This supporting information has been prepared to assist the auditor in performing the risk assessment to inform their work on the conclusion on VFM arrangements under Auditor Guidance Note 3 (AGN 03). The supporting information is intended to provide additional sector specific context only. It is NOT part of the statutory guidance and auditors are only required to have regard to the explicit requirements set out in AGN 03.

Auditor Guidance Note 3 (AGN 03) Supporting Information:

General Arrangements

April 2019

This document forms part of the suite of supporting information designed to assist auditors in performing their risk assessment.

The suite of supporting information comprises this document and the following:

Local health bodies

- NHS trusts and Foundation Trusts (FTs)
- Clinical Commissioning Groups

Local government bodies

- Local authorities
- Police and Fire & Rescue bodies
- Combined authorities
- Other local bodies

These documents will be updated from time-to-time to reflect new, significant sector developments, or updates to the statutory guidance. They are designed to help the auditor undertake their risk assessment.

Supporting information does not include organisation-specific information. Accordingly, the issues included are **neither prescriptive nor exhaustive,** and do not substitute for the consideration of local context.

Auditor's risk assessment

AGN 03 identifies the subject matter for the engagement as the audited body's "*arrangements to secure economy, efficiency and effectiveness in its use of resources*". It goes on to state that "*organisations are already required to have arrangements in place to ensure proper governance, resource and risk management, and internal controls, and to report on the design and operation of those arrangements through annual governance statements*". The supporting information for each sector maps the framework for that sector's annual governance statement to the AGN's definition of proper arrangements.

AGN 03 defines the scope of proper arrangements, for the purposes of auditors' work on arrangements to secure VFM, as comprising:

Informed decision making

- Acting in the public interest, through demonstrating and applying the principles and values of sound governance
- Understanding and using appropriate and reliable financial and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management
- Reliable and timely financial reporting that supports the delivery of strategic priorities
- Managing risks effectively and maintaining a sound system of internal control

Sustainable resource deployment

- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions
- Managing and utilising assets effectively to support the delivery of strategic priorities
- Planning, organising and developing the workforce effectively to deliver strategic priorities

Working with partners and other third parties

- Working with third parties effectively to deliver strategic priorities

- Commissioning services effectively to support the delivery of strategic priorities

- Procuring supplies and services effectively to support the delivery of strategic priorities

AGN 03 states that "*auditors should consider the risk of reaching an incorrect conclusion in relation to the overall criterion. However, the level of testing, if any, auditors carry out should be proportionate and consistent with the auditors' risk assessment****".*** It goes on to state that "*An auditor's assessment of what a significant risk is, and the amount of additional audit work required to adequately respond to the risk is, a matter of professional judgement, and is based on their evaluation of the subject matter in question*".

Therefore, rather than considering each of the arrangements in turn to conclude whether there is a risk (and whether that risk is significant), the risk assessment would start with auditors using their judgement and their own knowledge of the audited body and its sector. Then, **only** where those risks are relevant to the proper arrangements as set out above, auditors would document any further work they propose to undertake to mitigate the engagement risk.

Auditors might identify these risk factors through their review of documents such as (but not limited to) the following. This may include the consideration of wider information, the source of which is external to the authority. Such sources could include:

- the annual governance statement;

- board/committee minutes (or equivalent);

- key financial & budget reports;

- internal & external audit reports (including prior year reporting);

- their firm's own intelligence on relevant issues;

