

Code of Audit Practice for local government and Statement of Responsibilities

The Code of Audit Practice for local government needs to be approved by Parliament every five years. This allows updating to reflect technical changes and bring the Code into conformity with wider legislative changes. The 2010 Code of Audit Practice for local government was approved by Parliament on 9 March 2010 and comes into immediate effect (and therefore applies to the remainder of our 2009/10 audit). The main changes reflected in the new Code are designed to:

- align auditors' responsibilities in relation to their annual value for money conclusion with the key lines of enquiry for the revised approach to use of resources assessments;
- reflect legislative changes since the 2005 Code (amended in July 2008) was approved, including the abolition of the audit of best value performance plans for specified local government bodies;
- include in the local government Code references to the remuneration report and the whole of government accounts return; and
- incorporate minor drafting changes, where the Commission felt that the wording of the 2005 Code needed clarification or could be improved.

Given the nature of the changes outlined it is not expected that the new Code will have a significant effect on the audit work currently being undertaken or planned.

The Code is supplemented by the Statement of Responsibilities of Auditors and Audited Bodies, which sets out the respective responsibilities of auditors and audited bodies. This has also been updated to accompany the revised Code and becomes effective from 1 April 2010.

The Corporate Governance Committee is asked to note the 2010 Code of Audit Practice and Statement of Responsibilities.