

AGENDA MANAGEMENT SHEET

Name of Committee Standards And Audit Committee

Date of Committee 05 June 2006

Report Title Annual Audit and Inspection Plan

Summary This report presents the draft Audit and Inspection Plan for 2006/07. The Plan is prepared by the Audit Commission, and sets out their activity programme for the Council for the coming year. The Committee is required to formally adopt the Plan.

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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members
- Cabinet Member
- Chief Executive
- Legal
- Finance
- Other Chief Officers
- District Councils
- Health Authority

Police

Other Bodies/Individuals

FINAL DECISION

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

**Standards And Audit Committee
5th June 2006.**

Annual Audit and Inspection Plan

**Joint Report of the Strategic Director of Performance &
Development and the Strategic Director of Resources**

Recommendation

That the Committee considers and adopts the Audit Commission's Annual Audit and Inspection Plan for Warwickshire County Council for 2005/06.

1. Background

- 1.1 Under statutory requirements the Council is subject to an annual programme of audit and inspection activity conducted by the Audit Commission. Each year the Council's Relationship Manager allocated by the Audit Commission leads the drawing-up of this programme. For Warwickshire County Council, the Relationship Manager is Sandy McMillan. The draft Programme is attached at Appendix 1.
- 1.2 The Council is charged a fee for this programme of work and for 2006/07 this is estimated at £237,631 made up as follows: -

Activity	Fee
Audit work	£222,510
Inspection work	£15,121
Total	£237,631

- 1.3 This compares with a fee for 2005/06 of £180,800, and officers have queried the level of the fee increase, as it seems excessive. The Audit Commission's Relationship Manager offers the following rationale: -

- ❖ *The 2005-06 was a significant reduction on the previous years fee and reflected WCC's then CPA category of Excellent. In 2003-04 the combined audit and inspection fee was £234,300. This means that over a 2-year*

period the combined fee has increased by less than inflation and will be closer to the midpoint in 2006-07 than it was in 2003-04.

- ❖ *The principal reason for the increase in 06-07 are; -*
- ❖ *In 2005-06 the Audit Commission undertook no performance audit work (as determined by WCC's Excellent status). In 2006-07 the Commission will undertake 2 large pieces of performance work on performance management in Adult Services and on Governance in Community Safety. This represents the single greatest reason for the fee increase.*
- ❖ *The Audit fee is also increased by the new requirements in relation to the Fire Service. We need to complete a Use of Resources assessment in 06-07. I understand the council will receive some separate grant funding to pay for at least some of this.*
- ❖ *The audit of all councils is affected by additional work required under International Auditing Standards.*
- ❖ *The increase in inspection fee is required principally because more work was required to complete WCC's direction of travel assessment than was budgeted in 05-06. In effect WCC was were undercharged then and the fee is now more realistic. I have also allocated more Relationship Manager time to reflect the fact that WCC is in an extensive period of change and no longer an excellent council.*

2. Next Steps

- 2.1 The level of the fee is concerning, and following exploration with the Audit Commission Relationship Manager, it is understood that the increase is non-negotiable. Consequently the Audit and Standards Committee is asked to consider and adopt the Audit and Inspection Plan for 2006/07.

David Carter
Strategic Director, Performance and
Development

Dave Clarke
Strategic Director, Resources

Shire Hall
Warwick

Audit and Inspection Plan

Date

Last saved: 24/05/2006 16:22:00

Audit and Inspection Plan

Warwickshire County Council

Audit 2006/2007

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Status of our reports to the Council

Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to non-executive members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

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Contents

Introduction	4
Our responsibilities	4
The fee	5
CPA and inspections	6
Summary of key audit risks	7
Value for money conclusion	7
Use of resources judgement	8
Performance information	9
Best Value Performance Plan	10
Financial statements	10
Whole of government accounts	11
Certification of claims and returns	12
Voluntary improvement work	13
Other information	14
Outputs from the audit and inspection plan	14
The team	14
Future audit plans	16
Appendix 1 □ Audit and inspection fee	17
Assumptions	18
Process for agreeing any changes in audit fees	18
Appendix 2 □ Criteria to inform the auditor's conclusion on proper arrangements for securing economy, efficiency and effectiveness in the use of resources	19
Appendix 3 □ Planned outputs	21
Appendix 4 - The Audit Commission's requirements in respect of independence and objectivity	23