- local, national, and specialist media; and

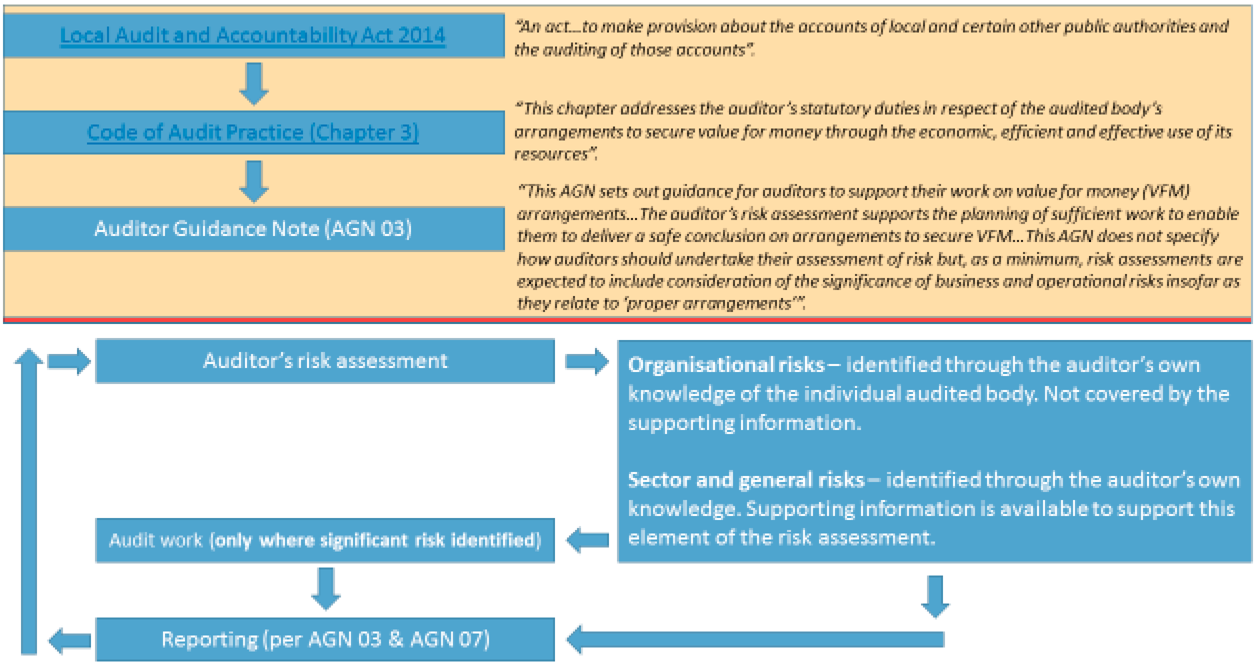
- the auditor's cumulative knowledge of the body.

In this document, and throughout the supporting information, we have provided examples of general risk factors and sector developments that might help auditors undertake their risk assessment. They are **not** intended to prescribe that every example risk factor or sector development listed should be considered at every organisation.

Figure 1 on page 4 provides a summary of how the risk assessment and its supporting information fits beneath the statutory guidance.

Figure 1

Work on VFM arrangements



The highlighted section forms statutory guidance related to the risk assessment. Underneath that is supporting information and the auditor's procedures to inform that risk assessment.

Source: NAO diagram

Potential risk factors to proper arrangements for VFM

This section highlights some of the indicators that could suggest a significant engagement risk when completing the risk assessment. AGN 03 sets out the NAO's expectations in respect of the auditor's risk assessment but does not specify how auditors should undertake their assessment of risk. Accordingly, the below list is intended to be neither prescriptive nor exhaustive and instead is intended to serve as a prompt to auditors of issues that might present a significant risk.

In this context, auditors are reminded of the illustrative significant risks as set out in the AGN:

- *Organisational change and transformation*
- *Significant funding gaps in financial planning*
- *Legislative/policy changes*

- *Repeated financial difficulties, or persistently poor performance*
- *Other sources (where an independent inspectorate or other review agency identifies significant concerns about the quality of services provided)*

In some situations, previously identified weaknesses in arrangements at an audited body may have been such that there appears to be little risk of a qualified arrangements conclusion being incorrect. In these circumstances, auditors are reminded that where an audited body's VFM arrangements were assessed as inadequate in the previous year, it is still appropriate to consider the qualification issues as significant risks, as the auditor will need to undertake sufficient work in these areas to conclude whether or not the matters giving rise to the previous year's qualified conclusion are also relevant to the current year.

Equally, even where an adverse conclusion was issued in the previous year, auditors will also need to satisfy themselves that no further matters have arisen that would need to be considered as significant risks and reflected in the auditor's reporting on VFM arrangements.

