

Audit and Corporate Governance Committee Report



Report of Strategic Director

AGENDA ITEM NO 13

Author: Matt Prosser

Tel: 01491 823103

E-mail: matt.prosser@southoxon.gov.uk

To: Audit and Corporate Governance Committee

DATE: 5 March 2008

Audit and inspection plan 2008/09

Recommendation

That Audit and Corporate Governance Committee:

1. approves the draft annual audit and inspection plan as attached, subject to the agreement of suitable fees; and
2. authorises the strategic director responsible for finance and the head of finance, in consultation with the chairman, to approve the fees and any resulting minor amendments to the plan.

Purpose of Report

1. The report gives an overview of the process for the agreement of the annual audit and inspection plan as provided by the Audit Commission and appended to this report.

Strategic Objectives

2. The annual audit and inspection plan is part of good governance and is an essential element in the process of accountability for public money.

It is a statutory responsibility of the council. It contributes to our stated objective 'to be recognised as an excellent council'.

Background

3. The draft plan, as provided by the Audit Commission, has been developed by the relationship manager and appointed auditor. It sets out the audit and inspection work that the auditors propose to undertake for South Oxfordshire District Council in the 2008/09 financial year. It is developed using a risk-based approach and also the requirements of moving towards Comprehensive Area Assessment (CAA) that is replacing the Comprehensive Performance Assessment (CPA) process.
4. During this next financial year the role of relationship manager will be replaced by the post of Comprehensive Area Assessment Lead (CAAL).
5. The draft report before the committee does not include agreed fees, as these are yet to be set nationally later in March. It is therefore not possible to approve the plan in its entirety without knowing the associated costs. Councillors are asked to consider the appropriateness of the plan and fees shown, acknowledging they are in draft. Councillors' attention is drawn to the committee's comments on last year's plan that stated that, 'although the Audit Commission did not operate in a competitive market because it worked on behalf of government, the council would challenge fees.' We are expected by government to make on-going three percent efficiency savings; it does not seem unreasonable that our auditors who work on behalf of the government should take account of this in setting their fees.

Financial Implications

6. The fee proposed in the draft report is £136,300 for 2008/09 against a planned fee of £122,750 within the current financial year. This is a proposed increase of £13,550 or approximately 12 per cent.

Legal Implications

7. None arising from this report.

Conclusion

8. The Audit and Corporate Governance Committee is asked to discuss the contents of the plan and consider how it wishes to address the issue of the fees associated.