*', which is available from the Commission's website or on request.

Planned outputs

- 35 Reports will be discussed and agreed with the appropriate officers before being issued to the Performance Select Committee.

Table 5 Planned outputs

Planned output	Indicative date
Opinion Audit Plan	December 2008
Interim audit memorandum	June 2009
Annual governance report	September 2009
Auditor's report giving an opinion on the financial statements	September 2009
Final accounts memorandum	November 2009
Use of resources report	November 2009
Inspection reports	TBC
Annual Audit and Inspection Letter	TBC

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Appendix 1 – Elements of our work

Financial statements

- 1 We will carry out our audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB).
- 2 We are required to issue an opinion on whether the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Council as at 31 March 2009 and its income and expenditure for the year.
- 3 We are also required to review whether the Annual Governance Statement has been presented in accordance with relevant requirements, and to report if it does not meet these requirements or if the Annual Governance Statement is misleading or inconsistent with our knowledge of the Council.

Value for money conclusion

- 4 The Code requires us to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion. The Code also requires the auditor to have regard to a standard set of relevant criteria, issued by the Audit Commission, in arriving at our conclusion.
- 5 In meeting this responsibility, we will review evidence that is relevant to the Council's corporate performance management and financial management arrangements. Where relevant work has been undertaken by other regulators, we will normally place reliance on their reported results to inform our work.
- 6 We will also follow up our work from previous years to assess progress in implementing agreed recommendations.

Use of resources assessment 2007/08

- 7 The Use of Resources themes and KLOEs are outlined below.
- 8 We will arrive at a score of 1 to 4, based on underlying key lines of enquiry, for each of the following themes:

Theme	Description
Financial reporting	<ul style="list-style-type: none"> • preparation of financial statements • external reporting

Theme	Description
Financial management	<ul style="list-style-type: none"> • medium-term financial strategy • budget monitoring • asset management
Financial standing	<ul style="list-style-type: none"> • managing spending within available resources
Internal control	<ul style="list-style-type: none"> • risk management • system of internal control • probity and propriety
Value for money	<ul style="list-style-type: none"> • achieving value for money • managing and improving value for money

- 9 We will report details of the scores and judgements made to the Council. The scores will be accompanied, where appropriate, by recommendations of what the Council needs to do to improve.
- 10 The auditor's scores are reported to the Commission and are used as the basis for its overall use of resources judgement for the purposes of the CPA.]

Data quality 2007/08

- 11 This plan covers the 2007/08 data quality work. This is based on a three-stage approach covering:
 - Stage 1 – management arrangements;
 - Stage 2 – analytical review; and
 - Stage 3 – risk-based data quality spot checks of a sample of 2007/08 performance indicators.
- 12 Work will be focused on the 2007/08 overall arrangements for data quality, particularly on the responsibility of the Council to manage the quality of its data including data from partners where relevant.
- 13 Our fee estimate reflects an assessment of risk in relation to the Council's data quality arrangements and performance indicators. This risk assessment may change depending on our assessment of your overall management arrangements at stage 1 and we will update our plan accordingly, including any impact on the fee.

Whole of government accounts

- 14 We will be required to review and report on your WGA consolidation pack in accordance with the approach agreed with HM Treasury and the National Audit Office.

National Fraud Initiative

- 15 From 2008/09 work relating to the National Fraud Initiative will be carried out directly by the Commission under its new data matching powers under the Serious Crime Act 2007. The Commission will be consulting audited bodies on the work programme and fee scales for the National Fraud Initiative later this year.

Certification of grant claims and returns

- 16 We will continue to certify the Council's claims and returns on the following basis:
- claims below £100,000 will not be subject to certification;
 - claims between £100,000 and £500,000 will be subject to a reduced, light-touch certification; and
 - claims over £500,000 will be subject to a certification approach relevant to the auditor's assessment of the control environment and management preparation of claims. A robust control environment would lead to a reduced certification approach for these claims.

Appendix 2 – Basis for fee

- 1 The Audit Commission is committed to targeting its work where it will have the greatest effect, based upon assessments of risk and performance. This means planning work to address areas of risk relevant to our audit responsibilities and reflecting this in the audit fees. It also means making sure that our work is coordinated with the work of other regulators, and that our work helps you to improve.
- 2 The risk assessment process starts with the identification of the significant financial and operational risks applying at the Council with reference to:
 - our cumulative knowledge of the Council;
 - planning guidance issued by the Audit Commission;
 - the specific results of previous and ongoing audit work;
 - interviews with Council officers;
 - liaison with internal audit; and
 - the results of other review agencies' work where relevant.