Introduction

- 1 This plan sets out the audit and inspection work that we propose to undertake in 2006/07. The plan has been drawn up from our risk-based approach to audit planning and the requirements of the new Comprehensive Performance Assessment CPA – the Harder Test. It reflects:
 - our responsibilities under the Code of Audit Practice;
 - audit and inspection work specified by the Audit Commission for 2006/07;
 - your local risks and improvement priorities; and
 - current national risks relevant to your local circumstances.
- 2 Your relationship manager will continue to help ensure further integration and co-ordination with the work of other inspectorates.

Our responsibilities

- 3 In carrying out our audit and inspection duties we have to comply with the statutory requirements governing them, and in particular:
 - the Audit Commission Act 1998 and the Code of Audit Practice (the Code) with regard to audit; and
 - the Local Government Act 1999 with regard to best value inspection and audit.
- 4 The Code defines auditors' responsibilities in relation to:
 - the financial statements of audited bodies; and
 - audited bodies' arrangements for securing economy, efficiency and effectiveness in their use of resources. Auditors are now required to draw a positive conclusion regarding the Council's arrangements for ensuring value for money in its use of resources. We will give the first such conclusion by 30 September 2006 as part of the 2005/06 audit.

The fee

- 5 For 2006/07 the Audit Commission has changed its fee scale structure and details are set out in the Commission's Work Programme and Fee scales 2006/07. Audit fees are based on a number of variables, including the type, size, location and complexity of the audited body and the national and local risks.
- 6 Inspection fees are based on the actual number of days included in the plan for each programmed activity.
- 7 The total fee estimate for the audit work planned for 2006/07 is £222,510 and the total fee estimate for inspection work planned for 2006/07 is £15,121. This compares with a total audit and inspection fee of £180,800 in 2005/06.
- 8 In addition we estimate that we will charge approximately £75,000 for the certification of claims and returns.
- 9 The audit and inspection fees include all work identified in this plan unless specifically excluded. Further details are provided in Appendix 1 which includes the assumptions made when determining the audit fee and the process for agreeing any additional fees.
- 10 Changes to the plan and the fee may be necessary if our audit risk assessment changes during the course of the audit. This is particularly relevant to work related to:
 - the opinion on the 2006/07 accounts, since we have yet to audit the accounts for 2005/06, and detailed financial reporting requirements for 2006/07 are not yet known; and
 - work on selected performance indicators, since we have yet to assess your overall arrangements for securing the quality of this data and then to undertake a formal risk assessment.
- 11 We will formally advise you if any changes to the fee become necessary.

CPA and inspections

- 12 We have applied the principles set out in the new CPA framework, CPA – the harder test recognising the key strengths/weaknesses in Warwickshire’s performance. These include:
- The Council's Comprehensive Performance Assessment for 2005 was three (out of a possible four) stars and the direction of travel was assessed as improving adequately.
 - There is a picture of improvement in many, but not all, priority areas and the 'Use of Resources' assessment found that the Council is performing consistently well above minimum requirements indicating continuing improvements in overall efficiency and effectiveness.
 - Overall services for vulnerable adults do not show consistent or sufficiently rapid improvement, with the CSCI annual performance assessment remaining at 'serving some people well'.
 - The Council's overall business planning process has been revised and improved since the last corporate assessment in 2004.
 - Arrangements for performance management continue to improve and the Council is well placed to deliver improved value for money.
- 13 As a consequence our inspection activity will focus on the activities outlined below. These represent the minimum requirements to meet our responsibilities in relation to our inspection functions.
- Relationship Manager role and Direction of travel statement.

Table 1 Summary of inspection activity

Inspection activity	Reason/impact
Relationship Manager role	To act as the Commission's primary point with the authority and the interface at the local level between the Commission and the other inspectorates, Government Offices and other key stakeholders.
Direction of travel statement	To provide focus for continuous improvement and to include in CPA scorecard. This will report publicly on the progress being made by the Council.

