

AUDIT COMMISSION - AUDIT PLAN 2006/07

INTRODUCTION

1. The purpose of this report is to seek approval to the Audit Plan covering work to be carried out by the Audit Commission in 2006/07. A copy of the draft plan is included at Appendix 1.

INFORMATION

2. The plan sets out the work proposed for 2006/07 and has been drawn up by applying a risk based approach to audit planning reflecting responsibilities under the Code of Audit Practice, work specified by the Audit Commission, local risks and improvement priorities and the potential impact locally of national risks.
3. The plan incorporates a number of areas of activity such as restructuring and Whole Government Accounts that will require further discussion as the year progresses. The Director of Performance and Resources is in regular contact with the Audit Commission's Audit Manager and meetings involving the District Auditor and the Chairman of the Police Authority and the Chair of this Committee have been arranged.
4. The Plan also provides for the work needed to deliver a judgement on the Police Authority's Use of Resources for the 2005/06 financial year. This judgement will feed into the HMIC Baseline assessment and will also feed into the Auditor's assessment of value for money within the Authority. The Authority's self assessment data has been submitted to the District Auditor and is the subject of ongoing discussions. The elements of the judgement on financial reporting and financial standing will follow completion of the Authority's financial statements and reflect the District Auditor's opinion on the accounts.
5. The Director of Performance and Resources has agreed that cross cutting studies involving Local Strategic Partnerships using the Treatment of Drugs Misuse as a tracer will be carried out in B, C and D Divisions following a very successful exercise carried out last year in A Division.
6. The Plan covers work on the financial statements and Best Value Performance Plan in line with activity in previous years. As indicated above further discussion will be required in respect of police reorganisation as the situation becomes clearer as the year progresses. Consideration is currently being given to draft reports on Activity Based Costing and Data Quality. The

outcome of the latter will be reported to the Force Audit Board in due course. Similarly work on the Whole Government Accounts will be refined following completion of the audit of the 2005/06 accounts.

7. It is anticipated that the estimated cost of the audit in 2006/07 will be £79,445. This cost can be met from the Police Authority's approved budget for 2006/07.
8. The Audit Commission have recently consulted on proposals to extend the appointment of the District Auditor to 31 March 2007. Given the current uncertainty in relation to force amalgamations it was felt appropriate to agree to the extension of the appointment. This would mirror the arrangement agreed with the North Lincolnshire Council at the last meeting for the provision of internal audit services.

RECOMMENDATIONS

9. It is recommended that:
 - (i) The report be noted;
 - (ii) the draft plan be considered and approved; and
 - (iii) the Director of Performance and Resources be required to maintain close liaison with the District Auditor and report back on any significant deviations from the plan arising from discussion in respect of police reorganisation, whole Government accounts or other initiatives.

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Background documents: File ref: JB/AC/Plan 0607