

Municipal Buildings, Greenock PA15 1LY

Ref: ND/AI

Date: 22 February 2013

I refer to the agenda for the meeting of the Audit Committee to be held on Tuesday 26 February 2013 and now enclose report as undernoted which the Committee may wish to consider as an additional agenda item.

ELAINE PATERSON  
Head of Legal & Democratic Services

## **ADDITIONAL AGENDA ITEM**

**External Audit Plan 2012-13**  
Report by Corporate Director Environment, Regeneration & Resources

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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>26 February 2013</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/17/13/AP/JB</b>
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<b>Subject:</b>	<b>External Audit Plan 2012-13</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to present the External Audit Report for 2012/13 produced by Grant Thornton.

## **2.0 SUMMARY**

- 2.1 The attached report summarises the plan for the 2012-13 external audit.
- 2.2 A representative from Grant Thornton will be in attendance at the meeting in order to address any issues arising from the report.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Members note the matters raised in this report.

**Aubrey Fawcett**  
**Corporate Director Environment, Regeneration & Resources**

# Inverclyde Council

## External Audit Plan 2012-13

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February 2013

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# 1. Overview

This report summarises our plan for the 2012-13 external audit of Inverclyde Council. The core elements of our work are outlined below:

<p>We are required to meet the requirements of the Code of Audit Practice and we participate in the preparation of the Assurance and Improvement Plan under the national scrutiny plan for local government.</p>	 See Introduction
<p>We provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council and whether they have been prepared in accordance with relevant legislation and the applicable accounting framework. Additional work will be performed on the Council's associates and Joint Ventures in 2012-13.</p>	 See audit of the Financial Statements
<p>We will review and report on the Council's corporate governance arrangements including the systems of internal control, arrangements to prevent and detect fraud and irregularity and risk management processes.</p>	 See Governance
<p>We will review and report on the Council's arrangements to achieve best value and value for money in the use of resources, including a follow up of Audit Scotland's national report on <i>Scotland's Public Finances</i>.</p>	 See Performance
<p>We will issue a number of reports throughout the year which will provide you with the detailed conclusions of our work, culminating in the issue of our Annual Audit Report to the Council. We have used the published 2012-13 Audit Scotland indicative fee range for the Council to set our proposed fee.</p>	 See Logistics
<p>We have considered our independence and objectivity in respect of the audit and do not believe there are any matters which should be brought to your attention.</p>	 See Appendix A

## 2. Introduction

### Introduction

The Accounts Commission for Scotland appointed Grant Thornton UK LLP as auditors to Inverclyde Council (the Council) under the Local Government (Scotland) Act 1973 for the period 2011-12 to 2016-17.

We use this document to outline the plan for the 2012-13 external audit of Inverclyde Council.

This plan has been prepared for the benefit of discussion between Grant Thornton UK LLP and Inverclyde Council (the Council).

### Our responsibilities

It is a condition of our appointment that we meet the requirements of the Code of Audit Practice, which is approved by the Accounts Commission and the Auditor

General for Scotland. The most recent Code was published in May 2011 and applies to audits for financial years starting on or after 1 April 2011.

The Code of Audit Practice highlights the special accountabilities that are attached to the conduct of public business and the use of public money. This means that public sector audit must be planned and undertaken from a wider perspective than the private sector. We provide assurance on Best Value, use of resources, performance and the Statement on the System of Internal Control or the Annual Governance Statement, depending on whether the Council chooses to produce an Annual Governance Statement.

## 3. Audit of the Financial Statements

### Audit Approach

This section of the plan sets out the work we propose to undertake in relation to the audit of the 2012-13 accounts at the Council. The plan is based on our risk-based approach to audit planning and uses our assessment of the potential business and audit risks that need to be addressed by our audit and the controls the Council has in place to mitigate these risks.

### The Council's responsibilities

The Statement of Accounts is the key method that the Council uses to report to elected members and the public on how effectively they use public funds. It is the responsibility of the Council to:

- ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority
- maintain proper accounting records
- prepare a Statement of Accounts which give a true and fair view of the financial position of the Council and its expenditure and income in accordance with International Financial Reporting Standards.