Summary of key audit risks

- 14 This section summarises our assessment and the planned response to the key audit risks which may have an impact on our objectives to:
- provide an opinion on your financial statements;
 - provide a conclusion on your use of resources;
 - provide a scored judgment on the use of resources to feed into the CPA process;
 - undertake audit work in relation to specified performance indicators to support the service assessment element of CPA; and
 - provide a report on the Council's best value performance plan (BVPP).
- 15 Our planned work takes into account information from other regulators, where available. Where risks are identified that are not mitigated by information from other regulators, or your own risk management processes, including Internal Audit, we will perform work as appropriate to enable us to provide a conclusion on your arrangements.

Value for money conclusion

- 16 The Code of Audit Practice requires us to issue a conclusion on whether you have proper arrangements in place for securing economy, efficiency and effectiveness in the use of your resources (the value for money conclusion). The Audit Commission has developed relevant criteria for auditors to apply in reaching our value for money conclusion as required under the Code of Audit Practice. These criteria are listed in Appendix 2. In meeting this responsibility, we will review evidence that is relevant to the Council's corporate performance management and financial management arrangements. We will give the first such conclusion by the end of September 2006 as part our audit of the 2005/06 accounts. This may influence our risk assessment for similar work to be carried out as part of the 2006/07 and we will keep you informed of any changes to this plan that may become necessary.

Use of resources judgement

- 17 In addition to the Code requirements described above, the Audit Commission requires auditors to make more qualitative assessments of the effectiveness of those arrangements in the form of a series of use of resources judgements. The key lines of enquiry (KLOEs) issued in June 2005 will be updated in Spring 2006 to reflect the lessons learned from the first year's experiences of applying the KLOEs, following a post implementation review of the assessment. Our fee estimate 2006/07 assumes that the KLOEs will be broadly similar to those used in 2005/06. If this changes we will discuss with you the implications, including any impact on the fee.
- 18 For 2006/07 we will be required to carry out a use of resources judgement for the fire service. This will be an assessment of financial management arrangements on the basis of the criteria specified by the Audit Commission.
- 19 These judgements are also used by the Commission as the basis for its overall use of resources judgement for the annual CPA.
- 20 Using our cumulative knowledge and experience, including the results of previous work and other regulators' work, we have identified the following areas of audit risk to be addressed.

Table 2 Summary of use of resources audit risks

Audit risk	Response
<p>Resource availability - the council has identified constraints on funding available to deliver services. Key issues include:</p> <ul style="list-style-type: none"> • Capping and affordability • The need to achieve efficiency savings through procurement • The impact of single status <p>The audit risk is around financial management arrangements.</p>	<p>On-going monitoring of the council's:</p> <ul style="list-style-type: none"> • financial standing • capital programme • progress with single status • action to address the pension fund deficit.
<p>Adult Social Care - this is the main risk service for the council. There is corporate concern that the performance management framework is not working here. There is an audit risk that there</p>	<p>We will assess the effectiveness of Adult Social Care performance management arrangements.</p>

Audit risk	Response
<p>may be weaknesses in performance management that could affect our VFM conclusion.</p>	
<p>Community Safety - the council and its partners recognise that the current governance arrangements for community safety need to be enhanced as the approach to partnership working changes within a Local Area Agreement.</p> <p>There is an audit risk that there may be weaknesses in the council's arrangements that could affect our VFM conclusion.</p>	<p>We will carry out a cross cutting audit of community safety involving the council, police, probation and district councils.</p>
<p>Highways Maintenance Partnership Agreement - last year it was reported that the monitoring and management of the agreement needs strengthening to ensure that it delivers the benefits that were expected from it.</p> <p>There is an audit risk that there may be weaknesses in the council's arrangements that could affect our VFM conclusion and opinion on the accounts.</p>	<p>We will review the work planned to be carried out by Internal Audit and determine what further work is required.</p>

Performance information

- 21 Auditors are required to undertake audit work in relation to specified performance indicators to support the service assessment element of CPA. This work will be risk based and will link in part to our review of the Council's overall arrangements to secure data quality as required for our Use of Resources conclusion. Our fee estimate includes an element for this work on the basis that we will assess Warwickshire County Council as medium risk in relation to its performance indicators.
- 22 This risk assessment may change depending on our assessment of your overall arrangements. When we have finalised our risk assessment we will update our plan including any impact on the fee quoted above.

