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Date 13th June 2011



Nottinghamshire
County Council

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Luke Scofield
The Department for Communities and
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Dear Mr Scofield

Response to future of local audit consultation

Thank you for providing the opportunity to comment on your proposed changes to the audit of local public bodies.

This response has been drawn up following discussion at Nottinghamshire County Council's Audit Committee on 17th May 2011, and has been agreed by the Chair and Vice Chair of the Committee.

For your information, the Audit Committee at Nottinghamshire is chaired by a member of the opposition, and comprises of members of the Authority from all political groups.

A range of views were expressed at Committee, but broad agreement was reached on the following issues.

Design Principles

These were agreed as being appropriate.

However, concern was expressed that the principle of localism and decentralisation was not reflected in the prescriptive nature of some of the proposals. There was a perception that Central Government continues to undermine local government. An example of this was the proposal to have the majority of the Audit Committee comprising independent members.

Local authorities and their members carry significant and demanding legal responsibilities, and take these responsibilities very seriously. The

need for independent oversight of the appointment of external auditors is disputed.

Audit Committee Advice

Although we do have an Audit Committee at Nottinghamshire, one of our members correctly pointed out that this is not mandatory. The proposals seem to be suggesting a shift towards making this a statutory requirement. Again this seems to go against the design principles of localism and decentralisation and a general reduction in bureaucracy.

Cost and Availability of Independent Members

The proposals for criteria to be met by independent members were considered to be too onerous. The pool of people available who meet them was felt to be too small and could result in a significant cost to solve a problem that was not recognised. "If it ain't broke, don't fix it!"

Appointment of Independent Chair

A range of views was expressed on this. Some members felt that this could have some merit by attracting "professional input" to be able to challenge conclusions put forward by external auditors and officers of the Authority. Other members felt that this would undermine the accountability of members to their Electorate, and that the suggestion of an independent chair cast doubt on the capability and calibre of elected members. It was felt that the practice in Nottinghamshire of having the chair from the main opposition party was a good means of achieving independence, and this model should be supported. It was felt that if there was a decision eventually to propose an independent Chair, then that would preclude the need for further independent members.

If you require any further information about the above, or you wish to discuss it further, please let me know.

Yours sincerely,

John Bailey
Head of Internal Audit