Using the supporting information

The supporting information contains material intended to give auditors contextual information and to highlight current developments. Reference to the material, associated publications and reference sources, is not required under AGN 03, but may be helpful to auditors when undertaking their risk assessment.

The auditor's risk assessment: General arrangements

The following section contains contextual information that may be relevant to the body's general arrangements. The material may be helpful to auditors when undertaking their risk assessment. **The examples below are neither prescriptive nor exhaustive.**

Informed decision making

- Absence of a properly constituted and documented governance structure, or non-compliance with the articles of that constitution. The organisation might be at risk of penalty from non-compliance or may make decisions that are not aligned with its objectives or the needs of its customers or service users.
- High/sudden turnover of those charged with governance (TCWG) or key operating personnel, or over-reliance on individuals. The organisation might be unable to respond appropriately to unplanned changes in the composition of key personnel, leading to loss of resources or reduced performance.
- Imbalance in the composition of TCWG between technical and sector experience. The organisation might be unsighted on either the wider environment or the operational activity, in turn leading to reactive rather than strategic decision making.

- Incomplete or inaccurate management information used for decision-making purposes. The organisation might be unaware of or otherwise unprepared for responding to business risks that could materially affect its ability to carry out its functions.

- No evidence of appropriate challenge of the financial position and performance by TCWG, or challenge without any reference to the strategic objectives of the organisation or the key risks faced by the organisation and its environment. For example, as a minimum financial information would normally include outturn against budget and forecasting for the remainder of the period. The organisation might not start or stop activities in time to prevent loss or adverse impact on its customers or service users.

- Lack of effective leadership of TCWG, or its key sub-committees. The organisation might not have a clearly articulated direction, or may fail to respond appropriately to issues, putting the organisation's resources at risk (including opportunity cost).

- TCWG unduly focussed on short term matters or inward-looking. The organisation might expend more resources reacting to issues that could have been prevented with more effective planning and oversight.

- Bodies may need to ensure that any significant decisions about future investment or borrowing plans fully consider the potential for the increased levels of uncertainty that may arise as the UK prepares to leave the European Union. Previously applied parameters applied to scenario planning or sensitivity analysis may need to be revisited.

Sustainable resource deployment

- Absence of an achievable medium-term resource plan that makes appropriate reference to the organisation's position and performance together with consideration of relevant risks. Where such a plan does not exist or is not achieved, the organisation is at increased risk of being unable to deploy its resources sustainably.

- Reduction in surplus or increase in deficit that is either sudden or an ongoing trend, and that is not supported by a viable resource plan. This might be evidenced by depletion of reserves (either planned or unplanned), reallocation of resources to support unbudgeted costs, or unplanned extensions of borrowing. Sustained or excessive budget deficits, where permitted, will limit an organisation's ability to allocate resources strategically and may lead to poorer service outcomes.

- A failure to take full account of the revenue consequences of capital decisions. An organisation that does not budget for both the repayment of borrowing and the finance cost of the debt is likely to experience unbudgeted costs that could lead to a net deficit position.

- Probable future changes in the revenue received or costs incurred by the organisation, either due to internal or external factors, which are not clearly evidenced in the organisation's financial planning. Significant gaps in the financial planning of the organisation could lead to outputs not being realised or outcomes not achieved.

- Significant deterioration in staffing indicators, such as staff survey outcomes, staff turnover, staffing ratios or days lost to sickness, against either historic baselines or comparable bodies. Where significant deterioration in such indicators is apparent it can be a signal that the culture of the organisation is under strain, which could put the organisation's ability to meet its planned objectives at risk.

- Postponement or cancellation of capital investment, or clear deterioration of the carrying value of operational assets, that either is or should be recognised in the statutory accounts, such that the organisation's ability to perform its objectives might be reasonably expected to deteriorate as well. Also, delay in capital investment could affect service provision by "sweating" existing assets beyond their useful life. Where the organisation relies heavily on its property, plant and equipment to deliver services, any decline in availability of those assets below that demanded may well be detrimental to outputs and outcomes.

- Allocation of significant resources to an operational activity or investment that is not fully planned and budgeted or is outside of the scope of the organisation's normal area of operations. Significant investment in an activity that is either inherently risky or is unfamiliar to the organisation increases the likelihood of financial loss.