Best Value Performance Plan

- 23 We are required to consider and report on whether or not you have complied with legislation and statutory guidance in respect of the preparation and publication of your Best value performance plan (BVPP). Our fee estimate assumes that the council has implemented the recommendations made following last year's audit of the BVPP.

Financial statements

- 24 We will carry out our audit of the 2006/07 financial statements and comply with the International Standards on auditing (UK and Ireland).
- 25 We are also required to review whether the Statement on Internal Control has been presented in accordance with relevant requirements and to report if it does not meet these requirements or if the statement is misleading or inconsistent with our knowledge.
- 26 On the basis of our preliminary work to date we have identified the following audit risks.

Table 3 Summary of opinion risks

Opinion risks	Response
<p>New Payroll System - the council has been implementing a new payroll system (HRMS) for some departments in 2005/06. The remaining departments will be transferred to the new system in 2006/07.</p> <p>There could be weaknesses in controls that result in a material misstatement to the accounts.</p>	<p>We will review Internal Audit's payroll work and determine what further work is necessary.</p>

- 27 Our fee estimate for 2006/07 is based on the assumption that comprehensive supporting papers will be provided by all departments and that internal audit will complete their planned work on key information systems to the agreed quality and by the agreed date and that the accounts will be prepared and fully supported by working papers by 30 June 2007.
- 28 We have yet to undertake the audit of the 2005/06 financial statements and our 2006/07 financial statements audit planning will continue as the year progresses. This will take account of:
- the 2005/06 opinion audit;
 - our documentation and initial testing of material information systems;
 - our assessment of the 2006/07 closedown arrangements; and

- any changes in financial reporting requirements.
- 29 When we have finalised our risk assessment in respect of your financial statements, we will update our plan in advance of the audit detailing our specific approach, including any impact on the fee quoted above.

Whole of government accounts

- 30 The government is introducing whole of government accounts (WGA) in order to produce consolidated accounts for the whole public sector. WGA will include the accounts of local authorities and WGA data returns will be required to be audited. The Audit Commission is currently discussing the scope of the likely audit work with stakeholders. The fee for this work is not included in this plan and we will discuss this with the Strategic Director of Resources when further details are available.

Certification of claims and returns

- 31 We will continue to certify the Council's claims and returns:
- claims for £50,000 or below will not be subject to certification;
 - claims between £50,001 and £100,000 will be subject to a reduced, light touch, certification audit; and
 - claims over £100,000 have an audit approach relevant to the auditor's assessment of the control environment and management preparation of claims. A robust control environment would lead to a reduced audit approach for these claims.
- 32 Charges for this work are based on skill-related fees scales set out in the Audit Commission's work programme and fee scales 2006/07. Based on this, and on the assumption that the level of grant work will remain broadly unchanged from that set out in the schedule of 2005/06 claims requiring audit, we estimate that the fees for grant certification work will be around £75,000.

Voluntary improvement work

At this stage we have not agreed any voluntary improvement work.



Other information

Outputs from the audit and inspection plan

- 33 The expected outputs from our planned audit and inspection work are listed in Appendix 3.

The team

Table 4

Name	Title
Sandy McMillan	Relationship Manager
John Cotterill	Appointed Auditor
Tony Parks	Audit Manager
Sandy McMillan	Area Performance Lead
Rosemary Marrant	Audit Team Leader

- 34 We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing and ethical standards.
- 35 We comply with the ethical standards promulgated by the Auditing Practices Board and with the Commission's requirements in respect of independence and objectivity as set out at Appendix 4.

Future audit plans

- 36 As part of our planning process, we have taken the opportunity to look at potential issues for future years' programmes, including the scheduling of your corporate assessment and joint area review of children's services and young people which is planned for 2008. Key areas identified include:
- Local Area Agreement and partnership working.
- 37 We will discuss these in more detail as the audit year progresses.