### Our responsibilities

We are required to audit the financial statements and to give an opinion as to:

- whether they give a true and fair view of the financial position of the Council and its expenditure and income for the period in question
- whether they have been prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements
- whether the Statement on the System of Internal Control and Annual Governance Statement (where prepared) has been presented in accordance with relevant requirements and to report if they do not meet these requirements, or if the statements are misleading or inconsistent with our knowledge.

During 2012-13, we will also continue to review the Council's financial position and progress against efficiency saving targets. We will also monitor the Council's participation in the National Fraud Initiative (NFI), in conjunction with the internal audit team.

### Our Audit Strategy

We focus our work on the areas of highest risk within the financial statements. As part of our planning process we conduct a risk assessment relating to key balances and systems on which the financial statements are based.

Accounting standards require that we evaluate the design effectiveness of internal controls over the financial reporting process to identify areas of weakness that could lead to material misstatement. We therefore focus our control review on the higher risk areas of the financial statements. We are also required to assess whether controls have been implemented as intended and have done this through a combination of inquiry and observation procedures, and, where appropriate, systems walkthrough tests.

Our initial assessment of the higher risk areas, where work will be performed on internal controls during our interim audit visit is set out in Table 1.

Our risk assessment will evolve through the audit year. During our interim audit visit, we document and evaluate internal financial controls to determine whether they are adequate to prevent material misstatements in the financial statements. Any key findings may result in a change to our risk assessment and therefore audit strategy.

During our final audit visit we will work with the Corporate Finance Team to test and review material balances and disclosures within the financial statements. The extent of testing will be determined by our risk assessment and audit strategy.

Wherever possible, we will work with the internal audit team to minimise duplication of work and the impact on the Corporate Finance Team.



Table 1: Key Areas of Financial Statement Audit Risk

Area of the accounts	Risks identified	Audit approach
<b>Operating expenses</b>	All Councils will find it increasingly difficult to deliver and balance budgets during this period of significant financial constraint.	<p>During our interim audit visit we will conduct detailed testing on the controls that we identified and documented during 2011-12, to ensure that they continue to operate effectively.</p> <p>We will conduct testing to ensure that creditor payments are valid and are reflected within the correct accounting period.</p>
<b>Employee Remuneration</b>	Employee costs accounted for around 39% of expenditure in 2011-12. Large numbers of employees and transactions mean that there are inherent risks associated with payroll. The Council has identified workstreams to reduce the costs, including employee costs, during 2013-2015.	<p>During our interim audit visit we will conduct a walkthrough of the controls that we identified and documented during 2011-12. We will conduct testing to ensure that processes relating to starters, leavers and changes to the employee masterfile operate effectively.</p> <p>We will report on the results of the testing, and impact on our audit strategy, within our interim report.</p>
<b>Property, plant and equipment</b>	Property, plant and equipment accounts for the majority of the assets on the Council's balance sheet, with a value of around £369 million. The Council are undertaking a full revaluation of all assets during 2012-13.	<p>Fixed asset transactions are generally accounted for as part of year end processes. We will therefore review the controls in place over the fixed asset register during our final accounts visit.</p> <p>Substantive testing will be used to gain assurance on the valuation of property, plant and equipment balances within the Balance Sheet.</p>
<b>Benefit expenditure</b>	The systems to establish entitlement to housing and council tax benefit are complex. There are large monetary amounts involved, and it is difficult to predict annual movements.	<p>We believe that the most efficient way to gain assurance on benefits expenditure will be to bring forward our Housing Benefit COUNT testing to summer.</p>

### Significant Trading Operations

We highlighted within our Audit Report to the Council in 2011-12 that the significant trading operation for Building Services had failed to meet its statutory break even target. In 2012-13, the Council reassessed the Building Services trading operation and deemed that it no longer met the definition of a significant trading

operation. As a result, we do not consider this an area of risk in 2012-13. We will work with the Council to ensure there is adequate disclosure of this change in the notes to the accounts.