- Bodies will need to consider, for medium term planning purposes, the potential implications of any uncertainty arising as the UK prepares to leave the EU, and which therefore may also be relevant to the auditor's risk assessment. Authorities may need to revisit their medium-term planning assumptions and revisit their judgements in a number of areas to ensure they remain robust including, for example in relation to:

    - estimates of levels of local economic activity and associated income, for example from business rates;

      future funding streams, particularly for authorities and areas in receipt of significant EU funding. Where an authority identifies that it may be significantly affected by changes to existing funding streams this may constitute a risk. Some of the most common types of EU funding are set out in the LGA publication '2014 – 2020: A guide to EU funding for councils'

      expected returns on investments, either through treasury management functions or from investment properties, especially where a body holds high levels of balances, or is investing in commercial properties, as a strategy for generating future income;

      potential impact on the performance of long-term investments such as pension funds, to assess effect on employer contributions; and

      workforce planning to support sustainable service delivery.

The 2016 Autumn Budget and the Spring 2017 Budget stated that the Government no longer seeks to deliver a surplus in 2019-20. However, it does not necessarily follow that pressure on public spending will decrease and therefore risks around sustainable resource deployment including medium to long term financial planning are unlikely to reduce.

The Autumn 2018 Budget announced a reduction in the forecast for public sector net borrowing from £37.1 billion as announced in the Spring Budget to £25.5 billion. The Office for Budget Responsibility (OBR) and HM Treasury calculations show that compared with the Spring Budget, borrowing is lower in every year of the forecast and falls as a share of GDP from 1.4% in 2019/20 to 0.8% of GDP in 2023-24.

The government's programme to return public finances to balance by the middle of the next decade and to get debt falling as a share of GDP is continuing and as a result, pressure on public spending remains.

Financial Sustainability pressures

The NAO report on the **Financial sustainability of local authorities 2018** published in March 2018 outlines that as part of the drive to reduce the fiscal deficit, successive governments since 2010 have reduced funding for local government in England. Changes in funding arrangements and new pressures on demand have created new opportunities and further pressures for the sector. The report states that local authorities have seen a 49.1% reduction in real terms in government funding and a 28.6% reduction in real terms of local authorities spending power from 2010/11 to 2017/18.

The Ministry of Housing, Communities and Local Government (MHCLG), which has overall responsibilities for local authorities' funding and determines the overall levels of distribution of funding to the sector, views authorities' ability to deliver their statutory services as the defining test of their financial sustainability.

Alongside reductions in funding, local authorities have had to deal with growth in demand for key services as well as absorbing other cost pressures including demands for homelessness services, adult and children's social care. To help manage these pressures, local authorities have protected spending on services such as adult and children's social care where they have significant statutory responsibilities while amounts spent on discretionary areas (for example planning and development) have fallen.

The NAO previously indicated in its 2014 report Financial sustainability of local authorities 2014 that local authorities had coped well financially with funding reductions. However, the 2018 report notes that compared with the situation described then, the financial position of the sector has worsened markedly, particularly for those authorities with social care responsibilities. A combination of reduced funding and higher demand has meant that a growing number of single-tier and county authorities have not managed within their service budgets and have relied on reserves to balance their books. These trends are not financially sustainable over the medium term.

The 2018 report also notes that in February 2018, the statutory financial officer for Northamptonshire County Council issued a section 114 notice, indicating that it was at risk of spending more in the financial year than the resources it had available, which would be unlawful. The authority effectively placed itself in special financial measures in order to ensure that it avoided unlawful expenditure.

The report notes that MHCLG has improved its oversight of the sector's financial sustainability. However, conditions in the sector have worsened and the Department must continue to strengthen its oversight and assurance mechanisms to protect against risks to value for money from financial failure in the sector. It must also set out at the earliest opportunity a long-term financial plan for the sector that includes sufficient funding to address specific service pressures and secure the sector's future financial sustainability.

