

14. Date of Next Meeting

Head of Service *Ian Clarke, Head of Legal and Democratic Services*
Lead Officer *Andrew Blackburn, Committee Administrator*
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The next scheduled meeting of the Audit Committee will be held on Thursday, 26th July 2007 at 10.00 a.m. in Committee Room 3/4, Council Offices, Brympton Way, Yeovil.

AUDIT COMMITTEE – FORWARD PLAN

Committee Date	Lead Officer
June 2007	
<ul style="list-style-type: none"> Annual Audit and Inspection Plan 2007/08 Approval of Statement of Accounts for 2006/07 Approval of Statement of Internal Controls Internal Audit Plan – Review of 2006/07 Anti Money Laundering Policy Operational Risk Assessments Review of Use of Resources Action Plan 	Kieron Marston Donna Parham Donna Parham Gerry Cox Donna Parham Tony Richbell Donna Parham
July 2007	
<ul style="list-style-type: none"> Review of Code of Corporate Governance Review Exemptions from Standing Orders in 2006/07 Review and Approve Financial Procedure Rules Review and Approve Contract Procedure Rules 	Donna Parham Gary Russ Donna Parham Gary Russ
August 2007	
September 2007	
<ul style="list-style-type: none"> Risk Management Report – Review Summary of Key Risks Review of HR and Payroll Action Plan Annual Governance Report Review of Use of Resources Action Plan Final Accounts Memo, and VFM Conclusion 	Gary Russ Mike Holliday Kieron Marston Donna Parham Keiron Marston
October 2007	
<ul style="list-style-type: none"> Half Yearly Review of Internal Audit Plan Statement of Internal Controls Action Plan – Progress Report 	Gerry Cox Donna Parham
November 2007	
<ul style="list-style-type: none"> Data Quality Report 	Keiron Marston
December 2007	
<ul style="list-style-type: none"> Receive and comment on External Auditor's Management Letter Use of Resources Report Annual Report on Health & Safety Matters 	Kieron Marston Keiron Marston Tony Richbell

January 2008

February 2008

- SIC Action Plan – Progress Report Donna Parham

March 2008

- Internal Audit Plan – Approve 2008/09 Plan Gerry Cox
- Review of Audit Charter Gerry Cox

April 2008

- Internal Audit Plan – Review of 2007/08 Gerry Cox

At the appropriate (or ad hoc) meetings

- Receive reports from management on Inspection Agency reports
 - Consider changes to Standing Orders, Financial Procedure Rules, Contract Procedure Rules and the Constitution
-

Audit and Inspection Plan

May 2007



Audit and Inspection Plan

South Somerset District Council

Audit 2007-2008

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Copies of this report

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Introduction

- 1 This plan has been developed by the Relationship Manager and the appointed auditor. It sets out the audit and inspection work that we propose to undertake for the 2007/08 financial year. The plan is based on the Audit Commission's risk-based approach to audit planning and the requirements of Comprehensive Performance Assessment (CPA). It reflects:
 - audit and inspection work specified by the Audit Commission for 2007/08;
 - current national risks relevant to your local circumstances; and
 - your local risks and improvement priorities.
- 2 Your Relationship Manager will continue to help ensure further integration and co-ordination with the work of other inspectorates.
- 3 As we have not yet completed our audit for 2006/07, the audit planning process for 2007/08, including the risk assessment, will continue as the year progresses, and the information and fees in this plan will be kept under review and updated as necessary.

Responsibilities

- 4 We comply with the statutory requirements governing our audit and inspection work, in particular:
 - the Audit Commission Act 1998;
 - the Local Government Act 1999 (best value inspection and audit); and
 - the Code of Audit Practice.
- 5 The Code of Audit Practice (the Code) defines auditors' responsibilities in relation to:
 - the financial statements (including the statement on internal control (SIC)); and
 - the audited body's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 6 The Audit Commission's Statement of responsibilities of auditors and of audited bodies sets out the respective responsibilities of the auditor and the Council. The Audit Commission has issued a copy of the Statement to every audited body.
- 7 The Statement summarises where the different responsibilities of auditors and of the audited body begin and end, and our audit work is undertaken in the context of these responsibilities.