## Associates and Subsidiaries

The Council have a number of associates and Joint Ventures of varying size. We will communicate with the auditors for key associates and Joint Ventures to ensure that they understand the key risks to our audit of the Council's group accounts, and to ensure that we receive early notification of any areas of concern.

Our review will also consider the governance arrangements in place for the Council's key Joint Ventures and associates. During 2011-12 the Council reviewed and formalised governance arrangements for external organisations. We will review the implementation of these procedures.

We will also draw upon Audit Scotland's June 2011 report, *Arms-Length External Organisations: are you getting it right?* report, including the principles for Following the Public Pound (Table 2).

### Table 2: Following the Public Pound Principles

The principles of openness, integrity and accountability apply to councils in their decisions on spending public money. These apply equally to funds or other resources which are transferred to Arms-Length External Organisations (ALEOs). The Following the Public Pound Code sets out six principles that require councils to:

- Have a clear purpose in funding an ALEO
- Set out a suitable financial regime
- Monitor the ALEO's financial and service performance
- Carefully consider representation on the ALEO board
- Establish limits to involvement in the ALEO
- Maintain audit access to support accountability

## Business Premises Renovation Allowance

The Council are implementing an innovative new scheme to improve the condition of buildings owned and leased by the Council. This involves a partnership with private investors, taking advantage of the business premises renovation allowance (BPRA).

A new limited company has been set up to facilitate this. We will work with the Council to ensure any joint venture, associate or subsidiary created by this scheme is correctly accounted for. We will consider how management plan to account for transactions between the new limited company and the Council and subject these transactions to audit scrutiny where required.

## Increased Clarity in the Financial Statements

The statutory accounts of local authorities are long, covering several primary statements and many pages of notes. At an average of 113 pages, with some up to 250 pages in length, much of the content is explanatory material to support the financial statements. There is an increasing drive for local authorities to make their accounts easier to understand and reduce unnecessary 'clutter'.

The Financial Reporting Council defines 'clutter' in annual reports and accounts as:

- immaterial disclosures that inhibit the ability to identify and understand relevant information; and
- explanatory information that remains unchanged from year to year.

The Council are undertaking a substantial review of the financial statements. We will work closely with the Corporate Finance Team to ensure that any proposed changes are agreed in advance.

## Materiality

An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

Materiality is set at the planning stage to ensure that an appropriate level of audit work is conducted. It is also set at the reporting stage in order to assess the impact of an item on the financial statements. Any identified errors greater than 5% of materiality will be recorded on a schedule of misstatements, assessed individually and in aggregate, discussed with you and, if not adjusted, signed off by you as part of your letter of representation to us.

## Grant Certification

In addition to our audit of the Council's financial statements, we are required to certify grant claims and returns above predetermined thresholds.

In carrying out work in relation to grant claims and returns, we act as an agent of Audit Scotland, on behalf of the grant paying bodies. The work that the auditor is required to undertake is specified in a Grant Note, issued by Audit Scotland for each scheme.

In 2012-13 we will certify the following grants:

- Housing and Council Tax Benefit subsidy claim
- Criminal justice social work services grant
- Non-domestic rate income return

- Education maintenance allowance grant

In order to gain sufficient assurance to support our opinion on each grant claim, we are required to carry out reviews of:

- the Council's arrangements for the preparation of each claim submitted for audit
- internal audit, to determine the extent of reliance we can place on it for the purposes of our audit
- the effectiveness of the internal control framework for key financial systems relevant to each grant claim
- the materiality of balances and transactions impacting on each grant claim
- the key risks relevant to the preparation and audit of each grant claim.

## Reporting

Our approach will be to report all findings to management so that the Council can choose to secure improvement opportunities. We report only those findings that represent a control weakness to the Audit Committee and make formal recommendations.

In all cases, we hope to invest time with management in understanding the basis of the weakness identified and what the options are, for example mitigating controls and system modifications, for improving the system.

