

# Accounts, Audit and Risk Committee

## Consultation Response to the Draft Local Audit Bill

19 September 2012

### Report of the Head of Finance and Procurement

#### PURPOSE OF REPORT

The purpose of this report is for members to consider the draft Local Audit Bill.

This report is public

#### Recommendations

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The Accounts, Audit and Risk Committee is recommended:

- (1) To consider the consultation response of the draft Local Audit Bill.

#### Executive Summary / Background Information

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1. The response is broadly supportive of the proposals as they will lead to significant cost reductions in audit fees going forward and the ability for the Council to appoint their auditors themselves. However, it highlights an apparent inconsistency on the position of the Accounts, Audit and Risk Committee in relation to the audit appointment process. Comments on the role of the National Audit Office in relation to identifying improvement that may be made by all local authorities in the economy, efficiency and effectiveness with which they use their resources in the discharge of their functions. The comments in the second bullet points being the ones that the LGA have urged us to make as part of our response.

#### Key Issues for Consideration/Reasons for Decision and Options

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The following options have been identified. The approach in the recommendations is believed to be the best way forward.

**Option One** To consider the attached response of the draft Local Audit Bill

#### Consultations

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Analysis of the Draft Local Audit Bill.pdf

Draft Local Audit Bill – Consultation Response CDC.doc

## Implications

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- Financial:** There are no direct financial implications from this report. However, this could lead to significant cost reductions in audit fees going forward.  
Comments checked by Karen Curtin, Head of Finance & Procurement  
01295 221634
- Legal:** This is a consultation by the statutory body  
Comments checked by Kevin Lane, Head of Law and Governance,  
0300 003 0107
- Risk Management:** Failure to respond to the consultation would deprive the Council of the opportunity to put forward its views on the government proposals.  
Comments checked by Karen Curtin, Head of Finance & Procurement  
01295 221634.

## Wards Affected

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All

## Corporate Plan Themes

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An Accessible and Value for Money Council

## Executive Portfolio

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Councillor Ken Atack  
Lead Member Financial Management

## Document Information

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Appendix No	Title
Appendix 1	Draft Local Audit Bill - Consultation Response CDC
Appendix 2	Analysis of the Draft Local Audit Bill
<b>Background Papers</b>	
(1) The IFRS-Based Code of Practice on Local Authority Accounting in the United Kingdom (2) 2011/12 Code Update (3) The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom – Guidance Notes for Practitioners	
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