Assumptions

- 3 In setting the fee, we have assumed that:
 - the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2007/08;
 - you will inform us of significant developments impacting on our audit;
 - internal audit meets the appropriate professional standards;
 - internal audit undertakes appropriate work on all systems that provide material figures in the financial statements sufficient that we can place reliance for the purposes of our audit;
 - good quality working papers and records will be provided to support the financial statements by 30 June 2008;
 - requested information will be provided within agreed timescales;
 - prompt responses will be provided to draft reports; and
 - additional work will not be required to address questions or objections raised by local government electors.
- 4 Where these assumptions are not met, I will be required to undertake additional work which is likely to result in an increased audit fee. The fee for the audit of the financial statements will be re-visited when we issue the opinion audit plan.
- 5 Changes to the plan will be agreed with you. These may be required if:
 - new residual audit risks emerge;

- additional work is required by the Audit Commission or other regulators; or
 - additional work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.
- 6 Below is a detailed breakdown of the audit and inspection fee for 2008/09.
- 7 The fee (plus VAT) will be charged in 12 equal instalments from April 2008 to March 2009.

Table 6 Detailed audit and inspection fee

Audit area	Planned fee 2008/09	Planned/Actual fee 2007/08	Page
Audit			
Financial statements	73000	71250(*)	9
Use of Resources 2007/08	36970	38050	11
Data Quality 2007/08	15560	12960	12
Whole of government accounts	2815	2480	12
Total audit fee	128345	124740	
Inspection			
Relationship management	9760	3250	13
Direction of Travel	3285	3250	14
Service inspection	8290	7760	14
Total inspection fee	21335	14260	
Total audit and inspection fee			
Certification of claims and returns	50415	61150	20

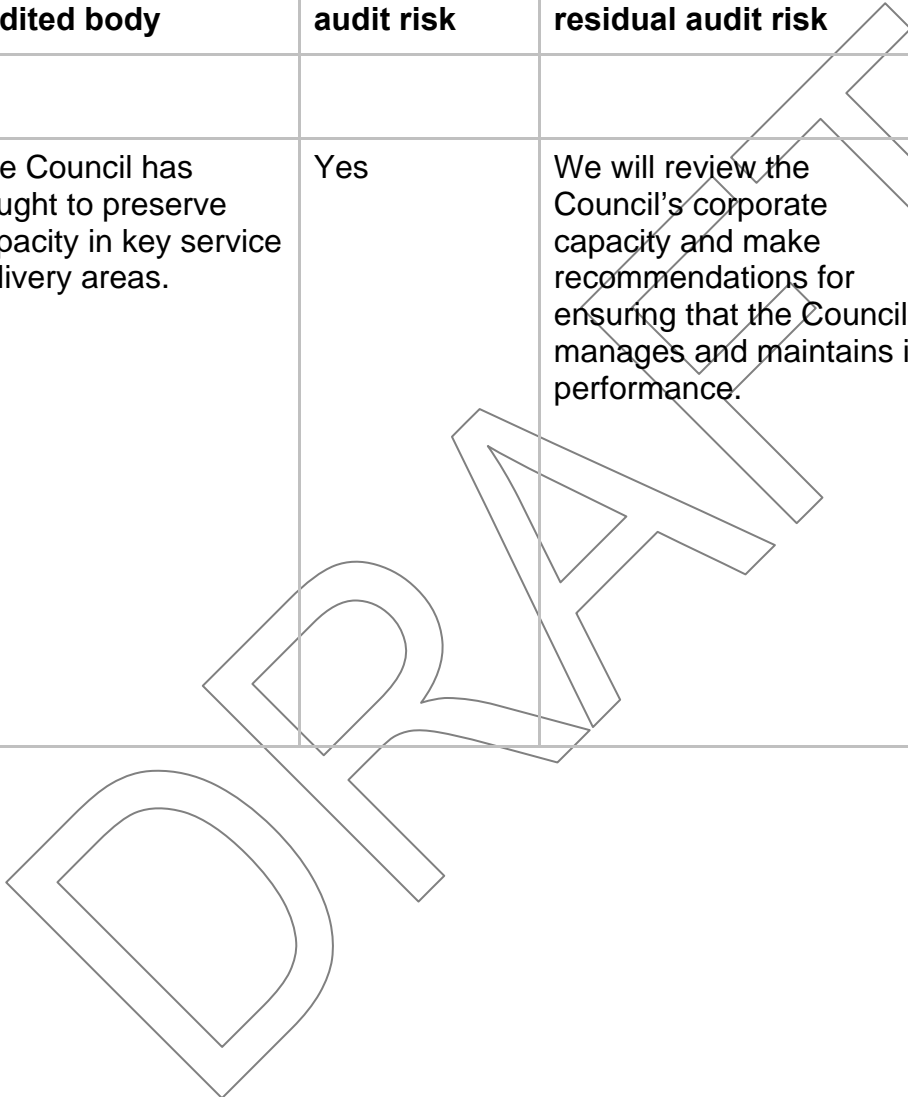
(*) – Includes additional £10,000 as set out in 2007/08 Supplementary Audit Opinion Plan

