
OUTLINE AUDIT & INSPECTION PLAN 2007/08

1 SUMMARY

- 1.1 The purpose of this report is to invite Members to give consideration to the Outline Audit and Inspection plan Plan (“the Plan”), which is summarised in this report. The Plan was prepared by our external auditors, PKF, who will attend this Committee to present this report.

2 INTRODUCTION

- 2.1 The Plan, attached as an appendix to this report, sets out the audit and inspection work proposed to be undertaken in 2007/08 by PKF (UK) LLP (‘PKF’) and the Audit Commission.
- 2.2 The Plan summarises the approach to meeting the requirements of the Audit Commission’s Code of Audit Practice.

3 SUMMARY OF OUTLINE AUDIT & INSPECTION PLAN 2007/08

- 3.1 The Plan covers the work of the Audit Commission and its appointed external auditors, PKF, for the financial year of 1 April 2007 to 31 March 2008 (2007/08). It sets out the staffing arrangements and timetables for visits and reporting.
- 3.2 The Audit Commission work covers the role of the Council’s Relationship Manager, the Direction of Travel Assessment and a Strategic Housing Inspection. This last inspection may be deferred if the Council is inspected for Comprehensive Performance Assessment re-categorisation.
- 3.3 The External Auditors carry out the following activities, further details of which are in the Plan:-
- Review of the core financial systems (eg finance, council tax).
 - Review of the Council’s financial accounts, including the Statement on Internal Control.
 - Review of the Best Value Performance Plan and Best Value Performance Indicators.
 - Carry out a Use of Resources Inspection which focuses on the importance of having sound and strategic financial management to ensure that resources (money and assets) support the Council’s priorities and service improvement.
 - Audit of Grant Claims.

- 3.4 The Plan includes a Risk Assessment (see Appendix A) which identifies the key risks from an audit point of view, as being:-
- Further development and embedding of performance management and value for money arrangements.
 - The new Committee decision making structure.
 - Working with partners to address health inequality issues and participation in the Essex Local Area Agreement (Essex LAA).
 - Changes to accounting regulations which require notable changes to the layout of the accounts.
- 3.5 Audit Fees will be £146,008, compared to £136,263 in 2006/07. The increase is partly due to additional work around the Essex LAA and partnerships. A detailed breakdown of the fees is given in paragraph 7.4 of the Plan.
- 3.6 Appendix B to the Plan is a statement to “those charged with governance” (Councillors) confirming that PKF have complied with the guidelines set out by the Audit Commission’s guidelines on independence and objectivity.

4 RECOMMENDATION

- 4.1 It is proposed that the Committee **RESOLVES** to note the Outline Audit & Inspection Plan.

Yvonne Woodward

Head of Finance, Audit & Performance Management

Background Papers:-

None

For further information please contact Yvonne Woodward on:-

Tel:- 01702 318029

E-Mail:- yvonne.woodward@rochford.gov.uk

If you would like this report in large print, braille or another language please contact 01702 546366.