Appendix 1 Audit and inspection fee

Table 5

Fee estimate	Plan 2006/07	Plan 2005/06
Audit		
Accounts	135,000	126,300
Use of resources	87,510	47,860
Total audit fee	222,510	174,160
Inspection		
Relationship management	8,649	*
Service inspection	0	*
Corporate inspection	6,472	*
Total inspection fee	15,121	6,640
Total audit and inspection fee	237,622	180,800
Certification of grants and returns	75,000	71,000
Voluntary improvement work	0	0

* Comparative information is not available for 2005/06 due to the changed fee structure.

- 1 The total audit fee compared to the indicative fee banding equates to 4 per cent above mid-point. The increase in audit fee over the previous year is due to a number of factors. In 2005-06 as the Council was classified as Excellent we conducted no performance audit work. In 2006-07 we propose to conduct two significant pieces of performance audit work on performance management in adult social care and on governance in safer stronger communities. In addition in 2006-07 we will for the first time conduct a use of resources assessment of the fire service (most of the cost of this will be met through a grant made to the Council from ODPM). There is also a general increase in required work to meet the newly adopted international auditing standards. The increase in the inspection fee reflects the change in the Council's category, more frequent contact with the Relationship Manager and the requirement for a robust and comprehensive Direction of Travel Assessment in 2006-07.
- 2 The fee (plus VAT) will be charged in 12 equal instalments from April 2006 to March 2007.
- 3 The fee above includes all work contained in this plan except:

- any work required in relation to the Whole of Government Accounts (Discussed in paragraph 30).

Assumptions

- 4 In setting the audit fee we have assumed:
 - you will inform us of significant developments impacting on our audit;
 - Internal Audit meets the appropriate professional standards;
 - Internal Audit undertakes appropriate work on all material information systems that provide figures in the financial statements sufficient that we can place reliance for the purposes of our audit recognising the shift in requirements introduced by the International Standards on Auditing (ISA);
 - officers will provide good quality working papers and records to support the financial statements by 30 June 2007.
 - officers will provide requested information within agreed timescales;
 - officers will provide prompt responses to draft reports; and
 - The Key Lines of Enquiry for our Use of Resources judgement will be broadly similar to those used in 2005/06. (The key lines of enquiry (KLOEs) issued in June 2005 will be updated in Spring 2006 to reflect the lessons learned from the first year's experiences of applying the KLOEs, following a post implementation review of the assessment.)
- 5 Where these requirements are not met or our assumptions change, we will be required to undertake additional work which is likely to result in an increased audit fee.
- 6 Changes to the plan will be agreed with you. These may be required if:
 - new risks emerge;
 - additional work is required of us by the Audit Commission or other regulators; and
 - there are any changes to financial reporting requirements, professional auditing standards or legislation which results in additional audit work.

Process for agreeing any changes in audit fees

- 7 If we need to amend the audit [or inspection] fees during the course of this plan we will discuss this with the Strategic Director of Resources.

Appendix 2 □ Criteria to inform the auditor's conclusion on proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Arrangements for establishing strategic and operational objectives and for determining policy and making decisions

- 1 The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.

Arrangements for ensuring that services meet the needs of users and taxpayers, and for engaging with the wider community

- 2 The body has put in place channels of communication with service users and other stakeholders including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.

Arrangements for monitoring and reviewing performance, including arrangements to ensure data quality

- 3 The body has put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members.
- 4 The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.

Arrangements for ensuring compliance with established policies, procedures, laws and regulations

- 5 The body has put in place arrangements to maintain a sound system of internal control.

Arrangements for identifying, evaluating and managing operational and financial risks and opportunities, including those arising from involvement in partnerships and joint working

- 6 The body has put in place arrangements to manage its significant business risks.

20 Audit and Inspection Plan | Appendix 2 – Criteria to inform the auditor's conclusion on proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Arrangements for ensuring compliance with the general duty of best value

- 7 The body has put in place arrangements to manage and improve value for money.

Arrangements for managing its financial and other resources, including arrangements to safeguard the financial standing of the audited body

- 8 The body has put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.
- 9 The body has put in place arrangements to ensure that its spending matches its available resources.
- 10 The body has put in place arrangements for managing performance against budgets.
- 11 The body has put in place arrangements for the management of its asset base.