The NAO also reports in **Financial sustainability of police forces in England and Wales 2018** that the way the Home Office chooses to distribute funding has been ineffective and detached from the changing nature of policing and that the Department cannot be sure overall funding is being directed to the right places.

The report notes that the total police budget for 2018-19 is £12.3 billion, with £8.6 billion being funded by central government. This level of funding represents a 19% reduction in real-terms of total funding from central government and local funding to Police and Crime Commissioners (PCCs) from 2010-11 to 2018-19. The report also concludes that the Home office's light touch approach to overseeing police forces means it does not know if the police system is financially sustainable.

In December 2018, the Home office announced a provisional police funding settlement of up to £14 billion for 2019-20. The Department reported that this amount was £970m more than the previous year and included up to £509m from further council tax flexibility. It is intended that PCCs will receive the following:

- £7.8 billion in general government grants – an increase of £161 million on the previous year's figure; and
- the council tax referendum threshold will be £24 per year for a Band D property. It is reported that if PCCs request an extra £2 a month in contributions from households, this would generate around £510 million in additional funding.

This funding announcement from the Home Office follows that announced by the Chancellor in the Autumn Budget, where it was indicated that funding for counter-terrorism policing will increase by £59 million in 2019-20 to £816 million, £160 million more than was planned at the last Spending Review. In addition, £153 million will be provided to help the police meet increased pensions costs next year which are estimated at around £330 million.

Indicators of Medium Term Financial Planning (MTFP) pressures

Financial sustainability remains a significant risk in local public bodies, and local auditors may wish to consider whether there are any early indicators of potential financial sustainability pressures. Some of these indicators could include:

Budget position
As part of a regime of good budget management, authorities would need to have good oversight of their income and expenditure, much of which would be driven through strict internal control procedures. As part of the review of financial performance for local bodies, auditors may wish to consider if authorities continue to report:

- recurring year on year deficit positions; and
- a pattern of expenditure exceeding income.

Reserves
The level of reserves can be helpful in considering financial sustainability and assessing a body's ability to meet obligations as they fall due; invest in local programmes and infrastructure and continue as a going concern for the foreseeable future. To this end, local auditors may which to consider and report on the following in drawing up their conclusions:

- the level of reserves at the year-end;
- whether the movement in reserves is in accordance with the authority's plan and where there have been unplanned changes in reserves, explanations to support the change and indicate whether the change is a one-off or potentially the beginning of a sustained depletion in reserves; and
- an assessment of how much time it might take to deplete the reserves at the current rate of utilisation by the local body.

Treasury management
Authorities will need to maintain liquidity and have the necessary funds available to operate and meet the needs of the communities they serve. Good treasury management should help authorities manage liquidity and mitigate operational and financial risk, as well as support financial sustainability. Local auditors may, therefore, wish to consider whether the following impact on their risk assessments:

- cash balances at the year-end and the rate of depletion of cash balances;
- whether investments have been called in before their maturity date or there are plans to do so in the short term; and
- whether the authority has a robust treasury management strategy, the absence of which could indicate that the authority is potentially at risk.

Workforce
A good workforce strategy with robust recruitment and retention policies should help promote a stable workforce and consequently, help support financial sustainability. Auditors may wish to consider the extent of staff changes particularly the loss of key staff and leadership as potential indicators of financial sustainability pressures.

Other resources
Local auditors may also wish to consider the results from CIPFA's Resilience Index tool. The Beta Version of the Resilience Index tool was released to finance directors of English councils in December 2018. CIPFA's intention is for the tool to enable authorities to view their position (relative to other bodies) on a range of measures linked to financial risk. The current tool is a test version, with a final version being released later in 2019.

Working with partners and other third parties

Accountability for services cannot be transferred to third parties, and the body's arrangements to monitor the performance and delivery of services, and take action where standards fall, need to be appropriate to the method of delivery.

- An imbalance in partnership working, with one party able to disproportionately direct the culture and outcomes of the partnership. This could in turn lead to additional resources being required to secure partial outcomes, with associated impact on proper arrangements for VFM.

- A lack of clear articulation from the outset on the objectives and performance indicators of partnership working. Without a clear sense of purpose and direction, entities in the partnership may expend more time and money to arrive at the same end benefits.

