

The Annual Audit Plan 2007/08 & Outturn 2006/07

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

Summary

- 1 This paper introduces the Audit & Inspection Plan of the District Auditor for 2007/08 and reports performance against the 2006/07 plan for final outturn purposes.

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).
- 3 In preparing their Plan, the Audit Commission have taken into account:
 - the outcomes of the 2006 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;
 - the planned corporate CPA assessment of the authority scheduled for Jan/Feb 2008
- 4 The Audit Plan for the 2007/08 is attached as Annex A to this report.

- 5 The Plan has been reported later than usual this year, as the Audit Commission have changed their reporting cycle and their plan was not ready for the meeting of Audit & Governance Committee in April 2007.

2006/07 outturn

- 6 The audit was satisfactorily concluded in accordance with last year's plan. The key points of note for Members are that:
- managed audit status was maintained;
 - all products delivered as planned by the Audit Commission;
 - core audit fees out-turned on budget but the Council budget for grant claim work overspent by £25k due to un-notified additional grant claim work arising in year mainly in City Strategy and LCCS. New planning arrangements have been agreed between the client, the Audit Commission and departmental finance managers for 07/08 to avoid any repetition of this problem (albeit that the budget for grants can only ever be indicative as work is done on a 'needs must' basis at the discretion of the District Auditor)
 - new reporting and relationship management arrangements introduced in 2006/07 to include regular update and report on the conduct and progress of the audit by the Audit Manager and Council Client to the Chief Executive, and regular attendance by the District Auditor and/or the Audit Manager at Audit & Governance Committee.

Options & analysis

- 6 Not relevant for the purpose of this report.

Consultation

- 7 The plan has been considered by Corporate Management Team.

Corporate priorities

- 8 The external audit of the organisation contributes to the achievement of Corporate Priority Improvement Statement 13 'To improve efficiency and reduce waste to free up more resources'.

Implications

- 9 There are no specific financial, legal, HR, property, crime & prevention, IT&T or other implications arising from this report.

Risk Management

- 10 The Council is at risk of a poor CPA and/or specific inspection reports if the arrangements for the appropriate audit of the organisation are judged to be unacceptable.

Recommendations

11 Members are asked to

- a) note the content of Annual Audit Plan attached as Annex A;

Reason

To advise Members of the scope and content of the plan.

- b) note the outturn issues on last year's audit included at paragraph 6.

Reason

To advise Members of the progress of the audit in 2006/07.

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**Report
Approved**



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Specialist Implications Officer(s) None

Wards Affected Not applicable

All

For further information please contact the author of the report

Annexes

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

Annex A

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