Our reporting timetable is set out in Section 6: Logistics

## 4. Governance

### Introduction

Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviour at the upper levels of the organisation. The council is responsible for putting in place arrangements for the conduct of its affairs, including compliance with applicable guidance, ensuring the legality of activities and transactions and monitoring the adequacy and effectiveness of these arrangements in practice. The Council's Audit Committee has a key role in monitoring these arrangements.

The Code of Audit Practice gives the auditor a responsibility to review and, where appropriate, report findings on the Council's corporate governance arrangements as they relate to:

- the Council's review of its systems of internal control, including its reporting arrangements
- the prevention and detection of fraud and irregularity
- standards of conduct, and arrangements in relation to the prevention and detection of corruption
- the financial position of the Council.

This section sets out our approach to auditing key governance developments during 2012-13.

### Annual Governance Statement

The Annual Governance Statement (AGS) is a key document that Councils are recommended to prepare that records the governance ethos of the organisation and assurances around the achievement of the vision and strategic objectives of the Council. An AGS summarises the local code of governance, including the internal control framework, arrangements for risk management, financial governance and accountability.

In 2011-12 we recommended that the Council should prepare a clear and comprehensive AGS for the 2012-13 year. The Council are currently considering this proposal. Under the Code of Audit Practice, we are required to review and report on the AGS annually. If an AGS is prepared we will review it and examine

evidence supporting the AGS. This will include any areas of improvement achieved during the year. If instead the Council choose to prepare a Statement on the System of Internal Control rather than an AGS, we will review this statement and supporting evidence to gain assurance that its contents are consistent with the accounts and our knowledge of the Council.

### Scrutiny Arrangements

Effective scrutiny is critical to the success of the Council's governance arrangements. Elected members have a key role to hold officers to account for delivering the vision for the area. We will continue to review the evolving role of the Council's committees. In particular, we will seek assurance that agendas are managed to ensure key papers receive sufficient scrutiny without becoming onerous.

Following the local elections in May 2012 the Council adopted a new committee structure, aligned with the new Corporate Management Structure. During our audit, we will review if and how the revised committee structure has improved decision making and scrutiny.

### Community Planning Arrangements

Audit Scotland is currently testing an approach to auditing Community Planning Partnerships (CPPs). Early audits are underway in Aberdeen, Scottish Borders and North Ayrshire Councils, and are based on 4 key themes:

- **Strategic direction:** has the CPP set a clear strategic direction, with clear improvement priorities which reflect the needs of the area, and are based on effective community engagement.
- **Governance and accountability:** does the CPP have effective governance and accountability arrangements, and is it able to demonstrate effective shared leadership which drives improved outcomes for the area?
- **Performance management and the use of resources:** has the CPP established effective performance management arrangements which are delivering performance improvements and securing best use of public resources?

- **Impact and outcomes:** can the CPP demonstrate that its actions are making a difference for the area and delivering improved outcomes for local people?

The three CPP pilot audits will be evaluated in early 2013, and consideration will be given to a wider roll out of the new audit approach. We will continue to monitor the Accounts Commission's intentions, and keep the Council up to date with any developments.

### Treasury Review

The Treasury function can be a source of significant value and risk and its effective operation is important to maximise working capital. We will carry out a review which will provide assurance against best practice in the following areas:

- Governance: Policy, risk tolerance and delegated authority
- Deal capture: Segregation of duties and transaction recording
- Middle office procedures: Position agreement and limit monitoring
- Operations: Deal recording, settlement and reconciliations
- Finance: Data integrity and financial reporting
- Management reporting: Quality, integrity and appropriateness of Management information

### Welfare Reform

We highlighted with our Annual Audit Report 2011-12 that Welfare Reform presents a significant, and as yet, unquantifiable financial risk to the Council. The Welfare Reform Act introduces a universal credit, which is an integrated working age benefit to replace existing in and out of work benefits, including housing benefit. The Act also introduces size criteria into the calculation of housing benefit for working age tenants in the social rented sector. Claimants' eligible rent will therefore be restricted if their current social rented property is larger than they need.

