

Title of report: External audit progress update

Meeting: Audit and governance committee

Meeting date: Tuesday 25 January 2022

Report by: Director of resources and assurance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards)

Purpose

To provide the committee with a progress update of the work being undertaken by the external auditor, Grant Thornton and a general Sector Update.

Recommendation(s)

That:

- a) **the external audit progress update attached at appendix A be reviewed and the committee determine any recommendations it wishes to make to ensure the value of the external audit work is maximised.**

Alternative options

1. There are no alternative recommendations. The report provides a factual update on progress against the agreed external audit annual plan in accordance with the functions of the committee.

Key considerations

2. The external audit progress report attached at appendix A provides the committee with an update on progress to date. The external audit of the 2020/21 financial statements is complete and was reported to the previous committee meeting. The new auditor's annual report, that will

contain a commentary and any associated recommendations in relation to value for money, is expected before 28 February 2022.

3. Page 9 of appendix A updates the committee on two public interest reports, Nottingham City Council and London Borough of Croydon that have been in the headlines and what lessons can be learnt. Page 11 summarises the overall financial impact of Covid-19 on English local authorities. Page 12 summarises the government response to the Redmond Review, a new regulator and additional funding towards audit fees.

Community impact

4. 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

5. 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.
6. Whilst this is an update on back office functions 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

7. 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.
8. 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, we do not believe that it will have an impact on our equality duty.

Resource implications

9. The update has no direct resource implications.

Legal implications

10 This update has no direct legal implications.

Risk management

11 The potential risks of being unaware of the update include not reflecting on the potential local implications and impact. By raising awareness mitigating action can be considered.

Consultees

12 None.

Appendices

Appendix A External Audit Progress Report and Sector Update

Background papers

None identified