

## **The Local Audit Quality Forum (LAQF)**

### **Purpose of the LAQF**

The LAQF is a forum within which representatives of relevant audit bodies can work together and collaborate with others to share good practice and strive to enable improvements in the quality, efficiency and effectiveness of audit arrangements and practices in principal local authorities and police bodies in England. PSAA wants to develop a momentum and a passion for continuous improvement in audit arrangements throughout the entities and sectors for which PSAA has a mandate.

### **Objectives of the LAQF**

The objectives are to:

- a) encourage representatives of local audited bodies to work together to share and learn from good practice leading to real improvement in audit quality, efficiency and effectiveness;
- b) bring together and join up the wider local audit community, creating a forum in which local audited bodies can engage with and better understand the roles and concerns of auditors and other players and develop the ability to navigate the whole system;
- c) support and enable more confident leadership of audit committees, in turn contributing to more effective corporate governance and stronger public accountability;
- d) equip audit committees to carry out effective scrutiny of audit quality, auditor performance and audit outputs;
- e) enable sharing and exchange of good audit practice between sectors and jurisdictions, and ensure where appropriate that local audit learns the lessons and implements the good practice of others; and
- f) provide a forum in which PSAA can develop a closer relationship and engage in dialogue with audited bodies about developments in local audit and its appointing person scheme.

### **Activities**

The LAQF will be led by the needs of local audited bodies so we will develop arrangements to gather intelligence and feedback about bodies' needs; and design events or other activities to respond effectively to them.

Typically, we anticipate running two or three events per year focusing on relevant themes. We encourage attendees at our events to provide ideas and suggestions to help us to design attractive, relevant programmes. Subject to demand, other types of service such as training audit committee chairs and members and development of peer-to-peer networks, may be developed.

### **Key Relationships**

The LAQF will seek to forge strong links and relationships with a variety of other stakeholders in the local audit community, including:

- The audit suppliers which have contracted with PSAA to undertake local audits;
- the C&AG and NAO who are responsible for production of the Code of Audit Practice and guidance to auditors, as well as undertaking periodic value-for-money studies focusing on local services;

- the FRC which is responsible for issuing various regulations relating to local audit; recognising bodies as Recognised Supervisory Bodies (RSBs) and Recognised Qualifying Bodies (RQBs) for local audit purposes; and, via its Audit Quality Review (AQR) team, monitoring the quality of “major local audits”;
- Recognised Supervisory Bodies (currently ICAEW and ICAS) which are responsible for the licensing, registering and monitoring of auditors who wish to carry out audits of local public bodies;
- CIPFA which, as well as being a Recognised Qualifying Body, is also responsible for publishing the CIPFA/LASAAC Code of Practice on Local Authority Accounting and the CIPFA /SOLACE Framework for Good Governance in Local Authorities. It also publishes guidance to local bodies on good public financial management as well as specific guidance to local audit committees;
- Key players in other local audit systems such as the audit agencies with responsibilities for local audit in Scotland, Wales and Northern Ireland; and
- Key players with experience of audit arrangements and developments in other sectors.

### **Financial Arrangements**

The LAQF is directly relevant to the fulfilment of PSAA's core functions so will be funded from PSAA's general revenues, therefore participation will be free of charge to opted-in authorities. Those authorities that chose to not opt into PSAA arrangements are able to participate in the LAQF for a modest charge.

### **Anticipated Benefits**

Our intention is that the LAQF will:

- a) raise the profile of local audit and lead to a greater appreciation of its critical role as a foundation stone of good governance and strong public accountability;
- b) deliver and, using clearly defined key performance indicators, measure real improvements in the quality, efficiency and effectiveness of local audit;
- c) enable the development of a much deeper and engaged relationship between PSAA and audited bodies;
- d) create a much more joined-up local audit community working collaboratively to deliver the highest standards and best outcomes; and
- e) be perceived as a major added-value benefit and an impressive advertisement for membership of the appointing person scheme.