

External Audit and Audit Commission

Corporate Audit Committee
December 2009

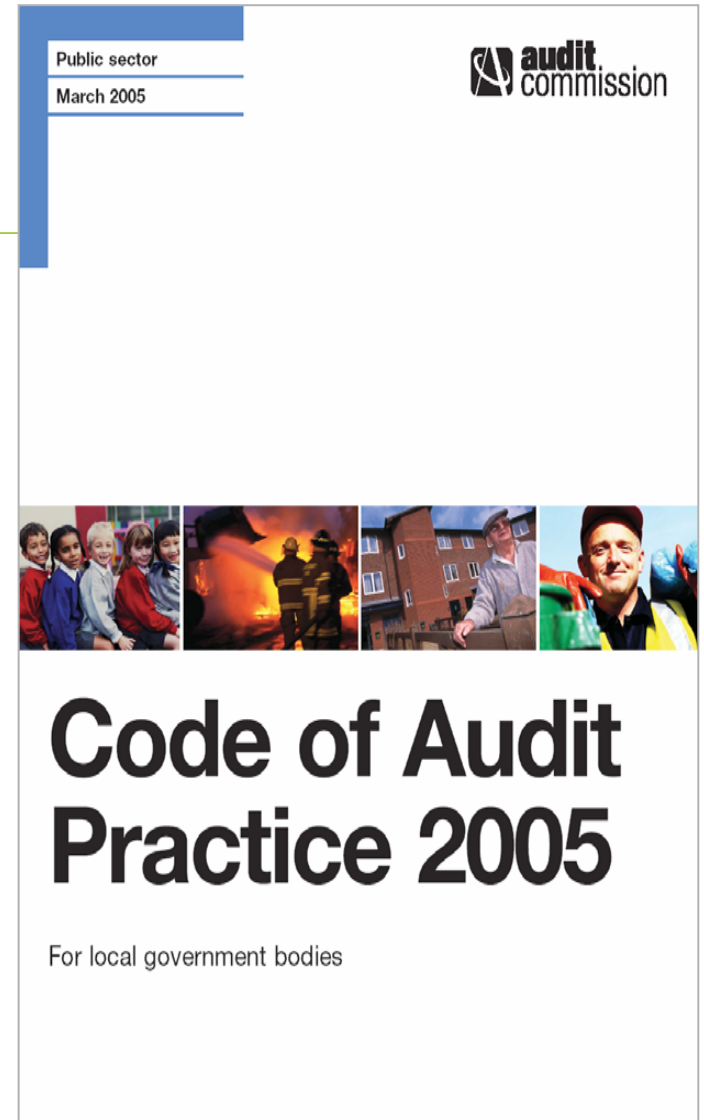


The Audit Commission

- Role of the Audit Commission
 - Appointing auditors to local government & NHS bodies
 - Setting required standards for appointed auditors
 - Regulating the quality of audits
- Statutory responsibilities and powers set out in the Audit Commission Act 1998
- ‘Appointed Auditors’ discharge their responsibilities independently of the Audit Commission
- Must work in accordance with the Code of Audit Practice

External audit

Work done is prescribed by the *Code of Audit Practice*



External Audit

Audit Work Focussed On Two Areas:

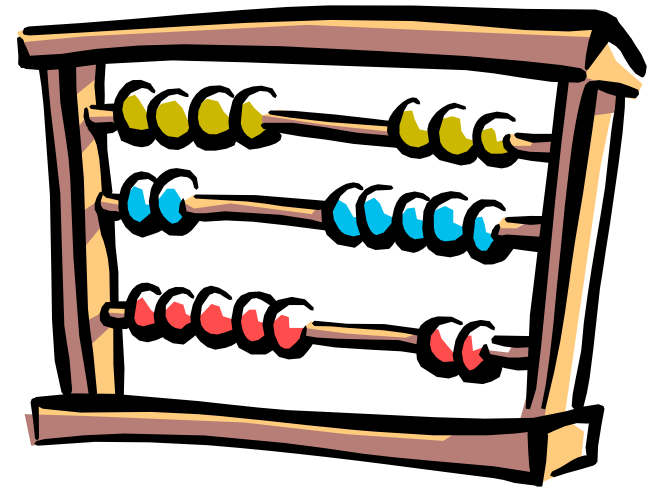
1. Financial Statements
2. Economy, efficiency and effectiveness in use of resources

Plus: Grant Claims

Financial Statements

We provide:

- An opinion on the financial statements
- An opinion on the Whole of Government Accounts return



Use Of Resources

Scored use of resources
judgement

VFM conclusion



Use Of Resources

There are three themes

- Managing finances
- Governing the business
- Managing resources

Grant Claim certification

Value :

< £100k – no audit

>£100k <£500k – light touch

>£500k – audit work based on risk assessment



Typical claims include; Council tax and Housing Benefits subsidy and business rates.

How Do We Work With You?

Strategic Regulation

Shared understanding

Reliance on Internal Audit



Internal and External Audit

Internal Audit	External Audit
Internal to the Council	Appointed by the Audit Commission
Risk Assurance and Internal Control	Accounts and Use of Resources
CIPFA code	Code of Audit Practice
Head of Internal Audit Opinion	Statutory Audit report (ISA 700)
Annual Report	Annual Audit Letter
Regulated by the Chief Financial Officer	Audit Commission Act 1998

Key External Audit Outputs

- Annual fee letter
- Supplementary opinion plan
- Interim Audit report
- Annual Governance Report
- Auditor's report on the opinion and VFM conclusion
- Use of resources assessment
- Annual Audit letter