The Council recognises the additional financial pressures emerging from Welfare Reform within its Budget Strategy. We will, however, review the Council's preparations, both to offer support to service users, and to scenario plan for any financial impact of the change.

### Fraud and Irregularity

It is the Council's responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity
- participating, when required, in data matching exercises carried out by Audit Scotland



The Council should also ensure that members, management and employees' attention is drawn to guidance and codes of conduct and that they are made aware that failure to comply may have serious consequences.

We work with the Council's internal audit team to review specific areas of fraud risk. We also examine the Council's policies, strategies, standing orders and financial instructions to ensure that they provide a strong framework of internal control.

The Annual Fraud Indicator (2012) shows an estimated fraud loss of £2.2 billion within Local Government. Our review will draw upon the *Fighting Fraud Locally* Local Government Strategy, and associated tools published by the National Fraud Authority.

We are also required to report any fraud above £5,000 to Audit Scotland. We have agreed with internal audit that they will inform us of any frauds when they are identified.

## National Fraud Initiative (NFI)

The Council participates in the National Fraud Initiative, the Accounts Commission's data-matching exercise designed to prevent and detect fraud in public bodies.

We will use our interim visit to review the Council's progress and actions in following up the matches identified.

## Reporting

We will report on our work on the Council's internal control framework within our Interim Management Report.

Our work on governance, including the Annual Governance Statement, will be reported in our Annual Report to Members, scheduled for October 2013.

## 5. Performance

### Introduction

The Local Government in Scotland Act 2003 established Best Value as a statutory requirement for all councils. The Act defines Best Value as ‘continuous improvement in the performance of the authority’s functions’. The objective of Best Value is to ensure that councils deliver better and more responsive public services by:

- balancing the quality of services with cost
- continuously improving the services provided
- being accountable and transparent, by listening and responding to the local community
- achieving sustainable development in how the council operates
- ensuring equal opportunities in the delivery of services.

The Act also places a duty on the auditors of local government bodies to be satisfied that proper arrangements have been made for securing Best Value and meeting their community planning responsibilities.

### Assurance and Improvement Plan

The Scottish Government has asked Audit Scotland to take on a role of facilitating and co-ordinating scrutiny across local government to increase its effectiveness by focusing on the key areas of risk. Under the National Scrutiny Plan for Local Government, Scotland’s scrutiny agencies work together to develop a shared risk assessment and Assurance and Improvement Plan (AIP) for each council area. During 2011-12, the Local Area Network (LAN) followed up the progress made by the council, both in areas identified during the Best Value audit and against specific areas of risk or uncertainty identified by scrutiny partners.

The Council’s AIP Update 2012-15 confirmed that there were no significant concerns relating to Inverclyde Council, and the LAN conclude that the Council has the capacity to achieve further service improvements. As external auditors, we are currently participating in a refresh of the Council’s Assurance and Improvement

Plan. The shared risk assessment and scrutiny plan is being reviewed based on all recent work undertaken by scrutiny partners, including our findings within our Annual Report to Members 2011-12.

We will update our 2012-13 audit plan if any additional scrutiny is required following the completion of this review.

### Performance information

Audit Scotland’s recent How Councils Work series, *Managing Performance: are you getting it right?* continues to stress the critical role of self-evaluation and good quality performance information in allowing councils to demonstrate that they are delivering efficient and effective services.



The report highlights the role of elected members in setting priorities and ensuring that useful, high-level indicators are in place to help members assess performance at a corporate level.

During 2012-13 we will follow up the report to ensure that elected members have access to the information they require to fulfill their role, and that performance management arrangements reflect the priorities of the Council.

Statutory Performance Indicators remain one of the key ways that council performance is measured and reported to the public.

The SPI direction incorporates two requirements that councils report:

- a range of sufficient information to demonstrate best value in relation to corporate management, and
- a range of information sufficient to demonstrate best value in relation to service performance.

