

Cheltenham Borough Council
Audit Committee – 22 June 2011
The Future of Local Public Audit - Consultation

Accountable member	Corporate Services - Cllr Colin Hay
Accountable officer	Audit Partnership Manager - Robert Milford
Accountable scrutiny committee	Economy and Business Improvement Overview and Scrutiny
Ward(s) affected	All
Key Decision	No
Executive summary	<p>The Corporate Governance Group has reviewed the DCLG consultation document and drafted a response. However, as this document directly relates to the roles, responsibilities and structure of the Audit Committee it is important that the Council's Audit Committee Members have an opportunity to comment. It is envisaged, following Audit Committee comment, that an updated response would be sent to DCLG in time to meet the 30th June 2011 deadline.</p> <p style="text-align: center;">The Future of Local Public Audit Appendix A</p> <p style="text-align: center;">Corporate Governance Group draft response Appendix B</p>
Recommendations	That the Audit Committee considers and comments on the consultation questions

Financial implications	<p>None arising directly from this report. However, the costs associated with the Auditor and Independent Members will need to be addressed when the proposals are finalised.</p> <p>Contact officer: Mark Sheldon E-mail: mark.sheldon@cheltenham.gov.uk Tel no: 01242 264123</p>
Legal implications	<p>There are no Legal issues arising directly from this report. Although there will be implications arising when the proposals are finalised and enforced.</p> <p>Contact officer: Sara Freckleton E-mail: sara.freckleton@teWKesbury.gov.uk Tel no: 01684 272010</p>
HR implications (including learning and organisational development)	<p>There are no HR issues arising directly from this report.</p> <p>Contact officer: Amanda Attfield E-mail: amanda.attfield@cheltenham.gov.uk Tel no: 01242 264186</p>

Key risks	This consultation document relates to the role of the Audit Committee and the appointment of the Auditor. It is necessary to respond to this consultation to help inform the proposals so that inefficient or ineffective processes are not introduced.
Corporate and community plan Implications	N/A
Environmental and climate change implications	N/A

1. Background

- 1.1 On 13 August 2010, the Secretary of State for Communities and Local Government announced plans to disband the Audit Commission transfer the work of the Audit Commission's in-house practice into the private sector and put in place a new local audit framework. Local authorities would be free to appoint their own independent external auditors and there would be a new audit framework for local health bodies. A new decentralised audit regime would be established and councils and local health bodies would still be subject to robust auditing.
- 1.2 The Secretary of State was clear that safeguards would be developed to ensure independence, competence and quality, regulated within a statutory framework.
- 1.3 This consultation (Appendix 1) paper discusses the Government's proposals for how a new local audit framework could work and seeks your views.

2. Reasons for recommendations

- 2.1 The DCLG proposals directly impact on the roles and responsibilities of the Audit Committee and its structure. It is therefore appropriate for this committee to comment on these proposals.

3. Alternative options considered

- 3.1 The DCLG proposal offers, at various points, differing options of structuring the Audit Committee, process for appointment of the Auditor, etc. The Corporate Governance Group has responded to these various options (Appendix 2). The Audit Committee members are invited to comment and make further suggestions on the various options.

4. Monitoring and review

- 4.1 The Audit Committee will be informed of the results of the consultation when they are available.

Report author	Contact officer: Robert Milford – 01242 264115 <i>robert.milford@cheltenham.gov.</i>
Appendices	<p>1. Consultation document</p> <p>2. Question and answers document</p>
Background information	