

Meeting:	Audit and governance committee
Meeting date:	Wednesday 14 October 2020
Title of report:	External audit update - Redmond Review
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To share with the committee the findings of the national Redmond Review and what expected impact this is expected to have on the future work of the committee.

This update is being shared following a request from the committee.

Recommendation(s)

That:

- (a) the Committee note Grant Thornton's presentation, attached at appendix 1, on the initial Sir Tony Redmond Independent Review of Local Audit and consider the impact on the future role and reporting of the committee.**

Alternative options

1. There are no alternative options, this is a factual update on a national external review into local public audit.

Key considerations

2. In June 2019 Sir Tony Redmond was asked by the then Secretary of State for Ministry of Housing, Communities and Local Government (MHCLG) (Rt Hon. James Brokenshire MP) to undertake an independent review of the effectiveness of local audit and the transparency of local authority financial reporting, The Redmond Review.
3. The Redmond Review looked at the reporting, governance, audit quality and scope with a focus on users and sustainability. Its findings were published early September 2020. Appendix 1 is a presentation on the findings that Grant Thornton will present to the committee at its meeting on 14 October.
4. The Redmond Review recommendations include:-
 - A new regulator - the Office of Local Audit and Regulation
 - Scope to increase fees - to ensure that adequate resources are deployed to meet the full extent of local audit requirements
 - Move back to a September deadline - from 31 July
 - Accounts simplification
 - recognition of the role of authorities in improving governance and reporting
 - development of audited and reconciled accounts summaries

Community impact

5. One of the principles in the council's code of corporate governance is to implement good practices in transparency, reporting, and audit to deliver effective accountability. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External audit contributes to effective accountability.

Environmental Impact

Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

Whilst this is a factual national review update and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a factual update on a national review, we do not believe that it will have an impact on our equality duty.

Resource implications

- 7. None immediately however it is noted there are some areas of concern in the Redmond Review that the Committee will want to give consideration to, and actions will still need primary or secondary legislative changes. These may therefore have a resource implication and these will be considered at each decision point.

Legal implications

- 8. This update has no direct legal implications.

Risk management

- 9. No immediate risks arise from this factual update. The recommendations of the Review may lead to changes in local public audit and the risk of adapting to these changes will be managed by early dialogue and collaborative planning.

Consultees

- 10. None

Appendices

Appendix 1 Presentation on the Redmond Review

Background papers

None identified