

# South Northamptonshire Council

## Audit Committee

21 November 2019

### Independent Review into Local Authority Audit

## Report of Executive Director - Finance

This report is public

### Purpose of report

To receive information on the Government's call for views for an independent review into local authority audit.

### 1.0 Recommendations

The committee is requested to consider the call for views relating to the review being carried out by the Government into local authority audit and feedback any comments to officers by Friday 13 December 2019.

### 2.0 Introduction

2.1 On the 17 September 2019 the Government published a consultation which sought views on the quality of local authority financial reporting and external audit and highlighted that there would be an independent review on the subject matter which would be led by Sir Tony Redmond.

2.2 The consultation response deadline is 20 December 2019 and therefore there is an opportunity to raise the issues with members of this committee and for them to feed their own views into the consultation response.

### 3.0 Report Details

3.1 This call for views, for Sir Tony Redmond's review of local authority financial reporting and external audit, invites views, information and evidence on, in particular:

- definitions of audit and its users
- the expectation gap
- audit and wider assurance
- the governance framework
- audit product and quality

- auditor reporting
- how local authorities respond to audit findings
- the financial reporting framework

3.2 The call for views is aimed at anyone with a direct or indirect interest in local authority audit and financial reporting. A link to the call for views is included below:

<https://www.gov.uk/government/consultations/review-of-local-authority-financial-reporting-and-external-audit-call-for-views>

The full consultation document is provided at Appendix A.

3.3 The consultation document is 44 pages long and asks 43 questions about the provision of external audit and local authority financial reporting.

3.4 Officers will draft a response to the consultation which will include their own professional view as well as considering the views being expressed by their representative professional bodies (CIPFA for example), the views from the relevant professional bodies are not available at the time of writing this report.

3.5 Members of the Committee are invited to consider the call for views and feedback any particular comments they have on the consultation so that they can also be considered for inclusion in the final response. The consultation closes on 20 December and therefore any comments from Councillors are requested by 13 December 2019.

3.6 The draft consultation response will be discussed with the Committee chairman before submission.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 The report provides information on the Government's call for views on financial reporting and external audit and gives the opportunity for members to have their views included in the final response which will be submitted after consultation with the Chairman of the Committee.

## **5.0 Consultation**

5.1 We are taking the opportunity to share this consultation with members of the audit committee to see if they have any particular views they wish to have considered for inclusion in the consultation response.

## **6.0 Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified.

Option 1: Members could choose not to consider the consultation but the opportunity would be missed to feed into the consultation response.

## 7.0 Implications

### Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Denise Taylor, Strategic Business Partner and Deputy S151 Officer  
01327 322290

[Denise.taylor@southnorthants.gov.uk](mailto:Denise.taylor@southnorthants.gov.uk)

### Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by: Andrew Hunkin, Executive Director: Resources

0300 003 0202 [Andrew.Hunkin@southnorthants.gov.uk](mailto:Andrew.Hunkin@southnorthants.gov.uk)

### Risk Management Implications

7.3 There are no risk implications arising directly from any outcome of this report.

Comments checked by: Geoff Kent, Asst Director Customers & Corporate Services

01327 322183 [geoff.kent@cherwellandsouthnorthants.gov.uk](mailto:geoff.kent@cherwellandsouthnorthants.gov.uk)

## 8.0 Decision Information

**Wards Affected** All wards are affected

**Links to Corporate Plan and Policy Framework** All corporate plan themes.

**Lead Councillor** None

### Document Information

Appendix No	Title
Appendix A	Independent review into the arrangements in place to support the transparency and quality of local authority financial reporting and external audit in England
Background Papers	
None	
Report Author	Martin Henry Executive Director - Finance
Contact Information	<a href="mailto:martin.henry@southnorthants.gov.uk">martin.henry@southnorthants.gov.uk</a> 0300 003 0206