We will review the Council’s arrangements for meeting SPI reporting requirements. Specifically, we will consider whether the range of performance information reported locally is sufficient to demonstrate whether the



Council is achieving Best Value. We will also consider whether arrangements are in place to ensure the reliability and accuracy of the information to be reported.

## National Studies

Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland.

Audit Scotland ask us to ensure that local government bodies review the national studies relevant to them and action them accordingly. There is an expectation that the Council will review national reports at a committee level and action them accordingly. As external auditors, we are required to consider:

- whether the council has discussed the national report at committee level
- whether the council has carried out a self-assessment against the national report
- whether an action plan has been developed as a result of any self-assessment

In 2012-13, we are also required to carry out targeted follow up work on *Scotland's Public Finances: Addressing the Challenges*, published in August 2011. We will produce a local report focused on Audit Scotland's key findings and recommendations. Our report will include a judgment on the extent of progress and with any recommendations for improvement, and will be reported by 31 August 2013.

## 6. Logistics

### Audit Outputs

Reports will be discussed and agreed with officers before being issued to the Audit Committee.

Output	Purpose	Issue date
External audit plan	<ul style="list-style-type: none"> <li>■ Outline audit approach for the accounts and Best Value audits</li> <li>■ Identify initial high risk areas and our planned response</li> <li>■ Confirm Plan with Audit Committee</li> </ul>	February 2013
Interim Report	<ul style="list-style-type: none"> <li>■ Report the results of the control evaluation of our audit and its impact on our planned audit approach</li> <li>■ Confirm focus areas for the audit of the accounts based on updated risk assessment</li> </ul>	April 2013
Scotland's Public Finances	<ul style="list-style-type: none"> <li>■ Local report to follow up progress locally against Audit Scotland's national report on the financial resilience of Councils.</li> <li>■ This report will be prepared for Audit Scotland and also presented to the Policy and Resources committee in August.</li> </ul>	July 2013
Report to those charged with Governance (ISA 260)	<ul style="list-style-type: none"> <li>■ Highlight key issues arising from the audit and the resolution of the key audit risks affecting the financial statements.</li> <li>■ Communication of adjusted and unadjusted audit differences</li> <li>■ Improvement recommendations resulting from audit procedures</li> </ul>	September 2013
Annual Audit Report	<ul style="list-style-type: none"> <li>■ Our final audit report will summarise the key issues arising from our 2012-13 audit across each areas of the Code of Audit Practice.</li> <li>■ The report will be presented to the Audit Committee.</li> </ul>	October 2013

## Audit Fee

The indicative fee range is set by Audit Scotland each year for each audit. It represents the Audit Scotland's best estimate of the fee required to complete an audit where the audited body has no significant audit risks and it has in place a sound control environment. Placement within the fee range depends on the level of work we consider requires to be undertaken and is influenced by the nature and extent of risks facing the Council.

Your external audit fee for 2012-13 will be £265,000 (£270,000 in 2011-12) a 1.8% reduction from the previous year.

The fee will be subject to continuous review and may be revised if significant new audit risks during the audit or if we are unable to progress as planned due to the timing or quality of information provided by the Council. In the event that we consider it necessary to revise the Council's audit fee upwards, we will discuss this with the Chief Financial Officer.

## Appendix A: Independence and objectivity

We are not aware of any relationships that may affect the independence and objectivity of the audit team, which we are required by auditing and ethical standards to communicate to you.

We comply with the ethical standards issued by the APB and with the Commission's requirements in respect of independence and objectivity as summarised below.

Auditors appointed by the Accounts Commission are required to comply with the Commission's Code of Audit Practice, which defines the terms of our appointment. When auditing the financial statements auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).

The main requirements of the Code of Audit Practice and Standards are summarised below.

International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:

- discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client

- confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.

The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the Audit Committee. The auditor reserves the right, however, to communicate directly with the authority on matters which are considered to be of sufficient importance.

The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

# Appendix B: Timeline

