

AUDIT COMMITTEE – 19 SEPTEMBER 2014

Title of paper:	AUDIT AND ACCOUNTABILITY ACT 2014	
Director(s)/ Corporate Director(s):	Glen O’Connell Acting Corporate Director for Corporate Services	Wards affected: All
Report author(s) and contact details:	Barry Dryden, Senior Finance Manager, Financial Reporting barry.dryden@nottinghamcity.gov.uk 0115 876 2799	
Other colleagues who have provided input:	None	
Recommendation(s):		
1	Note the Government’s proposals for appointing auditors and changes to the Accounts and Audit Regulations.	

1 REASONS FOR RECOMMENDATIONS

- 1.1 In June 2014 the Department for Local Government published their detailed proposals under the Audit and Accountability Act 2014 which sets out the new local audit framework, including the process for the future appointment of local government auditors.
- 1.2 The DCLG have also published proposals to replace the existing Accounts and Audit Regulations 2011, which include regulations on publication and public inspection of accounts, with revised arrangements under a new Accounts and Audit Regulations 2014.

2 BACKGROUND

- 2.1 In 2012 the Government appointed KPMG to audit the Council’s accounts for 5 years from 2012/13 (i.e. up to and including 2016/17). From 2017/18 the external auditors will be appointed under The Local Audit (Specified Person) Regulations 2014, which are currently in draft form.
- 2.2 The existing Accounts and Audit (England) Regulations 2011 require the Chief Finance Officer to certify the draft Statement of Accounts by 30th June. This certification allows the Statement to be placed on deposit for public inspection for a period of 20 working days. Following this period any local government elector or their representative may question the external auditors about the accounts or make any objections.
- 2.3 The 2011 Regulations also state that a public notice identifying the inspection and objection periods is placed in the local press and on the Council’s website
- 2.4 The 2011 Regulations further require that the audited Statement is submitted for consideration and approval by the Council or a committee of the Council by 30th September.

3 SUMMARY OF KEY CHANGES

- 3.1 The draft Local Audit (Specified Person) Regulations 2014 will fulfil the Government's commitment to provide collective procurement arrangements for auditor appointments. The Secretary of State will specify who is the appointing person (or body) who will set the scale of fees for audit and appoint an auditor for up to 5 years, to those authorities that opt in to the scheme.
- 3.2 Every 5 years the appointing person will issue an invitation to authorities to opt into the scheme. If the Council wishes to take up the option it will have to be agreed by Full Council.
- 3.3 If the Council chooses not to opt in, it will need to appoint an auditor panel and undertake its own procurement process.
- 3.4 The draft Accounts and Audit (England) Regulations 2014 will update the 2011 Regulations to bring forward the dates for completion and audit of the Statement of Accounts and change the procedure for public inspection and objections to the accounts.
- 3.5 The new arrangements propose to bring forward the date for the certification of the draft statements by one month to 31 May. The date for approving and publishing the final audited accounts will also be brought forward, but by 2 months to 31 July.
- 3.6 It is proposed to replace the two separate periods for inspection and objections with a single period of 30 working days from the certification of the draft accounts. In addition there will be no specific requirement to advertise the inspection period in the press.

4 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION

None

5 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

The Accounts and Audit (England) Regulations 2011
DCLG Local Audit Consultation June 2014