CPA and Inspection

- 8 The Audit Commission's CPA and inspection activity is underpinned by the principle of targeting our work where it will have the greatest effect, based upon assessments of risk and performance.
- 9 The Council's CPA category is therefore a key driver in the Commission's inspection planning process. For CPA 2006, the Council was categorised as 'fair'. Following this, we have applied the principles set out in the CPA framework, "CPA – district council framework from 2006", recognising the key strengths and areas for improvement in the Council's performance.
- 10 In March 2007 we produced a direction of travel report which was included in the annual audit and inspection letter. This reviewed the Council's progress since the CPA inspection in 2004. The review found many positive developments and progress in key areas including:
 - delivering improved results for people in South Somerset, for example economic prosperity, health and affordable housing;
 - a well regarded leadership and a chief executive that is promoting a more open management culture which is positively recognised by partners and staff
 - taking a much stronger and effective approach to delivering objectives and has better financial management arrangements in place that are ensuring key plans are affordable; and
 - good progress is being made with improvement plans and the Council is addressing areas of poor performance such as planning and street cleansing.
- 11 We issued an unqualified audit opinion in 2005/06 on the financial statements and on the VFM arrangements for that period. The Council's overall use of resources score for 2006 improved from two (adequate performance) to three (performing well).
- 12 On the basis of our planning process we have identified where our inspection activity will be focused for 2007/08 as follows.

Table 1 Summary of inspection activity

Inspection activity	Reason/impact
Relationship Manager (RM) role	To act as the Commission's primary point of contact with the Council and the interface at the local level between the Commission and the other inspectorates, government offices and other key stakeholders.

6 Audit and Inspection Plan | CPA and Inspection

Inspection activity	Reason/impact
Direction of travel (DoT) assessment	An annual assessment, carried out by the RM, of how well the Council is securing continuous improvement. The DoT statement will be reported in the annual audit and inspection letter. The DoT assessment summary will be published on the Commission's website.
Housing inspection	Our Housing Inspectorate will carry out an inspection of strategic housing, which is a core function provided by a council that does not have a housing stock.

Work under the Code of Audit Practice

Financial statements

- 13 We will carry out our audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB).
- 14 We are required to issue an opinion on whether the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Council as at 31 March 2008 and its income and expenditure for the year.
- 15 We are also required to review whether the SIC has been presented in accordance with relevant requirements, and to report if it does not meet these requirements or if the SIC is misleading or inconsistent with our knowledge of the Council.

Use of resources

Value for money conclusion

- 16 The Code requires us to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion. The Code also requires auditors to have regard to a standard set of relevant criteria, issued by the Audit Commission, in arriving at their conclusion.
- 17 In meeting this responsibility, we will review evidence that is relevant to the Council's corporate performance management and financial management arrangements. Where relevant work has been undertaken by other regulators we will normally place reliance on their reported results to inform our work.
- 18 We will also follow up our work from previous years to assess progress in implementing agreed recommendations.

Use of resources assessment

- 19 The Audit Commission has specified that auditors will complete a use of resources assessment for 2007. The assessment focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and improve services.
- 20 The work required to arrive at the use of resources assessment is fully aligned with that required to arrive at the auditor's value for money conclusion.

- 21 We will arrive at a score of 1 to 4, based on underlying key lines of enquiry, for each of the following themes:

Theme	Description
Financial reporting	<ul style="list-style-type: none"> • Preparation of financial statements. • External reporting.
Financial management	<ul style="list-style-type: none"> • Medium-term financial strategy. • Budget monitoring. • Asset management.
Financial standing	<ul style="list-style-type: none"> • Managing spending within available resources.
Internal control	<ul style="list-style-type: none"> • Risk management. • System of internal control. • Probity and propriety.
Value for money	<ul style="list-style-type: none"> • Achieving value for money. • Managing and improving value for money.

- 22 We will report details of the scores and judgements made to the Council. The scores will be accompanied, where appropriate, by recommendations of what the Council needs to do to improve its services.
- 23 The auditor’s scores are reported to the Commission and are used as the basis for its overall use of resources judgement for the purposes of CPA.

Data quality

- 24 The Audit Commission has specified that auditors will be required to undertake audit work in relation to data quality. This is based on a three-stage approach covering:
- Stage 1 - management arrangements;
 - Stage 2 - completeness check; and
 - Stage 3 - risk-based data quality spot checks of a sample of performance indicators.
- 25 The work at stage 1 will link to our review of the Council’s arrangements to secure data quality as required for our value for money conclusion and, together with the results of stage 2, will inform the risk assessment for the detailed spot check work to be undertaken at stage 3. The results of the work at stage 3 will inform the Commission’s CPA assessment.