Appendix 3 – Initial risk assessment – Use of resources and VFM conclusion

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor’s responsibilities
Proposed changes to the CIPFA Statement of Recommended Practice (SoRP), in particular the need for a revaluation reserve supported by full details of asset valuation movements.	Officers have previously attended our Chief Accountants workshop and are aware of the forthcoming changes to the SORP.	Yes	Review of the fixed assets system as part of our pre-statements work. Review of the revaluation reserve as part of our post-statements work.	KLOE 1.1 - The authority produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.
The capacity of the Council’s Finance Team is fragile, and whilst some new staff have been recruited, many of them are new to the final accounts process for a district council and new to	The Council have recruited additional staff into the Finance Team. The Council is also recruiting to the Head of Finance post.	Yes	We will work closely with the Council Finance Team to identify a clear accounts preparation and audit process, including working paper requirements	KLOE 1.1 - The authority produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor’s responsibilities
<p>Uttlesford District Council. This risk is more directly applicable to 2007/08, but capacity will remain a risk to the Council during 2008/09.</p>				
<p>Our 2006/07 audit identified that the Council does not maintain a complete list of its assets, with records being held across several departments. The arrangements for notifying the finance team when assets are acquired or disposed of are unclear. Fixed assets balances are recorded on a spreadsheet that is</p>	<p>Arrangements have been reviewed and action is being taken to strengthen controls. However, the arrangements for 2006/07 continued to be in place for the majority of 2007/08.</p>	<p>Yes</p>	<p>We will review the arrangements in place at the end of 2007/08 as part of our Use of Resources Assessment</p>	<p>KLOE 2.3 – The Council has arrangements in place to manage its asset base</p>

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor’s responsibilities
updated manually at year end				
The Council’s corporate capacity is stretched due to the financial constraints and recent redundancies. The corporate capacity challenges are likely to affect performance and ability to achieve its objectives and to manage and improve its performance.	The Council has sought to preserve capacity in key service delivery areas.	Yes	We will review the Council’s corporate capacity and make recommendations for ensuring that the Council manages and maintains its performance.	VFM Conclusion criteria: The organisation has arrangements in place to manage and improve value for money.



Appendix 4 – Independence and objectivity

- 1 We are not aware of any relationships that may affect the independence and objectivity of the District Auditor and the audit staff, which we are required by auditing and ethical standards to communicate to you.
- 2 We comply with the ethical standards issued by the APB and with the Commission's requirements in respect of independence and objectivity as summarised below.
- 3 Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of the appointment. When auditing the financial statements, auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).
- 4 The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below.
- 5 International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:
 - discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client; and
 - confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.
- 6 The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the Performance Select Committee. The auditor reserves the right, however, to communicate directly with the Council on matters which are considered to be of sufficient importance.
- 7 The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.
- 8 The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows.

- Appointed auditors should not perform additional work for an audited body (ie work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the auditor's opinion and conclusions, it should be clearly differentiated within the Audit and Inspection Plan as being 'additional work' and charged for separately from the normal audit fee.
- Auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission.
- The District Auditor responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years.
- The District Auditor and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body.
- The District Auditor and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.

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Appendix 5 – Working together

Meetings

- 1 The audit and inspection team will maintain knowledge of your issues to inform audit and inspection through regular liaison with key officers.
- 2 Our proposal for meetings is as follows.

Table 7 Proposed meetings with officers

Council officers	Audit Commission staff	Timing	Purpose
Chief Executive	Comprehensive Area Assessment Lead (CAAL) District Auditor (DA) Audit Manager (AM)	Monthly - Quarterly	General update
Director of Corporate Resources	DA AM	Quarterly	General update
Head of Finance	AM and Team Leader (TL)	Quarterly, with more frequent meetings during key audit periods e.g. opinion audit.	Update on audit and opinion issues
Internal Auditor	AM and TL	Quarterly	Update on audit progress and issues
Performance Select Committee	CAAL, DA and AM, with TL as appropriate	As scheduled	Formal reporting of: <ul style="list-style-type: none"> • Audit and Inspection Plan; • Annual governance report; • Annual Audit and Inspection Letter; and • other issues as appropriate.

Sustainability

- 3 The Audit Commission is committed to promoting sustainability in our working practices and we will actively consider opportunities to reduce our impact on the environment. This will include:
- reducing paper flow by encouraging you to submit documentation and working papers electronically;
 - use of video and telephone conferencing for meetings as appropriate; and
 - reducing travel.

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