- Where significant functions are commissioned or contracted out by the organisation, an absent or unfit framework to cover these arrangements would be likely to present a risk of weaknesses to proper arrangements, where those services are material.

- A lack of a clear and documented process for letting, maintaining, and reviewing material contracts that is adhered to in practice. Without this the organisation may end up with less than they budgeted for, pay more than budgeted for the same outputs, or may not achieve the required outcomes.

- A lack of effective review and oversight of significant delegated service provision. If decision makers do not know how effectively services are being delivered, they may fail to take appropriate action to help secure VFM.

- Repeated commissioning from previous service partners without sufficient regard to the market position. While there may be good reasons for maintaining effective partnership arrangements, a default to previous suppliers for each new project may not represent good VFM. Repeat contracting of a monopolistic supplier may both increase the unit cost of the contract and constrain alternative options when the contract is re-let.

- Poor leadership apparent at the commissioned body. Where the audited body has commissioned another body to provide goods or services and is apparent that leadership at the commissioned body is poor, then this may impact on the quality of what the commissioned body supplies and may potentially result in reputational risk to the audited body.

- Where services are contracted out to third parties, or bodies are working in partnership with external organisations to deliver their priorities, bodies may need to consider the potential impact of the UK's planned departure from the EU on the contractor or partner's continuing ability to deliver the specified service over the life of the contract or partnership agreement. Bodies may need to understand the arrangements contractors or partners have put in place to mitigate any risks to service delivery.

Reporting the VFM arrangements conclusion

Under AGN 03, auditors are required to consider and draw their conclusions as part of the annual examination of the accounts, whether they are satisfied that the authority being audited has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

There are a number of characteristics that promote good VFM arrangements conclusions. They include:

- A clear indication of the type of qualification ('adverse' or 'except for');
- Clarity on the auditor's findings and the implications of such findings on the VFM arrangements conclusion;
- Conclusions which provide a helpful context, for example, outlining whether the deficit position reported was a first or part of a worsening cumulative position, and commenting on how the year end position fits with the medium-term financial plans;
- Conclusions that have not only focused on inspectorate or regulator findings in arriving at the VFM arrangements conclusion but have considered other aspects of the local body's operations and performance;
- Conclusions which outline how the inspectorate or regulator rating impacts the VFM arrangements conclusion;
- Conclusions that are supported by a brief description of the work completed by the auditor in arriving at the VFM arrangements conclusion; and
- Conclusions that make clear that actions undertaken by local bodies after the year end have not been considered in arriving at the 31 March VFM arrangements conclusion.

General legal frameworks

AGN 03 sets out the legal and professional framework under which work on VFM arrangements is undertaken. Auditors should have regard to the guidance, together with the Code and supporting legislation, when performing the audit engagement. Auditors may also wish to consider the legal framework relevant to the sector the audited body operates in, as set out in the sector-specific supporting information.

The audited body could be subject to various other pieces of legislation outside of the legal framework relevant to the sector itself; such as employment, company, or charity law. Where the auditor identifies non-compliance with legislation this could have a bearing on the conclusion on VFM arrangements.

Other NAO resources

The NAO regularly produces guidance and best practice on how to secure VFM. The list below summarises some of the publicly available guidance issued by the NAO. Reference to some of these resources might be helpful to auditors when undertaking their risk assessment. Auditors might also wish to make the audited body aware of any resources that they consider may be of interest to the audited body. Auditors are reminded to have regard to the scope of their conclusion and to use their judgement when considering whether a described practice is "good" or "good enough". Auditors remain responsible for identifying resources that are relevant to their client, and accordingly this list is neither prescriptive nor exhaustive. It may be updated from time-to-time.

Cyber security and information risk guidance for Audit Committees: This guidance published in September 2017 complements government advice by setting out high-level questions and issues for audit committees to consider. Government guidance makes it clear that cyber security is now an area of management activity that audit committees should scrutinise. The guidance provides a checklist of questions and issues covering:

- the overall approach to cyber security and risk management;
- capability needed to manage cyber security;
- specific aspects, such as information risk management, network security, user education, incident management, malware protection, monitoring, and home and mobile working; and
- related areas, such as using cloud services and developing new services or technology.