- 26 Our fee estimate reflects an assessment of risk in relation to the Council's performance indicators. This risk assessment may change depending on our assessment of your overall management arrangements at stage 1 and we will update our plan accordingly, including any impact on the fee.

Best Value Performance Plan

- 27 We are required to carry out an audit of your best value performance plan (BVPP) and report on whether it has been prepared and published in accordance with legislation and statutory guidance. Based upon our findings in previous years, where we have found the required level of compliance to be achieved, this is likely to be a relatively brief exercise.

Assessing risks

- 28 The Audit Commission is committed to targeting its work where it will have the greatest effect, based upon assessments of risk and performance. This means planning our audit work to address areas of risk relevant to our audit responsibilities and reflecting this in the audit fees. It also means making sure that our work is co-ordinated with the work of other regulators, and that our work helps you to improve.
- 29 Our risk assessment process starts with the identification of the significant financial and operational risks applying at the Council with reference to:
- our cumulative knowledge of the Council;
 - planning guidance issued by the Audit Commission;
 - the specific results of previous and ongoing audit work;
 - interviews with Council officers;
 - liaison with internal audit; and
 - the results of other review agencies' work where relevant.
- 30 We have not included a risk assessment for our audit of the financial statements as many of the specific risks may not become apparent until after we have completed our 2006/07 audit. We will issue a separate opinion audit plan for our audit of the financial statements in April 2008.
- 31 For each of the significant risks identified in relation to our use of resources work, we consider the arrangements put in place by the Council to mitigate the risk, and plan our work accordingly.
- 32 Our initial risk assessment for use of resources work is provided in Appendix 1. This will be updated through our continuous planning process as the year progresses.

Work specified by the Audit Commission

Whole of government accounts (WGA)

- 33 We will be required to review and report on your WGA consolidation pack in accordance with the approach agreed with HM Treasury and the National Audit Office which is proportionate to risk.

National Fraud Initiative

- 34 The Council participates in the National Fraud Initiative which is the Audit Commission's computerised data matching exercise designed to detect fraud perpetrated on public bodies. This work will be carried out by an individual appointed to assist in the audit of the Council's accounts (in accordance with section 3(9) of the Audit Commission Act 1998).

Voluntary improvement work

- 35 Under section 35 of the Audit Commission Act 1998, the Commission may undertake voluntary improvement work at the request of the audited body. We will continue to discuss any opportunities for us to carry out such work to support the Council's improvement programme. No detailed proposals have been agreed currently.

Certification of grant claims and returns

36 We will continue to certify the Council's claims and returns on the following basis:

- claims below £100,000 will not be subject to certification;
- claims between £100,000 and £500,000 will be subject to a reduced, light-touch certification; and
- claims over £500,000 will be subject to a certification 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 certification approach for these claims.

The audit and inspection fee

- 37 The details of the structure of scale fees are set out in the Audit Commission's work programme and fee scales 2007/08. Scale fees are based on a number of variables, including the type, size and location of the audited body.
- 38 The total indicative fee for audit and inspection work included in this audit and inspection plan for 2007/08 is £117,400, which compares with the planned fee of £104,100 for 2006/07. The fee for the Audit Commission's mandated work nationally on the National Fraud Initiative is an additional £575.
- 39 Further details are provided in Appendix 2 which includes a breakdown of the fee; specific audit risk factors; the assumptions made when determining the audit fee, for example, the timeliness and quality of draft accounts presented for audit and the supporting working papers; specific actions the Council could take to reduce its audit and inspection fees; and the process for agreeing any changes to the fee. The fee includes all work identified in this plan unless specifically excluded.
- 40 In addition we estimate that we will charge approximately £19,300 for the certification of claims and returns
- 41 As indicated in paragraphs 3 and 31, the audit planning process will continue as the year progresses and it is likely that there will be some changes to our planned work and hence to the indicative fee quoted in paragraph 38 above. Particularly if the Somerset County Council bid for unitary status is given the final decision in July 2007 by the Department for Communities and Local Government to proceed to implementation. Any changes to the fee will be agreed with you.

Other information

The audit and inspection team

- 42 The key members of the audit and inspection team for the 2007/08 audit are shown in the table below.

