

## ASSEMBLY

2 March 2022

<b>Title:</b> Audit and Standards Committee Annual Report 2020/21	
<b>Report of the Chair of the Audit and Standards Committee</b>	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected: All</b>	<b>Key Decision:</b> No
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<b>Accountable Director:</b> Philip Gregory, Finance Director	
<b>Summary</b>  Local government is one of the most tightly regulated and most transparent parts of the public sector. As democratically elected bodies, councils have a duty to ensure good governance, of doing the right things at the right time and to be seen to be spending public money well and wisely and to ensure that Councillors are beyond reproach in their conduct.  This report outlines the work of the Audit and Standards Committee in 2020/21 and how it has sought to achieve its objectives.	
<b>Recommendation</b>  The Assembly is asked to note the Audit and Standards Committee annual report for 2020/21, as set out at Appendix 1 to the report.	
<b>Reason(s)</b>  It is good practice for the Assembly to be updated on the work of the Audit and Standards Committee for the previous municipal year.	

### 1. Introduction and Background

- 1.1 In 2020, the Redmond Review recommended that External Auditors submit a report to the Assembly. The Audit and Standards Committee agreed, as part of the recommendation to provide an annual report to the Assembly on the Committee's activities during the previous municipal year, in addition to the External Auditors Report, to provide members with a wider overview of Audit and Standards related issues.

### 2. Financial Implications

There are no direct financial implications for this report.

### **3. Legal Implications**

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 3.1 The Local Audit and Accountability Act 2014 requires that the Council as a relevant body must have its accounts audited. The procedure is set out in the Accounts and Audit Regulations 2015 (the 'Regulations'). Regulation 9 sets out a timetable and requires certification by the Council's responsible finance officer of the statement and then consideration by a committee to consider the statement and approve by resolution.
- 3.2 There is substantial concern that local audit needs revision. The Local Accountability and Audit Act 2014 abolished the Audit Commission. But historically local government was subject to external supervision with the district auditor which gave objectivity. As referred to in the body of this report consideration is being given to acting upon the Redmond Review on local government audit.
- 3.3 The Redmond Review which reported on 8 September 2020, found that the local audit market was "very fragile". In particular, he found that oversight of local audit was fragmented as "none of the six entities with responsibility for the different elements of the framework has a statutory responsibility, either to act as a system leader or to make sure that the framework operates in a joined-up and coherent manner." The Government responded with a White Paper in March 2021. It agreed with Redmond that "a clearly accountable system leader with overarching responsibility is needed to make sure the local audit framework operates in a coherent and joined up manner". It would establish the Audit, Reporting and Governance Authority (which will encompass all audit private and public) and within it a standalone unit to oversee local audit, including the Code of Local Audit Practice, which is currently the responsibility of the National Audit Office.

**Public Background Papers Used in the Preparation of the Report:** None

#### **List of Appendices:**

Appendix 1 - Audit and Standards Committee Annual Report 2020/21