

Local audit framework: DLUHC Technical Consultation

Questions

Q1. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 3 and 4 below), do you agree that Category 1 authorities should be required to have published audited accounts for all financial years up to and including financial year 2022/2023 by 30 September 2024? (agree, disagree, unsure)

Do you have any comments on this issue?

Royal Berkshire Fire Authority does not agree with the proposed deadline to have published audited accounts because it has already been stated by our auditors that, in our case, the deadline cannot be met.

Q2. Do you agree that the requirement at Regulation 10(2) for Category 1 authorities to publish a delay notice should be disapplied in relation to any outstanding audits covering financial years 2015/2016 to 2022/2023? (agree, disagree, unsure)

Do you have any comments on this issue?

Royal Berkshire Fire Authority does not agree with the proposal to remove the delay notice to the audit as it does not consider the proposed date of 30 September 2024 for publishing audited accounts to be realistic. In the Authority's case, it gives a misleading impression to the public that that progress in auditing previous years' accounts will be made between now and 30 September 2024.

Q3. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop date of 30 September in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure)

Please explain your response.

Royal Berkshire Fire Authority agrees that such authorities should be exempt from the statutory backstop as this could be critical information that should be in the public domain.

Q4. Do you think there would be any other exceptional circumstances which might create conditions in which it would be appropriate for Category 1 authorities to be exempt from the 30 September backstop date? (agree, disagree, unsure)

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

The question should be directed to the auditors. Where authorities have published unaudited accounts, it will be for the auditors to meet the backstop date, not authorities. Auditors need to be explaining why they need more time if they cannot meet the 30 September backstop date.

Q5. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadline of 30 September 2024? (agree, disagree, unsure)

Please explain your response and, where relevant, include any suggested consequences.

Royal Berkshire Fire Authority has already met the statutory deadline for publishing its unaudited accounts. The Authority disagrees that local bodies that have not had their published accounts audited by 30 September 2024 should be listed. On the whole, the backlog issue is due to a failure of the audit firms to deliver audits on time and should be reported as such.

Q6. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 7 and 8 below), do you agree that Category 1 local authorities should be required to publish audited accounts for financial years 2023/2024 to 2027/2028 by the following dates (agree, disagree, unsure)?

- 2023/24: 31 May 2025
- 2024/25: 31 March 2026
- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028

Do you have any comments on these dates?

Royal Berkshire Fire Authority agrees with the dates for 2024/25 onwards but disagrees with the date for publication of the 2023/24 audited accounts which clashes with the statutory deadline for the publication of the unaudited 2024/25 accounts.

Q7. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop dates for Phase 2 in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure)

Please explain your response.

Royal Berkshire Fire Authority agrees with this proposal as it could be in the public interest for this information to be published.

Q8. Do you think there would be any other exceptional circumstances which might create conditions in which it would appropriate for Category 1 authorities to be exempt from the backstop dates for Phase 2? (agree, disagree, unsure)

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

Royal Berkshire Fire Authority believes the backstop should be disregarded where the auditor has failed to resource the audit.

Q9. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadlines for Phase 2? (agree, disagree, unsure)

Please explain your response and, where relevant, include any suggested consequences.

Royal Berkshire Fire Authority believes that there should not be consequences for local bodies that have published their unaudited accounts by the statutory deadline. There should be consequences for audit firms. Again, the reason for this consultation is due to failure of audit firms to deliver audits in a timely manner.

Q10. The Accounts and Audit Regulations 2015 (regulation 15(1)(a)) currently requires Category 1 local authorities to publish unaudited accounts by the 31 May following the end of the financial year. In light of the proposed deadlines for the publication of audited accounts, do you think the 31 May deadline remains appropriate for financial years 2024/2025 to 2027/2028? (agree, disagree, unsure)

Please explain your response.

Royal Berkshire Fire Authority believes that there should be added flexibility due to the additional workloads that local bodies will face. Currently, all of the flexibility has been provided to the auditors.

Q11. The existing annual deadline for the publication of unaudited accounts is 31 May. As set out above, we are proposing a backstop date for the publication of audited accounts for the financial year 2023/2024 of 31 May 2025. This would mean that 31 May 2025 would be the statutory deadline for both the publication of audited accounts for financial year 2023/2024 and unaudited accounts for financial year 2024/2025. Do you expect this would create any significant issues? (agree, disagree, unsure)

Please explain your response.

Royal Berkshire Fire Authority believes these dates to be wholly unfair to local bodies. The audit firms who are responsible for the backlog will only be responsible for meeting the deadline for the audited accounts whilst local bodies will have to deliver on two fronts.

Q12. The government anticipates that the Phase 1 backstop proposals will result in modified or disclaimed opinions. A modified or disclaimed opinion at the end of Phase 1 would require auditors to subsequently rebuild assurance. The Phase 2 backstop dates are intended to enable this work to be spread across multiple years. Given this additional work, and noting the further explanation at paragraphs 15 to 46 of the Joint Statement, do you have any views on the feasibility of audited accounts being published by the proposed statutory backstop dates for Phase 2?

Royal Berkshire Fire Authority has not seen evidence that there will be sufficient capacity within audit firms to perform the additional work.

Q13. Do you agree that it would be beneficial for the 2015 Regulations be amended so that Category 1 bodies would be under a duty to consider and publish audit letters received from the local auditor whenever they are issued, rather than, as is currently the case, only following the completion of the audit? (agree, disagree, unsure)

Do you have any comments on this issue?

Royal Berkshire Fire Authority does not agree that audit letters should be published until the audit has been completed as they would lack credibility.

Q14. Do you have any comments on whether any of the proposals outlined in this consultation could have a disproportionate impact, either positively or negatively, on people with protected characteristics or wish to highlight any other potential equality impacts?

Royal Berkshire Fire Authority does not have any comments to this question.

Q15. Finally, do you have any further comments on the proposed changes to the 2015 Regulations not covered by the questions so far, including relating to any unintended consequences?

Royal Berkshire Fire Authority does not have any comments to this question.