

DRAFT CODE OF AUDIT PRACTICE FOR THE AUDIT OF LOCAL PUBLIC BODIES**REPORT OF THE JOINT CHIEF FINANCE OFFICER**

PURPOSE OF THE REPORT

The purpose of the report is to provide Members with an update on national guidance on the draft Code of Audit Practice for Local Public Bodies.

UPDATE

The National Audit Office (NAO) has published a consultation on the draft Code of Audit Practice for local public bodies. The Code sets out the framework within which auditors of local public bodies conduct their work. Formerly the responsibility of the Audit Commission, the Local Audit and Accountability Act 2014 gives the NAO the responsibility for the preparation and maintenance of the Code. Subject to Parliament's approval, the Code will take effect from 1 April 2015, for audit work relating to the 2015/16 financial year onwards. The audit of the 2014/15 accounts will be subject to the provisions of the previous Code from the Audit Commission.

In particular the consultation seeks views on auditors' responsibility to assess the arrangements the audited body has in place to secure value-for-money. There is a statutory requirement on the auditor, under the 2014 Act, to be satisfied that the audited body 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'. This responsibility will be the subject of detailed guidance; which is yet to be published.

RECOMMENDATION

Members are requested to note the report.