Table 2

Name	Contact details	Responsibilities
Rob Hathaway Relationship Manager	r-hathaway@audit-commission.gov.uk 01392 315600	The primary point of contact with the authority and the interface at the local level between the Commission and the other inspectorates, government offices and other key stakeholders.
Martin Robinson District Auditor	m-robinson@audit-commission.gov.uk 01305 363709	Responsible for the overall delivery of the audit including the quality of outputs, signing the opinion and conclusion, and liaison with the Chief Executive and Corporate Governance Committee.
Kieron Marston Audit Manager	k-marston@audit-commission.gov.uk 07769 932607	Manages and co-ordinates the different elements of the audit work. Key point of contact for the s151 officer.
Steven Frank Performance Specialist	s-frank@audit-commission.gov.uk 07876 144846	Responsible for the delivery of elements of the use of resources work including the value for money theme of the use of resources assessment.
Stephen Clarke Team Leader	st-clarke@audit-commission.gov.uk 07779 336590	Key contact for regularity audit including the statement of accounts.

Independence and objectivity

- 43 We are not aware of any relationships that may affect the independence and objectivity of the District Auditor and the audit staff, which we are required by auditing and ethical standards to communicate to you.
- 44 We comply with the ethical standards issued by the APB and with the Commission's requirements in respect of independence and objectivity as summarised at Appendix 3.

Quality of service

- 45 We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact the Relationship Manager or District Auditor in the first instance. Alternatively you may wish to contact the South West Region Head of Operations, Bill Sanderson.
- 46 If we are unable to satisfy your concerns, you have the right to make a formal complaint to the Audit Commission. The complaints procedure is set out in the leaflet *Something to Complain About* which is available from the Commission's website or on request.

Planned outputs

- 47 Our reports will be discussed and agreed with the appropriate officers before being issued to the [audit] committee.

Table 3

Planned output	Indicative date
Opinion Audit Plan	April 2008
Data Quality report	November 2007
Annual Governance report	September 2008
Opinion on the financial statements and value for money conclusion	September 2008
Final Accounts Memorandum (to the Director of Finance)	September 2008
Use of Resources report	December 2008
Strategic housing inspection report	TBC
Annual Audit and Inspection Letter	December 2008
BVPP report	December 2008

Appendix 1 – Initial risk assessment – use of resources

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor’s responsibilities
The impact of using local performance indicators for VFM lacks clarity and the Council is not consistently using benchmarking information to manage performance.	Through the Transformation Team the approach to benchmarking and performance management is being reviewed to ensure consistency across services.	Yes	We will continue to monitor the Council's performance and progress in delivering its key services and objectives as part of UoR/DoT.	Use of resources and direction of travel.
The Council needs to develop more effective evaluation of less formal partnerships and use of grants.	Additional staff resources are being allocated in order to develop this area.	Yes	Monitor arrangements as part of UoR/DoT.	Use of resources and direction of travel.
The County Council has applied for unitary status in accordance with the proposals in the government White Paper. If successful the result will have a significant effect on all the district councils in Somerset.	The Council continue to explore the opportunities for joint working across Somerset.	Yes	Monitor the progress of the application and implications, as part of the audit.	VFM conclusion

18 Audit and Inspection Plan | Appendix 1 – Initial risk assessment – use of resources

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor’s responsibilities
The proposal for a Somerset Waste Partnership is gathering pace - this includes the County and district councils across Somerset.	The Council is receiving regular reports from the Partnership and is monitoring the situation.	Yes	Monitor progress as part of the audit.	Opinion and VFM conclusion.
Strategic housing inspection focusing on the core functions provided by a council that does not have its own housing stock.		Yes	Carry a strategic housing inspection.	Best value inspection.
The Council continues to face significant financial challenge to bridge the gap between service demands and resourcing.	The Council has robust financial planning processes, and is identifying actions intended to deliver efficiency savings.	Yes	We will continue to closely monitor the Council's financial and budgetary monitoring arrangements.	Use of resources - financial management and financial standing.
Although the Council's arrangements for data quality meet minimum requirements, however, it is inconsistent and lacks a clear corporate approach.	The Council has agreed to develop a data quality strategy, which will outline information management objectives. In addition, data quality objectives will be included in individual service plans and procedures implemented to ensure that robust systems are in place.	Yes	We will carry out the mandatory data quality audit.	VFM conclusion

Significant risks identified	Mitigating action by audited body	Residual audit risk	Action in response to residual audit risk	Link to auditor’s responsibilities
The SORP for 2007 introduces some significant changes to the statement of accounts, particularly associated with capital accounting.		Yes	We will work closely with the Council to ensure that it makes adequate arrangements to comply with the new requirements.	Use of resources - financial reporting.

