

## **Audit and Governance Committee**

**28 February 2024**

Report of the Chief Finance Officer  
Portfolio of the Executive Member for Finance, Performance, Major Projects,  
Equalities and Inclusion

### **Consultation Update**

#### **Summary**

1. The purpose of the report is to provide details of consultation issued by the Department for Levelling Up, Housing & Communities (DLUHC) in respect of local audit delays.

#### **Recommendations**

2. Audit & Governance Committee are asked to note the report.

Reason: So that the Committee is kept up to date with national issues in local audit.

#### **Background**

3. The consultation is in response to the growing backlog in the publication of audited accounts of Councils across England. The Government feels that this backlog has grown to an unacceptable level and is therefore proposing a package of cross-system measures to clear the backlog and put the system on a sustainable footing.
4. The number of outstanding opinions peaked on 30 September 2023 at 918. As at 31 December 2023, the backlog of outstanding audit opinions stood at 771.
5. Work has been ongoing across the sector to agree a proposed solution to both clear the outstanding historical audit opinions and ensure that delays do not return.

6. The consultation proposes changes to the Accounts & Audit Regulations 2015 that would require Councils to ensure they have published audited accounts for financial years 2015/2016 to 2022/2023 by 30 September 2024.
7. The Councils ability to meet this requirement depends on an audit opinion being issued in time. For this reason, the National Audit Office is proposing that the Code of Audit Practice be amended so that auditors are required to issue their opinion in time for the authority to publish its accounts by the 30 September 2024.
8. Further proposals are made to establish statutory backstop dates for all financial years up to and including 2027/28 as follows:
  - 2023/24: 31 May 2025
  - 2024/25: 31 March 2026
  - 2025/26: 31 January 2027
  - 2026/27: 30 November 2027
  - 2027/28: 30 November 2028
9. There would be exemptions from the proposed statutory deadlines for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.
10. Members will be aware that this Council does not have a backlog of unaudited accounts, with just 2022/23 to finalise as outlined at the last meeting of this Committee. Therefore, we are not proposing to respond to the consultation and this report is for information only.

### **Consultation**

11. Not applicable.

### **Options**

12. Not applicable.

### **Council Plan**

13. Not applicable.

## Implications

### Financial

14. There are no immediate financial implications to this report. However, Public Sector Audit Appointments (PSAA) will use its fee variation process to determine the final fees local public bodies will have to pay in relation to any delayed audits and 2023/24 audits.

### Legal Implications

15. There are no legal implications to this report.

### Other Implications

16. There are no other implications as a result of this report.

<b>Contact Details</b>	
<b>Author</b>	<b>Chief Officer responsible for the report</b>
Debbie Mitchell Chief Finance Officer <a href="mailto:debbie.mitchell@york.gov.uk">debbie.mitchell@york.gov.uk</a>	Debbie Mitchell Chief Finance Officer
	Report approved 19.2.24
<b>Wards affected</b>	All

**Annexes:** None

### Background Papers

<https://www.gov.uk/government/consultations/addressing-the-local-audit-backlog-in-england-consultation>