

## The Annual Audit Plan 2006/07

Report of the Assistant Director of Resources (Audit & Risk Management)

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### Summary

- 1 This paper introduces the Audit & Inspection Plan of the District Auditor.

### Background

- 2 The Annual Audit Plan sets out the audit and inspection work to be conducted by the District Auditor in discharging their statutory duties to:
  - give an opinion on financial statements of the audited body;
  - draw conclusions as to the arrangements put in place by the audited body to secure value for money (ie the extent to which there are satisfactory arrangements in place for securing economy, efficiency and effectiveness in the use of resources).

The Audit Plan for the 2006/07 is attached as Annex A to this report.

### Key planning issues

- 4 In preparing their Plan, the Audit Commission have taken into account:
  - the outcomes of the 2005 CPA Use of Resources work;
  - the quality and coverage of the work conducted by Internal Audit, placing reliance on the Internal Audit Annual Plan to make best use of scarce audit resources and reduce costs wherever possible;
  - an understanding of the key issues facing the organisation in the coming year based on a series of individual interviews conducted with key officers and leading Members over the last few months;
  - their assessment of the inherent audit risks arising;
  - the requirements of the Code of Audit Practice in discharging their statutory responsibilities in the conduct of the audit.

## Consultation

- 6 The Plan has been widely consulted on with the relevant responsible officers and has been approved in draft by CMT. It is reported here for due consultation with those Members charged with governance at the Council.

## Options

- 7 Not relevant for the purpose of the report.

## Analysis

- 8 Not relevant for the purpose of the report.

## Corporate Objectives

- 9 This report contributes to the overall effectiveness of the Council's management & assurance arrangements in helping to achieve of the following corporate objectives;
- Ensure probity, integrity and honesty in everything we do (Objective 8.3).
  - Provide accurate and transparent management information in a timely and effective manner (Objective 8.3).
  - Improve the forward planning, openness, propriety, speed and effectiveness of decision-making (Objective 8.4).
  - Continue to provide sound and timely financial management, and improve medium and long term financial planning. (Objective 8.6).
  - Manage the Council's property, IT and other assets on behalf of York residents. (Objective 8.9).
  - Implement risk management and business continuity procedures. (Objective 8.10).

## Implications

- 10 There are no financial, HR, equalities, legal, crime and disorder or IT&T implications arising from this report.

## Risk Management Assessment

- 11 The Council will fail to properly comply with legislative and best practice requirements to provide for the proper audit of the authority. Any failure to do so would be unlawful and adversely impact on the Council's CPA score for the Use of Resources (and therefore its overall CPA score in 2007).

## Recommendations

12 Members are asked to:

- a) consider the matters set out in the draft Annual Audit Plan presented for discussion by the District Auditor;

Reason

*To ensure the effective deployment of scarce external audit resources to best effect*

- b) approve the Plan having first considered whether it sufficiently reflects the audit needs and interests of the Council.

Reason

*To ensure the effective deployment of scarce external audit resources to best effect*

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24 May 2006

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**Chief Officer Responsible for the report:**

Liz Ackroyd  
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**Report Approved**

*Yes*

**Date** 24 May 2006

**Specialist Implications Officer(s)** Not applicable

**Wards Affected** Not applicable

All

**For further information please contact the author of the report**

**Background Papers**

*None*

**Annexes**

**Annex A** *The Annual Audit & Inspection Plan (Audit Commission)*

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Annex A

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*The Annual Audit & Inspection Plan  
(Audit Commission)*