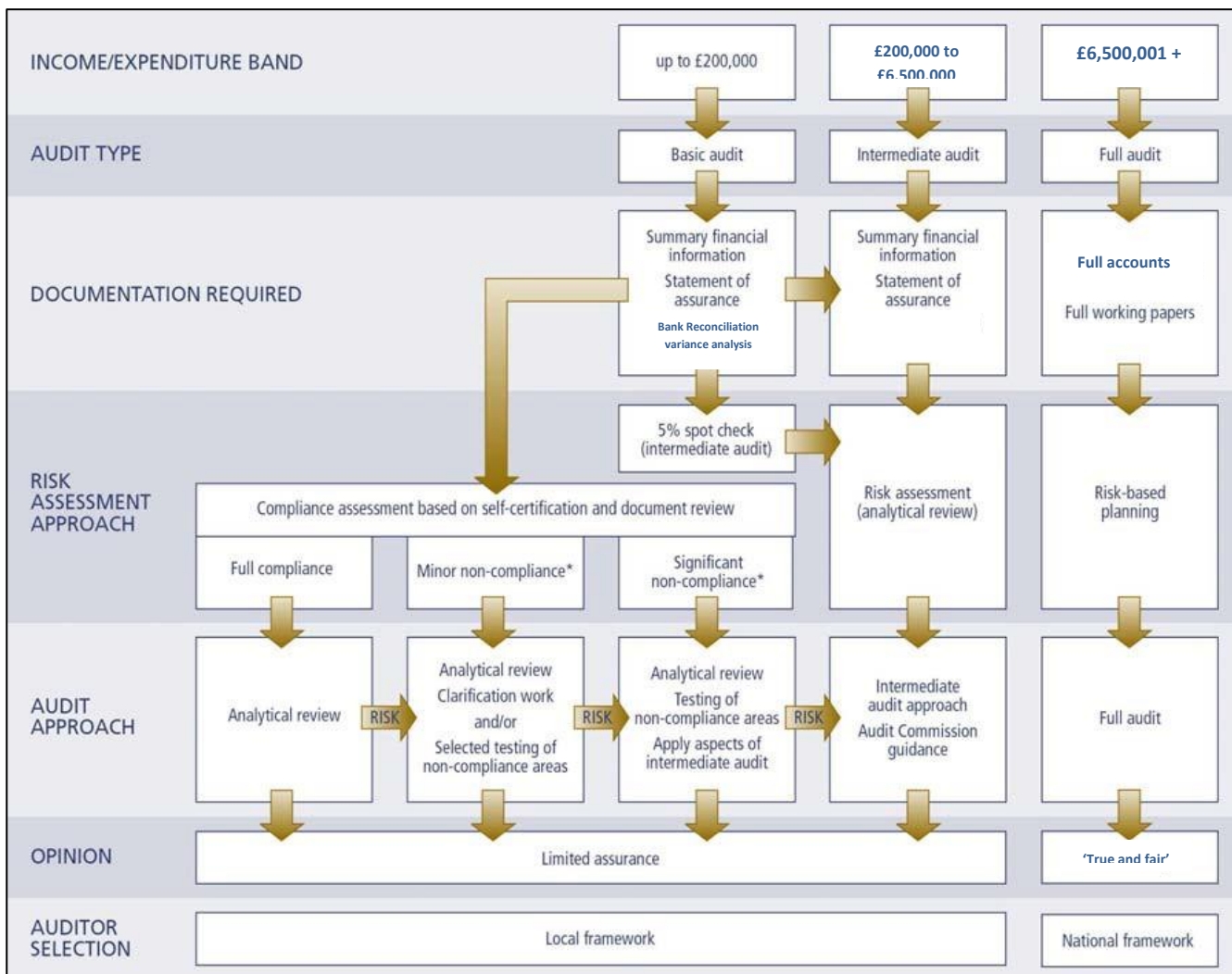

Appendix 3 – The approach to the audit of local councils in England

1 The limited assurance audit approach distinguishes between three types of local council:

- councils with annual income or expenditure of £6.5 million or more;
- councils with neither annual income or expenditure in excess of £6.5 million; and
- councils with neither annual income nor expenditure exceeding £200,000.

2 The exhibit below describes the new audit approach to each of the three groups.

Figure 1 Exhibit Local council audit – model of delivery



*Non-compliance indicates the presence of unmitigated risk factors which will lead to a more intensive audit as required