Investigation: WannaCry cyber-attack and the NHS: This report published in October 2017 investigates the NHS's response to the cyber-attack that affected it in May 2017 and the impact on health services. The report focussed on the ransomware attack's impact on the NHS and its patients; why some parts of the NHS were affected; and how DHSC and NHS national bodies responded to the attack. The attack is reported to have been a relatively unsophisticated attack and could have been prevented by the NHS following basic IT security best practice.

Protecting information across government: This report highlights some issues relevant in light of the malware cyber-attack on 12 May 2017. It sets out the increasingly complex challenge of protecting information while re-designing public services and introducing the technology necessary to support them.

Round-up for Audit Committees: This interactive round-up of NAO publications is intended to help Audit Committees, Boards and other users by outlining the latest NAO resources for governance and oversight, risk management and strategic management issues. It also sets out how to keep in touch with NAO insight on specific issues and/or sectors.

Managing conflicts of interest and keeping public trust: This NAO blog, published in August 2017, draws on its investigations to illustrate the different types and consequences of conflicts of interest, and outlines good practice management and how to report a conflict of interest.

Briefing on EU-UK finances: This briefing sets out the financial relationship between the UK and the European Union (EU). It provides the relevant background information about the EU; revenue payments, assets and liabilities; and information on how and where EU payments to the UK are spent.

Delivery Environment Complexity Analytic (DECA): The DECA is a tool developed by the NAO to provide a high-level overview of the challenges, complexity and risks to delivery of a project, programme, policy or area of work. Auditors may find the toolkit helpful if considering audited bodies' arrangements for managing risk.

Due diligence processes for potential donations: This NAO report, published in August 2017, summarises the legal, financial, reputational and dependency risks associated with income from donations.

Use of consultants and temporary staff: This NAO report, published in January 2016, highlights annual spending on consultants and temporary staff has reduced by £1.5 billion since 2010 when strict spending controls were introduced. However, annual spend is now increasing once more and is between £400 million and £600 million higher than in 2011-12.

Toolkit for commissioners of payment by results contracts: This report, supported by an analytical framework for decision-makers, found that payment by results schemes are hard to get right, and are risky and costly for commissioners. It also found that credible evidence for claimed benefits of payment by results is now needed. Auditors may find the framework helpful if they consider it necessary to assess the audited body's arrangements in respect of payment by results contracts.

Public service markets toolkit: This toolkit is designed to guide those overseeing public service markets or assessing the effectiveness of these markets in terms of value for money and user outcomes.

Measured resilience in English authorities: CIPFA released a test version of its resilience index tool to finance directors in December 2018. The tool enables authorities to view their position, relative to other bodies, on a range of measures linked to financial risk. CIPFA has indicated that it will run a series of development workshops with finance directors across the country ahead of the release of the final version of tool later in 2019.

Commercial and contract management - insights and emerging best practice: This interactive publication draws on NAO audits of government contracts and engagement with government to provide practitioners with insights on the new, emerging higher standard for government contracting.

Investigation into the government's handling of the collapse of Carillion: Carillion, a British multinational company that provided facilities management and construction services, declared insolvency in January 2018. At the time of liquidating its assets and contracts, Carillion had over 420 contracts with the UK public sector including direct contracts, sub-contracts, and special purpose vehicles to deliver private finance schemes. These included services for hospitals, schools, the armed forces, prisons and transport. The report covers a number of areas including the government's monitoring of Carillion as a strategic supplier and the contingency planning for Carilion's possible failure.

Departmental Overview - Local authorities This Overview summarises the work of local authorities including what they do, the system of accountability, where they get their funding and spend their money, recent and planned changes, and what to look out for across their main business areas and services.

Local public sector reform: This document summarises the findings of the NAO's work on local public sector reform and identifies sources of help that may be useful to local areas and government departments supporting local public service reform.

The NAO's role in public audit: The NAO has responsibilities within the framework for the audit of local public bodies. This leaflet provides information on the NAO's role and examples of recent VFM work focused on local services.