PSAA client feedback survey on the 2024/25 audits

Introduction

Public Sector Audit Appointments (PSAA) surveys opted-in bodies as part of our contract monitoring arrangements to seek views from Directors of Finance and Audit Committee Chairs (or equivalent) on their audit delivery experience, and to identify areas for improvement. This vital feedback also informs our discussions with the firms and other key stakeholders involved in local audit in England.

The independently conducted survey on the 2024/25 audits is the second under the current appointing period. We are grateful to the Directors of Finance (45%) and Audit Committee Chairs (25%) who took the time to complete the survey (over 285). A total of 245 opted-in bodies responded out of a possible 427 (57%). The number of surveyed bodies is lower than the total number of opted-in bodies (455), as we sought a combined response from police and fire authorities with a shared finance function. There were also 21 opted-in bodies that had not received their audit opinion by 31 March 2026, and these bodies were surveyed separately by the LGA.

Although response rates were slightly lower than in the 2023/24 survey (63% of bodies, 47% of Directors of Finance and 31% of Audit Committee Chairs), they continue to provide valuable insights into the experiences of opted-in bodies. The lower response rate among Audit Committee Chairs may reflect the timing of the final tranche of survey invitations, which were issued during the May local elections.

The feedback provides views on the delivery of the 2024/25 opinions following the introduction of the 27 February 2026 backstop date. Alongside feedback on core aspects of audit delivery and topical audit-related issues, we sought views to support our discussions with firms on their delivery against aspects of their contracts.

Tony Crawley, PSAA's Chief Executive, said:

"*The survey results show that bodies continue to value the progress made in audit delivery, communications and timeliness. It is particularly encouraging that respondents reported higher levels of satisfaction with audit completion and the usefulness of audit reporting, while confidence in core audit services remained strong.*

However, the responses also identified important areas where the local audit system must improve, particularly around speeding up the process of building back assurance and strengthening resources and audit planning. We will continue to use this feedback to support improvements and change as local audit reform progresses, and ahead of the Local Audit Office taking up its role."

Summary of main themes and results

The survey results show that audit services continue to perform well overall, with respondents reporting positive experiences across most aspects of audit delivery. Compared with last year, satisfaction improved in key areas including audit completion, and the usefulness of the Auditor's Annual Report and Value for Money (VfM) arrangements commentary. Satisfaction with audit services, auditor communications and auditors' contributions at Audit Committee meetings also remained positive and at similar levels to the 2023/24 survey.

Where respondents identified areas for improvement, they highlighted the need for clearer communication on fee variations, more timely reporting of findings, a better understanding of local circumstances, and improved planning and resourcing. While last year's feedback focused mainly on audit firm capacity as a cause of audit delays, this year's responses indicated growing resource pressures within audited bodies. The proportion of respondents raising this as a reason for delays doubled compared with last year. Comments were also received on the levels of additional review and scrutiny that firms build into their processes on valuations and pensions.

The number of respondents who said the audit service 'aligns with the expectations set out in the audit plan' to a great or moderate extent was almost the same as last year. The results remain positive and continue to show an improvement when compared with the combined position for the first appointing period (see table below). Audit Committee Chairs remain more satisfied than Directors of Finance.

Role	Combined average % for first appointing period (excluding 2022/23*)	2023/24 (first year of second appointing period)	2024/25 (second year of second appointing period)
Directors of Finance	63%	85%	86%
Audit Committee Chairs	77%	94%	94%

**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'.

Additional comments received about local audit reform emphasised the need for clearer timelines, and greater clarity on building back assurance, the Local Audit Office and local government reorganisation, alongside concerns about audit market capacity and value for money.

Audit completion: 86% of Audit Committee Chairs and 78% of Directors of Finance reported receiving their 2024/25 audit opinions by the target date set out in the audit plan or a revised date provided by the auditor. This is an improvement on both the 2023/24 survey results (79% and 72%) and previous years' findings and could be a consequence of the introduction of backstop dates from December 2024.

The main reasons cited for audits not being completed by the target date include resourcing issues on the part of the audit firm and local body finance teams, prior year delays and resolving issues raised during the audit. These are consistent with last year, but the proportion of Directors of Finance identifying accounting complexity and technical issues, finance team capacity constraints, and the need to resolve audit issues as causes of audit delays has more than doubled in comparison.

Communication and timely reporting of key issues: Effective and timely communication is a key cornerstone of relationship management. Overall, respondents viewed auditor communication positively, and their responses were broadly consistent with the findings of the 2023/24 survey. Key highlights include:

- 90% of Audit Committee Chairs and 86% of Directors of Finance strongly or tended to agree that auditor communications were timely throughout the audit, reflecting a slight improvement on the 2023/24 survey (91% and 82%).
- 93% of Audit Committee Chairs and 90% of Directors of Finance said their auditor informed them of the reason the audit would be delayed beyond the target date set out in the audit plan, again reflecting a slight improvement on the 2023/24 survey (94% and 86%).
- Where significant weaknesses were reported, 51% of Audit Committee Chairs and 39% of Directors of Finance said auditors reported them on a timely basis, an improvement on the 2023/24 survey (51% and 34%), while 7% and 8% respectively said they did not.

Respondents welcomed the improvements in communication but called for earlier engagement, clearer expectations and more timely explanations of fee variations and other emerging issues.

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:

- 95% of Audit Committee Chairs and 84% of Directors of Finance reported that the Auditor's Annual Report was very or fairly useful, an improvement on the 2023/24 survey (90% and 78%). Only 1% of Directors of Finance and no Audit Committee Chairs had not received a report.
- 87% of Audit Committee Chairs and 82% of Directors of Finance found the VfM arrangements commentary very or fairly useful, an overall improvement on the 2023/24 survey (88% and 75%). Some respondents called for stronger auditor engagement on VfM work and greater assurance that it delivers value for money.

Committee meetings: Over nine out of ten Audit Committee Chairs (97%) and Directors of Finance (91%) were satisfied with the auditors' performance at Audit Committee meetings. These results reflect a slight improvement on the 2023/24 survey findings (95% and 91%) and are substantially higher than the overall average of 73% recorded for the first appointing period.

The proportion of Audit Committee Chairs reporting that the auditor offered to meet at least once without officers being present increased from 52% last year to 59% this year.

Topical matters: Most respondents (58% to 70%) felt informed about the government's proposals to reform the local audit system, including the establishment of the Local Audit Office and efforts to rebuild assurance following the issuing of modified and disclaimed opinions as part of the audit backlog solution. However, many called for more detailed guidance, greater clarity on implementation arrangements and faster progress on building back assurance. Auditors were the main source of information.

Firm specific questions and next steps

We will discuss the themes and areas of improvement indicated by the feedback with each audit 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.

In addition to publishing this report on our website, we will reference the findings in our e-bulletin which we issue to all opted-in bodies, appointed firms and key local audit stakeholders.