

Audit Committee - 12 April 2021

The Redmond Review

1. Summary of report

- 1.1 This report sets out an overview of The Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting – “The Redmond Review” that was published on 8 September 2020. A more detail presentation will be provided by Grant Thornton at the Committee.

2. Recommendations:

- 2.1 Audit Committee are asked to this report.

3. Governance

- 3.1 The Authority is required to prepare an annual statement of accounts in accordance with the Accounts and Audit (England) Regulations 2015. Those regulations require the statement of accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (hereafter referred to as the ‘Code’) and are supported by International Financial Reporting Standards (IFRS).

4. The Redmond Review

- 4.1 Sir Tony Redmond was asked to undertake an independent review of the effectiveness of local audit and the transparency of local authority financial reporting and also considered whether the current means of reporting the Authority’s annual accounts enables the public to understand this financial information and receive the appropriate assurance that the finances of the authority are sound.

- 4.2 Key recommendations set out in the review include:

- A new regulator - the Office of Local Audit and Regulation (OLAR) to replace the Financial Reporting Council’s (FRC) role and that of Public Sector Auditor Appointments (PSAA);
- Scope to revise fees - the current fee structure for local audit be revised to ensure that adequate resources are deployed to meet the full extent of local audit requirements;
- A move back to a September deadline for Local Authorities - the deadline for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year;

- Accounts simplification - CIPFA/LASAAC to be required to review the statutory accounts to determine whether there is scope to simplify the presentation of local authority accounts.

4.3 A more detail presentation will be provided by Grant Thornton at tonight's Committee.

5. Resource and Legal Considerations

5.1 The council must produce annual accounts in line with the Accounts and Audit Regulations 2015, in a timely fashion on an annual basis. The Code of Practice is updated on an annual basis.

6. Risk Management

6.1 None directly as a result of this report.

7. Equality implications

7.1 None directly as a result of this report.

8. Consultation

8.2 The Redmond Review details the findings of various consultations undertaken to enable the independent review to be undertaken.

Background Papers

Code of Practice on local authority accounting in the United Kingdom 2020/21.

Accounts and Audit Regulations 2015.

The Redmond Review.



Vicky Buckley
Head of Finance

26 March 2021

Author: Richard Walley, Technical Accounting, Treasury Management & Education
Finance Manager

✉ richard.walley@walsall.gov.uk