Arrangements for ensuring that the audited body's affairs are managed in accordance with proper standards of conduct, and to prevent and detect fraud and corruption

- 12 The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.

Appendix 3 Planned outputs

- 1 Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit Panel.

Table 6

Planned output	Start date	Draft due date	Key contact
Audit and inspection plan*	February 2006	April 2006	Audit Manager
Interim audit memorandum	February 2007	May 2007	Audit Manager
BVPP report	July 2006	September 2006	Audit Manager
Report on selected PIs (if applicable)	July 2006	September 2006	Audit Manager
Report on financial statements to those charged with governance	August 2007	September 2007	Audit Manager
Opinion on financial statements	July 2007	September 2007	District Auditor
Vfm conclusion	July 2007	September 2007	Performance Lead
Final accounts memorandum	July 2007	October 2007	Audit Manager
Adult Social Care performance management arrangements	April 2006	August 2006	Performance Lead
Community safety	July 2006	April 2007	Performance Lead
Direction of travel statement	November 2006	December 2006	Performance Lead
Use of resources judgement	September 2006	October 2006	Audit Manager
Annual audit and inspection letter (including direction of travel assessment)	October 2007	16 December 2007	Relationship Manager

22 Audit and Inspection Plan | Appendix 3 – Planned outputs

** To be revisited during the year to reflect outcome of 2005/06 opinion work and 2006/07 interim visit.*

Appendix 4 - The Audit Commission's requirements in respect of independence and objectivity

- 1 Auditors appointed by the Audit Commission are subject to the Code of Audit Practice (the Code) which includes the requirement to comply with ISAs when auditing the financial statements. Professional standards requires auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.
- 2 The ISA defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case the appropriate addressee of communications from the auditor to those charged with governance is the Audit Panel. The auditor reserves the right, however, to communicate directly with the Cabinet on matters which are considered to be of sufficient importance.
- 3 Auditors are required by the Code to:
 - carry out their work with independence and objectivity;
 - exercise their professional judgement and act independently of both the Commission and the audited body;
 - maintain an objective attitude at all times and not act in any way that might give rise to, or be perceived to give rise to, a conflict of interest; and
 - resist any improper attempt to influence their judgement in the conduct of the audit.
- 4 In addition, the Code specifies that auditors should not carry out work for an audited body that does not relate directly to the discharge of the auditors' functions under the Code. If the Council invites us to carry out risk-based work in a particular area, which cannot otherwise be justified to support our audit conclusions, it will be clearly differentiated as work carried out under section 35 of the Audit Commission Act 1998.
- 5 The Code also states that the Commission issues guidance under its powers to appoint auditors and to determine their terms of appointment. The Standing Guidance for Auditors includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:
 - any staff involved on Commission work who wish to engage in political activity should obtain prior approval from the Partner or Regional Director;
 - audit staff are expected not to accept appointments as lay school inspectors;

24 Audit and Inspection Plan | Appendix 4 - The Audit Commission's requirements in respect of independence and objectivity

- firms are expected not to risk damaging working relationships by bidding for work within an audited body's area in direct competition with the body's own staff without having discussed and agreed a local protocol with the body concerned;
- auditors are expected to comply with the Commission's statements on firms not providing personal financial or tax advice to certain senior individuals at their audited bodies, auditors' conflicts of interest in relation to PFI procurement at audited bodies, and disposal of consultancy practices and auditors' independence;
- auditors appointed by the Commission should not accept engagements which involve commenting on the performance of other Commission auditors on Commission work without first consulting the Commission;
- auditors are expected to comply with the Commission's policy for both the District Auditor/Partner and the second in command (Senior Manager/Manager) to be changed on each audit at least once every five years with effect from 1 April 2003 (subject to agreed transitional arrangements);
- audit suppliers are required to obtain the Commission's written approval prior to changing any District Auditor or Audit Partner/Director in respect of each audited body; and
- the Commission must be notified of any change of second in command within one month of making the change. Where a new Partner/Director or second in command has not previously undertaken audits under the Audit Commission Act 1998 or has not previously worked for the audit supplier, the audit supplier is required to provide brief details of the individual's relevant qualifications, skills and experience.