

# Accounts, Audit and Risk Committee

## Audit Protocol

22 March 2010

### Report of Head of Finance

#### PURPOSE OF REPORT

This document sets out the basis for the joint working arrangements between Cherwell District Council's Internal Audit Service (IA) and the Audit Commission (AC), as the Council's external auditors.

This report is public

#### Recommendations

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The Accounts, Audit and Risk Committee is recommended to:

- (1) Note the contents of the Audit Protocol report

#### Executive Summary

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##### Introduction

- 1.1 This document sets out the basis for the joint working arrangements between Cherwell District Council's Internal Audit Service (IA) and the Audit Commission (AC), as the Council's external auditors. This takes into account the requirements of the Code of Audit Practice 2005 (the Code) for external auditors and the Terms of Reference for Internal Audit (which reflects the Code of Practice for Internal Audit in Local Government)
- 1.2 The aims of the protocol are:
  - to clarify respective responsibilities for work associated with the internal audit and external audit codes;
  - to develop further a close and effective working relationship;
  - to facilitate the effective co-ordination of our work without impairing the independence and integrity of either party;
  - to formalise those specific areas where co-operation will minimise the overlap of effort and duplication of work and ensure cost effectiveness;
  - to provide an understanding of the results of each others work to inform the scope of future work; and
  - to assist the Accounts, Audit and Risk Committee to fulfil its

responsibility to ensure effective liaison between internal and external audit.

### **Conclusion**

- 1.3 The outcome of the review between Internal and External Audit and agreed protocol can be seen in Appendix 1.

### **Key Issues for Consideration/Reasons for Decision and Options**

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The following options have been identified. The approach in the recommendations is believed to be the best way forward

**Option One** To note the contents of the report

**Option Two** To raise issues or questions relating to this report

### **Implications**

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**Financial:** There are no financial or risk implications.  
Comments checked by Karen Muir, Corporate System Accountant 01295 22159

**Legal:** There are no implications arising from this report  
Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686

**Risk Management:** The audit protocol must take into consideration the requirements of the Code of Audit Practice 2005 (the Code) for external auditors and the Terms of Reference for Internal Audit (which reflects the Code of Practice for Internal Audit in Local Government)  
Comments checked by Karen Muir, Corporate System Accountant 01295 22159

### **Wards Affected**

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All

### **Document Information**

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Audit Protocol
<b>Background Papers</b>	
None	
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