Appendix 2 – Audit and inspection fee

- 1 Table 4 provides details of the planned audit and inspection fee for 2007/08 with a comparison to the planned fee for 2006/07.

Table 4

Audit area	Planned fee 2007/08 £	[Planned/actual] fee 2006/07 £
Audit		
Financial statements	67,400	64,100
Use of resources (including Data Quality)	34,500	27,800
Whole of government accounts	2,500	0
Total audit fee*	104,400	91,900
Inspection		
Relationship management	2,900	2,800
Direction of Travel	2,900	2,800
Service inspection	7,200	6,600
Total inspection fee	13,000	12,200
Total audit and inspection fee	117,400	104,100
Certification of claims and returns	19,300	20,000
NFI fee	575	0

- 2 The Audit Commission scale fee* for South Somerset District Council is £104,400. The fee proposed for 2007/08 is at the scale fee specified by the Commission.
- 3 The Audit Commission has the power to determine the fee above or below the scale fee where it considers that substantially more or less work is required than envisaged by the scale fee. The Audit Commission may, therefore, adjust the scale fee to reflect the actual work that needs to be carried out to meet the auditor's statutory responsibilities, on the basis of the auditor's assessment of risk and complexity at a particular body.

- 4 It is a matter for the auditor to determine the work necessary to complete the audit and, subject to approval by the Audit Commission, to seek to agree an appropriate variation to the scale fee with the Council. The Audit Commission expects normally to vary the scale fee by no more than 30 per cent (upwards or downwards). This fee then becomes payable.
- 5 The fee (plus VAT) will be charged in 12 equal instalments from April 2007 to March 2008.
- 6 The Audit Commission will be billing each audited body separately for its share of the cost of this year's NFI exercise. The charge to South Somerset District Council will be £575.

Assumptions

- 7 In setting the fee, we have assumed that:
 - the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2006/07;
 - 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 systems that provide material figures in the financial statements sufficient that we can place reliance for the purposes of our audit;
 - good quality working papers and records will be provided to support the financial statements in early July 2008;
 - requested information will be provided within agreed timescales;
 - prompt responses will be provided to draft reports; and
 - additional work will not be required to address questions or objections raised by local government electors.
- 8 Where these assumptions are not met, we will be required to undertake additional work which is likely to result in an increased audit fee. The fee for the audit of the financial statements will be re-visited when we issue the opinion audit plan.
- 9 Changes to the plan will be agreed with you. These may be required if:
 - new residual audit risks emerge;
 - additional work is required of us by the Audit Commission or other regulators; and
 - additional work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.

Specific actions South Somerset District Council could take to reduce its audit and inspection fees

The Audit Commission requires its auditors to inform a council of specific actions it could take to reduce its audit and inspection fees. The most significant action that South Somerset District Council could take:

- comprehensive working papers to support the financial statements should be available from the start of our final accounts audit; and
- provide an updated action plan, reporting how issues raised at audit (in the annual letter or in reports produced during the year) have been addressed, with cross-references to evidence.

Process for agreeing any changes in audit fees

- 10 If we need to make any significant amendments to the audit fee during the course of this plan, we will firstly discuss this with the s151 officer. We will then prepare a report outlining the reasons why the fee needs to change for discussion with the Audit Committee.

Appendix 3 – Independence and objectivity

- 11 Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of my appointment. When auditing the financial statements auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).
- 12 The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below.
- 13 International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:
 - discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client; and
 - confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.
- 14 The standard 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 committee. The auditor reserves the right, however, to communicate directly with the authority on matters which are considered to be of sufficient importance.
- 15 The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

16 The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows:

- appointed auditors should not perform additional work for an audited body (ie work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the auditor's opinion and conclusions, it should be clearly differentiated within the audit plan as being 'additional work' and charged for separately from the normal audit fee;
- auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission;
- the District Auditor responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years;
- the District Auditor and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body; and
- the District Auditor and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.