

News release

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Local government financial reporting remains robust

The timeliness and quality of financial reporting for 2014/15 remained broadly consistent with the previous year for both principal and small bodies¹, according to Public Sector Audit Appointments Limited's [Report on the results of auditors' work 2014/15: Local government bodies](#). Against a background of financial challenges, the sector is clearly working hard to achieve appropriate standards in its stewardship of resources.

Following the closure of the Audit Commission on 31 March 2015, PSAA became responsible on a transitional basis for appointing auditors to local government bodies, including small bodies, and for overseeing the delivery of consistent, high-quality and effective external audit services.

This is the first report for local government bodies published by PSAA, and it summarises the results of auditors' work at 509 principal bodies and 9,755 small bodies for 2014/15. The report covers the timeliness and quality of financial reporting, auditors' local value for money work, and the extent to which auditors utilised their statutory reporting powers.

For principal bodies, auditors at 345 of 356 councils (97 per cent) were able to issue the opinion on the accounts by the statutory accounts publication date of 30 September 2015. 97 per cent of police bodies and fire and rescue authorities also received the audit opinion by 30 September 2015. For the second year in a row there have been no qualified opinions issued to date to principal bodies. The number of qualified conclusions on value for money arrangements has remained consistent with the previous year at 4 per cent (17 councils, one police body and one fire and rescue authority).

For small bodies, auditors were able to issue their opinion on the annual return by 30 September 2015 at 99 per cent of parish councils and internal drainage boards. This is consistent with the previous year. The number of qualified opinions issued to

¹ Principal bodies include: 356 councils; 31 fire and rescue authorities; 76 police bodies; and 46 other local government bodies. Small bodies include parish councils and internal drainage boards with an annual turnover below £6.5 million.

parish councils increased from 11 per cent for 2013/14 to 14 per cent for 2014/15, but decreased for internal drainage boards from 16 per cent to 7 per cent.

Notes for editors

1. The Audit Commission previously published Auditing the Accounts reports for local government bodies covering the audit of the accounts for 2008/09 to 2013/14.
2. Auditors' work on the 2014/15 accounts for local government bodies was carried out under the Audit Commission Act 1998 and the Code of Audit Practice 2010 (the Code) issued by the Audit Commission. Under the Local Audit and Accountability Act 2014, the National Audit Office (NAO) became responsible for preparing and issuing a new Code of Audit Practice that will first apply to audits of the 2015/16 accounts.
3. Auditors at principal bodies are required to issue an opinion on the accounts on completion of the audit. Auditors aim to issue the opinion by the statutory accounts publication deadline of 30 September, to enable bodies to publish their accounts with an auditor's report.
4. Auditors will issue a qualified opinion if they think the accounts do not give a fair representation of the body's financial position and income and expenditure for the year, or if they think the accounts have not been prepared in accordance with relevant accounting and reporting standards.
5. Small bodies were required to publish their 2014/15 accounting statements and Annual Governance Statement (AGS) by 30 September 2015. They do this in the form of an annual return. Auditors aimed to issue the opinion and certificate on the 2014/15 annual return by the same deadline. This enables small bodies to publish their annual return with an auditor's report.

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