

	<b>Item no: 7</b>
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<b>SUBJECT:</b>	AUDIT COMMISSION- AUDIT AND INSPECTION PLAN 2007-08
<b>DECISION-MAKER:</b>	AUDIT COMMITTEE
<b>DATE OF DECISION:</b>	28 <sup>TH</sup> MARCH 2007
<b>REPORT VERSION No:</b>	1

**FORWARD PLAN No:**

**KEY DECISION?** NO

**STATEMENT OF CONFIDENTIALITY**

Not applicable

**WARDS/COMMUNITIES AFFECTED:**

None

**SUMMARY**

The attached plan (appendix 1) sets out the audit and inspection work that the Audit Commission, as the Council's appointed external auditors, propose to undertake for the 2007/08 financial year. The plan is based on the Audit Commission's risk-based approach to audit planning and the requirements of Comprehensive Performance Assessment (CPA). It reflects:

- audit and inspection work specified by the Audit Commission for 2007/08;
- current national risks relevant to the Council's local circumstances; and
- the Council's local risks and improvement priorities.

**RECOMMENDATIONS:**

1. The Audit Committee is asked to note content of the Audit Commission's Audit and Inspection plan for 2007-08.

**REASONS FOR REPORT RECOMMENDATIONS**

1. The Audit Committee has, within its terms of reference, specific responsibility for oversight and provision of assurance to the Standards and Governance Committee on the arrangements made for cooperation between internal and external audit;
2. Presentation of the Audit and Inspection Plan to the Audit Committee is in

line with good practice and consistent with the CIFPA 'Code of Practice for Internal Audit in Local Government 2006' which requires that internal and external audit plans are co-ordinated.

## **BACKGROUND**

1. The Audit Commission are the Council's appointed external auditors. In carrying out their duties the Audit Commission is required to comply with the statutory requirements governing them, and in particular:

- The Audit Commission Act 1998 and the Code of Audit Practice ("the code" ) with regard to audit; and
- The Local Government Act 1999 with regard to best value inspection and Audit: and
- The Code of Audit Practice.

The Audit Commission produces an annual programme of audit and inspection work that includes as assessment of and planned response to the key audit risks that may have an impact on their objectives to:

- Provide an audit opinion on the Council's financial statements;
- Provide a conclusion on the Council's use of resources (value for money);
- Provide a scored judgement of the use of resources to feed into the CPA process;
- Undertake audit work in relation to specified performance indicators to support the service assessment element of the CPA; and
- Provide a report on the Council's best value (city) performance plan.

## **CONSULTATION**

No formal consultation process with officers of the Council is required.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

No alternative options have been considered.

## **DETAIL**

Much of the document comprises standard details of the Audit Commission's responsibilities and how they seek to discharge them. The items that should however be particularly drawn to the Committees attention are Appendices 1 and 2 of the report.

For Use of Resources work the plan sets out what the Audit Commission proposes to cover over the next 12 months. Major risks that they will need to respond to include the SSP (or alternative option), the LAA and the street lighting PFI. Also included under this heading is the Audit Commission's 2007 assessment of 'use of resources' for CPA.

For the Financial Statements work, the plan takes account of the Audit Commission knows at this time, including changes to the accounting code and to the Council's accounts structure and accounts IT system. This work will not be done until 2008, so they will need to re-assess the risks in autumn this year, when they have completed the 2006/07 opinion audit, and this could result in amendments to the audit plan and fee at that time.

Because of the Corporate Assessment (CA), the Audit Commission are not proposing any inspections or major pieces of VFM project work however, they have allowed time to liaise with the CA team and to participate in the subsequent improvement.

## **FINANCIAL/RESOURCE IMPLICATIONS**

### **Capital**

None

### **Revenue**

None

### **Property**

None

### **Other**

None

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

The Audit Commission Act 1998 and the Accounts and Audit (Amendment)(England) Regulations 2006 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

**Other Legal Implications:**

None

**POLICY FRAMEWORK IMPLICATIONS**

None

## SUPPORTING DOCUMENTATION

### Appendices

1.	Audit Commission's – Audit and Inspection Plan 2007-08
2.	

### Documents In Members' Rooms

1.	None
2.	

### Background Documents

Title of Background Paper(s)

Relevant Paragraph of the  
Access to Information  
Procedure Rules / Schedule  
12A allowing document to be  
Exempt/Confidential (if  
applicable)

1.	None	
2.		

**Background documents available for inspection at:** Internal Audit Office, North  
Block Basement, Civic Centre

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