

Value for Money

Code of Audit Practice 2015

Chiltern and South Bucks DCs
4 January 2016



Overall Criterion

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people

Sub-criteria and proper arrangements

Sub-Criteria	Proper Arrangements
<p>Informed decision making</p>	<p>Acting in the public interest, through demonstrating and applying the principles and values of sound governance</p> <p>Understanding and using appropriate and reliable financial and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management</p> <p>Reliable and timely financial reporting that supports the delivery of strategic priorities</p> <p>Managing risks effectively and maintaining a sound system of internal control</p>
<p>Sustainable resource deployment</p>	<p>Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions</p> <p>Managing and utilising assets effectively to support the delivery of strategic priorities</p> <p>Planning, organising and developing the workforce effectively to deliver strategic priorities</p>
<p>Working with partners and other third parties</p>	<p>Working with third parties effectively to deliver strategic priorities</p> <p>Commissioning services effectively to support the delivery of strategic priorities</p> <p>Procuring supplies and services effectively to support the delivery of strategic priorities</p>

Auditor's risk assessment

- ▶ Risk that the auditor will reach an incorrect conclusion on the arrangements (as opposed to the risk that arrangements are inadequate)
- ▶ Performed to determine nature and extent of any further work
- ▶ Undertaken only on significant risks
 - ▶ A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects

Auditor's risk assessment (2)

- ▶ Documented from e.g:
 - ▶ Cumulative knowledge of the client (brought forward)
 - ▶ Findings from other areas of the audit
 - ▶ Findings of other inspectorates/regulatory bodies
 - ▶ IA reports
 - ▶ AGS / Annual Report
 - ▶ Risk Registers
 - ▶ Board/Committee minutes
 - ▶ Key financial information and reports
 - ▶ Wider knowledge of the sector and developments.
 - ▶ NAO illustrative risks

Work undertaken

- ▶ Proportionate
- ▶ To a level sufficient to be clear on the conclusion, and reduce the initial audit risk

Qualified Conclusions

Adverse

- ▶ Weakness in arrangements:
 - ▶ So significant in impact; or
 - ▶ So numerous in aspects of proper arrangements affected

Except for

- ▶ Weaknesses:
 - ▶ Sufficiently significant to report
 - ▶ Limited to specific issue or area
- ▶ Reporting: Concise summary of the information leading to that conclusion

