

**Audit Committee – 28<sup>th</sup> June, 2011**

**Future of Local Public Audit - Consultation**

**Joint Report of the Director of Corporate Resources and the Treasurer**

**Purpose of Report**

1. To consider a response to the Department of Communities and Local Government consultation document on the future of local public audit.

**Background**

2. On 13th August, 2010 the Secretary of State for Communities and Local Government announced plans to disband the Audit Commission, and refocus audit of local public bodies on helping local people hold those bodies to account for local spending decisions.
3. The Government's stated aim is to replace the current centralised audit systems, managed by the Audit Commission, with a new decentralised regime in line with the general principles of localism. The Government intends to support local democratic accountability, increase transparency, reduce unnecessary bureaucracy and costs, while ensuring that there continues to be robust local public audit with high standards of auditing.
4. The consultation document sets out proposals on the new audit framework where audit quality is regulated within a statutory framework, overseen by the National Audit Office and the accountancy profession. Local public bodies will be free to appoint their own external auditors with stringent safeguards for independence. The full consultation document is available on the Department of Communities and Local Government website:-  
<http://www.communities.gov.uk/publications/localgovernment/localpublicauditconsult>
5. The consultation exercise will run until 30<sup>th</sup> June, 2011 and includes 50 consultation questions. The details of the consultation document have been considered by officers in consultation with the Chairman and Vice-Chairman of the Audit Committee, the Cabinet Member for Finance, and the Opposition Spokesperson for Finance. Attached is a draft summary of the Council's proposed response to the consultation.

6. The views of the Audit Committee will be reported verbally at the Cabinet meeting on 29<sup>th</sup> June, 2011. Subject to any further comments, the Director of Corporate Resources will submit the final response to the Department of Communities and Local Government by the deadline of 30<sup>th</sup> June, 2011.

### **Finance**

7. There are no direct costs associated with making the consultation response, however, all relevant financial issues are dealt with in the attached document.

### **Law**

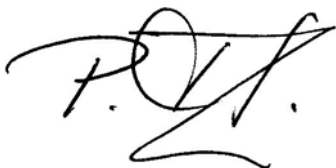
8. The consultation document contains reference to the relevant statutory provisions relating to the local public audit framework.

### **Equality Impact**

9. This report has no direct implications for the Council's commitment to equality and diversity or specific implications in relation to children and young people.

### **Recommendation**

10. That the Director of Corporate Resources be authorised to respond to the Department of Communities and Local Government consultation on the future of public audit based on the attached document and any additional comments expressed by the Audit Committee and/or the Cabinet.



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DIRECTOR OF CORPORATE  
RESOURCES

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TREASURER

### **Background Papers**

Department of Communities and Local Government Consultation Document on the future of local public audit available on the website:

<http://www.communities.gov.uk/publications/localgovernment/localpublicauditconsult>

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