

Summary of PSAA's tailored survey on the 2023/24 audits

Introduction

PSAA surveys opted-in bodies as part of our contract monitoring arrangements to seek views from Directors of Finance and Audit Committee Chairs on their audit delivery experience, and to identify areas for improvement. We introduced a tailored (shorter) survey for opted-in bodies who did not receive an audit opinion by the 31 March 2025, to ensure they had the opportunity to share their views.

The survey was conducted using an online form and a survey link was sent to Directors of Finance and Audit Committee Chairs or equivalent at 39 opted-in bodies. 25 of the 39 bodies (64%) responded. The overall response rate from Directors of Finance was 31% (12/39) and for Audit Committee Chairs was 38% (13/34).

We received responses from bodies covering the following four appointed auditors Azets (AZ), Ernst & Young (EY), Grant Thornton (GT) and KPMG. We received no responses from bodies where Bishop Fleming (BF) and Forvis Mazars (FM) were their auditor. FM had no 2023/24 audits outstanding as of 31 March 2025.

Please note: in parts of this report we refer to a Director of Finance as a 'DoF' and Audit Committee Chair as an 'ACC'.

Summary of main themes and results

In response to the question about whether the audit service delivered 'aligns with the expectations set out in the audit plan' the results indicate a broadly positive experience. The response from the Directors of Finance is more in line with the [main LGA survey result](#), whereas the overall response rate from ACCs is significantly lower (see table below).

Role	Independent LGA survey		Tailored PSAA survey
	Combined average % for first appointing period (excluding 2022/23*)	2023/24 (first year of second appointing period)	2023/24 (first year of second appointing period)
DoF	63%	85%	83%
ACC	77%	94%	69%

**We did not issue a client survey in 2022/23 due to the significant local audit backlog in England. Percentages are based on combined responses of 'to a great extent' and 'moderate extent'.*

There was positive feedback on the timely reporting of significant weaknesses; on effective communication, particularly around the audit backlog arrangements and value for money work; and the auditor's performance at Audit Committee meetings.

Where concerns were raised these related to the need for clearer communication on fee variations, fees and infrastructure assets; the shortage of experienced in-house audit resources; the need for improved planning and guidance; and an increase in the number of auditors offering to meet with Audit Committees without officers being present.

Respondents indicated that delayed audit opinions were mainly due to prior year issues. Other contributing factors included finance team resourcing challenges, objections and issues related to backlog arrangements. Communication was generally viewed as strong, with nearly all respondents confirming they were informed of the reason why their opinion was delayed.

The feedback received about the backlog solution showed that respondents felt sufficiently informed about proposals to address the backlog, with auditors being the primary source of information. Additional comments highlighted the need for improved communication, stronger relationships, and sustainable solutions to rebuild assurance and avoid future backlogs.

Audit opinion: prior year delay was the most frequently cited reason why bodies did not receive their 2023/24 audit opinion, as reported by 83% of Directors of Finance and 62% of Audit Committee Chairs. Resourcing issues within bodies' finance teams was reported by 33% of Directors of Finance and 38% of Audit Committee Chairs. Respondents also shared a range of other reasons including technical accounting challenges, objections to the accounts, cyber incidents, and delays from previous auditors. Despite these challenges some bodies expressed optimism about building stronger relationships with the newly appointed auditors.

Communication and timely reporting of key issues: Effective and timely communication are key cornerstones of relationship management. Communication was generally viewed positively:

- 92% of Directors of Finance and 62% of Audit Committee Chairs strongly or tended to agree that auditor communications were timely throughout the audit.
- 100% of Directors of Finance and 92% of Audit Committee Chairs strongly or tended to agree that their auditor informed them of the reason why they were unable to provide an opinion by 28 February 2025.
- Auditors were most effective in communicating about audit backlog arrangements, value for money work, and financial reporting, although infrastructure assets and valuations received less attention.

Auditor's Annual Report and Value for Money (VfM) arrangements: We sought views on the usefulness of Auditor's Annual Reports and their VfM arrangements commentaries in line with the NAO's Code of Audit Practice requirements.

- 69% of Audit Committee Chairs and 59% of Directors of Finance reported that the Annual Report was very or fairly useful. However, 42% of Directors of Finance and only 8% of Audit Committee Chairs had not received a report.
- 77% of Audit Committee Chairs and 50% of Directors of Finance shared that they found the VfM arrangements commentary very or fairly useful. However, 42% of Directors of Finance and only 8% of Audit Committee Chairs had not received the commentary. Some respondents commented that early reporting is important for VfM arrangements judgements to be meaningful and impactful.

Committee meetings: Over nine out of ten Directors of Finance and Audit Committee Chairs (both at 92%) were satisfied with the auditors' performance in Audit Committee meetings. This is an improvement against the overall average of 73% for the first appointing period. However, only 54% of Audit Committee Chairs reported that the auditor offered to meet at least once without officers being present.

Topical matters: all Directors of Finance and 85% of Audit Committee Chairs reported that they had received sufficient information on the proposals to tackle the backlog of delayed audit opinions to a great or moderate extent. The main source of information for all respondents was their auditor.

Next steps

We will discuss the themes and areas of improvement indicated by the feedback with each firm. We will continue to raise the concerns expressed with key stakeholders in local audit to inform decisions made about the future of the local audit regime and to support ongoing improvements.