

**Redmond Review.****Review of External Audit Arrangements – Summary of Recommendations****Actions required by XX Council**

Redmond Recommendation	Action to be taken	By Who	By When
<b>External Audit Regulation</b>			
• A new Office of Local Audit and Regulation (to be known more commonly as “Not the Audit Commission”), which will:			
o regulate the local audit sector			
o draft the code of audit practice			
o take over the responsibilities of PSAA for procuring and managing audit contracts			
o monitor and review audit performance			
o produce an annual report on the state of local audit			
(A key role that OLAR will not have is to actually carry out audits – the Review does not appear to have addressed the question whether there is a role for public audit and assumes work will be contracted out in its entirety to private firms.)			
• The involvement of PSAA, ICAEW, FRC and the NAO in the framework will end.			
• Local authority governance arrangements to be reviewed with the purpose of:			
o full council receiving an annual report from the external auditor – to the first meeting after 30 September, even if the audit is not certified closed			
o appointment of a suitably qualified independent member to the Audit Committee			
o formalising meetings of the Chief Exec, Monitoring Officer and the CFO with the audit partner at least annually.			
• All auditors to be provided with the requisite skills and training to audit a local authority.			
• Audit quality to be consistent with the highest standards of audit within the revised fee structure – OLAR to have scope to apply proportionate sanctions in the event of serious or persistent breaches.			
• No firm with the requisite capacity, skills and experience to be excluded from bidding for contracts (by ensuring that qualifying criteria are not overly exclusive).			
• External Audit should recognise that Internal Audit work can be a key support in appropriate circumstances where consistent with the Code of Audit Practice.			
• Consideration to be given to moving the date for publication of audited accounts back to 30 September.			
• Changes to the arrangements for VFM auditing made in the 2020 Code of Audit Practice to be endorsed			

(reporting on and making recommendations in relation to financial sustainability, governance and improving economy/efficiency/effectiveness).			
<b>Financial Resilience</b>			
<ul style="list-style-type: none"> <li>• MHCLG to review its framework for seeking assurance about the sustainability of individual authorities.</li> </ul>			
<ul style="list-style-type: none"> <li>• Auditors to share key concerns with Ofsted, Care Quality Commission, etc, before completing their annual report.</li> </ul>			
<b>Transparency of Financial Reporting</b>			
<ul style="list-style-type: none"> <li>• An audited statement of service information and costs (with budget comparisons) to be presented alongside the statement of accounts (illustrations included in supporting documents).</li> </ul>			
<ul style="list-style-type: none"> <li>• CIPFA/LASAAC to be required to review the requirements for the statutory accounts in the light of the information to be covered in the statement of service information.</li> </ul>			