Summary of PSAA's tailored 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. Last year we introduced a tailored survey for opted-in bodies who did not receive an audit opinion by 31 March, to ensure they had the opportunity to share their views.

The Local Government Association (LGA) conducted this year's tailored survey using an online form. They sent the survey link to Directors of Finance and Audit Committee Chairs at 21 opted-in bodies. Twelve bodies responded (57%), and the response rate for Directors of Finance was 48% (10/21) and 15% (3/20) for Audit Committee Chairs.

The overall response rate for 2024/25 (57%) is lower than in 2023/24 (64%). However, the response rate for Directors of Finance increased from 31% last year and for Audit Committee Chairs fell significantly from 38%. This decrease may reflect the timing of the final tranche of survey invitations, which were issued during the May local elections.

We received responses from bodies covering the following five appointed auditors Bishop Fleming, Ernst & Young, Forvis Mazars, Grant Thornton and KPMG. Azets had no 2024/25 audits outstanding as of 31 March 2026.

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

Care should be taken when interpreting percentages where the response base is less than 50, as small differences can seem magnified. It is also important to acknowledge that the results do not represent the views of all bodies but a snapshot of the views of those who responded.

Responses to the question on whether the audit service delivered 'aligns with the expectations set out in the audit plan' indicate a positive experience overall. In this year's tailored survey, Directors of Finance reported lower levels of agreement than respondents to the main LGA survey, while Audit Committee Chairs reported higher levels of agreement (see table below), but the number of responses received from the latter group was small.

Role	Independent LGA survey		Tailored survey
	Combined average % for first appointing period (excluding 2022/23*)	2024/25 (second year of second appointing period)	2024/25 (second year of second appointing period)
DoF	63%	86%	70%
ACC	77%	94%	100%

**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'.*

Compared with last year's tailored survey, Directors of Finance reported lower levels of agreement that the audit service delivered aligned with the expectations set out in the audit plan, while Audit Committee Chairs reported higher levels.

Role	Independent LGA survey		Tailored survey	
	2023/24 (first year of second appointing period)	2024/25 (second year of second appointing period)	2023/24 (first year of second appointing period)	2024/25 (second year of second appointing period)
DoF	85%	86%	83%	70%
ACC	94%	94%	69%	100%

Percentages are based on combined responses of 'to a great extent' and 'moderate extent'.

Overall, respondents provided positive feedback on the timely reporting of significant weaknesses, auditors' performance at Audit Committee meetings, and the effectiveness of auditor communications, including on audit backlog arrangements and the reasons why auditors were unable to provide an opinion by the backstop date.

Where concerns were raised these related to the need for clearer communication on fee variations, Value for Money (VfM) arrangements work, changes to auditing standards, and the need for improved planning and a proactive, transparent and collaborative approach to working with bodies. Feedback indicated a need for earlier engagement, clearer communication of emerging issues and more proactive updates throughout the audit lifecycle.

Respondents indicated that delayed audit opinions were mainly due to prior year issues. Other contributing factors included accounting complexity and/or technical accounting issues, finance team resourcing challenges, factors related to backlog arrangements and unforeseen issues. Communication was generally viewed positively, with around three quarters of respondents confirming they were informed of the reason why their opinion was delayed.

Feedback on the overhaul of the local audit system, including establishing the Local Audit Office, indicated that respondents felt sufficiently informed, with auditors being their primary source of information. Just under a quarter reported receiving only limited information about the process of building back assurance.

Additional comments highlighted the need for an ‘auditor of last resort’, and that building back assurance should reflect the unique circumstances of each body and be discussed and agreed with statutory Chief Finance Officers.

Audit opinion: As in the 2023/24 tailored survey, prior year delays were the most frequently cited reason why bodies did not receive their 2024/25 audit opinion. 50% of Directors of Finance (5) and 33% of Audit Committee Chairs (1) selected this reason, compared with 83% and 62% respectively last year. Accounting complexity and/or technical accounting issues were also reported by a third of Directors of Finance (3) and two thirds of Audit Committee Chairs (2).

Respondents also identified a range of other factors including inquorate meetings of elected members, late audit queries, resourcing pressures, unexpected issues and objections to the accounts. Some responses highlighted ongoing challenges in resolving legacy audit positions, including difficulties in securing opinions from prior auditors.

Communication and timely reporting of key issues: Effective and timely communication is a key cornerstone of relationship management, and respondents generally viewed auditor communication positively:

- 77% of all respondents (10) strongly or tended to agree that auditor communications were timely throughout the audit, that auditors could be approached to act as a sounding board when required, and that they informed them of the reason why they were unable to provide an opinion by 27 February 2026. These findings are broadly consistent with the 2023/24 tailored survey, which recorded 76% agreement for the first two statements and 96% for the latter.

- Views were more mixed on how effectively the audit team explained fee variations and maintained a ‘no surprises’ approach, with 61% (8) strongly or tending to agree, compared with 38% (5) who did not.

Auditor’s Annual Report and VfM arrangements: We sought views on the usefulness of Auditor’s Annual Reports and VfM arrangements commentaries in line with the NAO’s Code of Audit Practice requirements:

- 67% of Audit Committee Chairs (2) and 50% of Directors of Finance (5) found the Annual Report very or fairly useful, compared with 69% and 59% respectively in the 2023/24 survey. A further 15% of respondents (2) had not yet received a report, up from 8% in the 2023/24 survey.
- 60% of Directors of Finance (6) found the VfM arrangements commentary very or fairly useful, although 23% of respondents (3) had yet to receive it. This is an improvement on the 2023/24 results (50%). Respondents indicated that clearer, more timely VfM reporting and stronger links to local circumstances would further enhance its value.

Committee meetings: Around 70% of Directors of Finance (7) and 67% of Audit Committee Chairs (2) were satisfied with their auditor’s performance at Audit Committee meetings, broadly in line with the first appointing period average of 73% but lower than last year’s tailored survey results (92% for both roles).

All Audit Committee Chairs (3) reported that the auditor offered to meet at least once without officers being present, an improved position on the 2023/24 tailored survey where only 54% shared this view.

Topical matters: 90% of Directors of Finance (9) and all Audit Committee Chairs (3) reported receiving sufficient information about the overhaul of the local audit system, including the establishment of the Local Audit Office. Overall, 62% of respondents (8) said they received sufficient information about the process of building back assurance. As in the main 2024/25 survey, respondents identified auditors as their main source of information.

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.