



## **Safest People, Safest Places**

### **Audit and Finance Committee**

**28 September 2022**

### **Update on the Independent Review of Local Authority Financial Reporting and Audit (Redmond Review)**

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| <b>Report of Deputy Chief Executive</b> |
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#### **Purpose of Report**

1. To provide Members with an update on the consultation outcome of the local audit framework: technical consultation (as recommended by the Redmond Review regarding the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting).

#### **Executive Summary**

2. In July 2021, the local audit framework: a technical consultation was published setting out its detailed proposal to establish the Audit Reporting and Governance Authority (ARGA). It also set out proposals to implement other recommendations from the Redmond Review: to strengthen audit committees, improve capacity and capability and several measures relating to smaller bodies.
3. On 31 May 2022, the Department for Levelling Up, Housing and Communities (DLUHC) provided its response to the consultation confirming its intention to establish the new regulator - ARGA as the system leader for local audit within a new simplified local audit framework
4. The consultation response also announced plans to make audit committees compulsory for all local authorities (including fire authorities), with at least one independent member appointed to each audit committee. This will create greater transparency and consistency across local bodies.
5. County Durham and Darlington Fire and Rescue Authority acknowledges that the audit committee is a vital part of the organisation, supporting good governance, strong public financial management and effective internal audit and external audit. The audit committee approach is well established within the authority and a process to appoint an independent member to the committee is currently underway.

6. The government's intention to mandate audit committees will have minimal impact on the authority due to its already established audit committee governance approach.

### **Recommendation**

7. Members are requested to **note** the contents of this report.