REPORT TO:	**AUDIT SUB COMMITTEE**	**AGENDA ITEM: 7**
DATE OF MEETING:	**25th SEPTEMBER 2008**	**CATEGORY: RECOMMENDED** **OPEN**
REPORT FROM:	**DIRECTOR OF CORPORATE SERVICES**	
MEMBERS' CONTACT POINT:	**KEVIN STACKHOUSE (595811)**	**DOC:** u/ks/audit committee/sept08/audit and inspection plan 0809 covering report
SUBJECT:	**GRANT THORNTON – AUDIT and INSPECTION PLAN 2008/09**	**REF:**
WARD(S) AFFECTED:	**ALL**	**TERMS OF REFERENCE:**

1.0 Recommendations

1.1 That the Audit and Inspection Plan for 2008/2009 is considered and any issues arising be referred to the Auditor or the Council as appropriate.

2.0 Purpose of Report

2.1 To table the External Auditor's Inspection Plan for 2008/2009. Under its terms of reference, the Committee is asked to consider and comment on the scope and depth of the planned work, in particular to ensure as far as possible, that it provides value for money.

3.0 Detail

Background

3.1 Each year, the Council's External Auditor is required to produce and issue their planned programme of work for the year.

3.2 Grant Thornton's Plan for 2008-09 is attached to this covering report. The plan has been considered and agreed with the Council's Corporate Management Team – this is normal practice in the relationship between the auditor and the audited body.

Grant Thornton's Work

3.3 To a great extent, the direction of their work is governed by statutory requirements. However, their scope and depth of coverage is influenced by such factors as how the Council performs, operates and the degree of local risk involved. They also rely fundamentally in some areas, on the work of Internal Audit.

3.4 The role of the Auditor is not just about inspection, but also to support development. In this respect, their role also involves assessing improvement and the use of resources (including value for money) on an annual basis, together with a "Direction of Travel" assessment.

Scope of Work for 2008/09

3.5 A large part of Grant Thornton's work for the year will continue to focus on the regular and on-going areas such as:

- Audit of the Council's Accounts and Financial Statements.
- Assessing performance on how the Council "uses its resources."
- An opinion on whether the Council provides Value for Money.
- Reviewing the adequacy and quality of data for reporting performance indicators.
- Audit and certification of grant claims.

3.6 In addition, the Auditors propose to review in more detail the Council's arrangements for:

- Achieving efficiency savings
- Financial management
- Dealing with the new Comprehensive Area Assessment
- Asset Management
- Corporate Governance

3.7 These areas are considered by the Auditors to be the local issues in determining their overall assessment of the Council.

4.0 Financial Implications

4.1 The estimated cost of external audit fees for 2008/09 is set out in Section 7 of the report. The total audit and inspection fee is £104,730, compared to £108,700 for 2007/08.

4.2 The decrease is due to no planned service inspection during this year. Disregarding this factor, the fees have increased by just under 3%.

4.3 The Council's base budget for audit fees totals approximately £111,000 for 2008/09 (excluding grant claims), which is above that estimated of £104,730 (above).

5.0 Corporate Implications

5.1 None directly.

6.0 Community Implications

6.1 None directly.