



National Audit Office

The UK's independent public spending watchdog

Switchboard +44 (0)207 798 7000

Direct Line +44 (0)207 798 7264

Email FOI@nao.org.uk

Reference FOI-1520

Date 11 May 2022

LOCAL AUTHORITY AUDIT DELAYS

Thank you for your email of 10 April 2022, in which you requested information relating to timings and delays in local authority audits. Your specific request is reproduced at Annex A, along with our full response.

Your request is being handled under the terms of the Freedom of Information Act 2000 (FOIA).

While we hold some information in scope of your request, this is being withheld from disclosure under Section 33 (public audit functions) of the FOIA. Details of this exemption, how it applies to your request, and our consideration of the Public Interest Test in relation to it can be found at Annex B.

We hope that the additional information we have provided, about where you might obtain the information you seek, is helpful to you. Annex C sets out the steps you may wish to take if you are not satisfied with the way we have handled your request for information under the FOIA.

Yours sincerely

NAO FOI Team

Annex A

Request for information about timings and delays in local authority audits.

(Your request in italics, NAO response in plain text)

I'm interested in how widespread the delay in Local Authority audits is since my Local Authority still does not have an agreed audit for 2019/20 and hence 2020/21 is still awaiting audit too.

Therefore, under the Freedom of Information Act, can you please provide:

Information on the number of Local Authorities whose 2019/20 audit is still unfinished and those where just the 2020/21 audit is still unfinished.

Can you also provide information of those where 2018/19 or earlier is still outstanding, if there are any.

Can you also provide information of those who have already completed 2020/21.

Can you include in this information, as a minimum, the authority name and type (e.g unitary, county, etc). If possible a brief reason for any delay would also be helpful, if you have it. If you wish you can restrict this to just Unitary, County, and large Town Local Authorities (i.e. those of similar, large, size).

If you do not hold this information then can you point me to where I can find this information (other than FOI request to every council).

I have also asked a question of NAO on the general help line, namely "Is there a legal time limit for how long an audit can be delayed?".

Since I have yet to have this question answered and almost working 20 days have elapsed then please include this additional FOI request too.

Under the Freedom of Information Act, can you please provide any information you have regarding legal time limits for Local Authorities to present an audit, what remedies exist should an audit not be presented within any time limits, and what body or bodies are responsible for ensuring that Local Authorities comply with any time limits, plus if you have them, contact details for this body or bodies.

NAO response

We can confirm that we hold some information in scope of your request, though this is not comprehensive. We consider the information we do hold to be exempt from disclosure under Section 33 (public audit functions) of the FOIA. Please see Annex B for details of this exemption.

In our previous response to you on 11 April 2022, we addressed your latter point, about legal time limits and the remedies that exist for audits that are not governed by specific timescales. We refer to correspondence, reference GF 1012 21.

Although we are unable to supply you with the information you requested, we contacted Public Sector Audit Appointments (PSAA), the owners of the information, to ask if they would be able to supply you with all the details. PSAA have confirmed that they can provide you with most of the information you requested, so you would not need to submit a formal FOI request to obtain the information they hold.

You should send your request to the following email address: generalenquiries@psaa.co.uk. This will ensure it is received by the appropriate team and handled properly.

Annex B

Details of the exemption we have applied to your request

Section 33 Freedom of Information Act 2000 – Public Audit

Section 33 of the Freedom of Information Act 2000 (FOIA) provides that:

33.-(1) This section applies to any public authority which has functions in relation to—

(a) the audit of the accounts of other public authorities, or

(b) the examination of the economy, efficiency and effectiveness with which other public authorities use their resources in discharging their functions.

(2) Information held by a public authority to which this section applies is exempt information if its disclosure would, or would be likely to, prejudice the exercise of any of the authority's functions in relation to any of the matters referred to in subsection (1).

(3) The duty to confirm or deny does not arise in relation to a public authority to which this section applies if, or to the extent that, compliance with section 1(1)(a) would, or would be likely to, prejudice the exercise of any of the authority's functions in relation to any of the matters referred to in subsection (1).

Reasons why we have applied this exemption:

The National Audit Office (NAO) is a public body for the purposes of Section 33 and has received information sought by this request in the exercise of functions falling within Section 33(1).

We have applied the Section 33 exemption to information we hold in scope of your request because we consider it is critically important to an effective audit process. We require a safe space to gather information and knowledge and engage in a free and frank way with audited bodies and other organisations to conduct our audits. Much of the information we obtain is volunteered to us by the various bodies and people. They would be reluctant to exchange information and views and engage with us if people thought audit information would be released subsequently. It would delay and diminish the audit process.

This would impact adversely on the conduct, cost, and effectiveness of public audit. Therefore, we consider disclosing this information would be likely to prejudice the exercise of the NAO's functions as set out in the National Audit Act 1983. For this reason, we have applied the public audit exemption available under Section 33(2) of FOIA.

Reasons why the public interest in maintaining the exclusion outweighs the public interest in disclosing the information in this case:

The NAO is independent of government and scrutinises public spending on behalf of Parliament. Our work serves the public interest by helping Parliament hold government to account, providing transparency on matters of public interest and driving improvement in the use of public resources.

We recognise that there is a public interest in knowing the use of public money is subject to appropriate levels of accountability and transparency, delivered through an effective audit function. However, we consider that disclosure of sensitive audit evidence supplied to the NAO by departments and other organisations in pursuit of our statutory functions and beyond that published in our reports would impair the audit process for the reasons set out above.

In this instance the NAO has reported publicly on the issues you raise: [Timeliness of local auditor reporting on local government in England, 2020](#), which has been published on our website. This report formed the basis of an inquiry at the Public Accounts Committee (PAC) and following this the PAC published its own report. The government has since responded to the PAC report through the publication of a Treasury Minute. All of this information has been published on the PAC website [here](#). The NAO's work puts information into the public domain and helps Parliament hold government to account. In our view, the balance of public interest rests with the NAO being able to deliver an effective and efficient public audit function and report our findings in public.

Consequently, given the negative impact that would result from disclosure, we consider it appropriate to maintain the Section 33 public audit exemption.

Annex C

Statement of Policy

Our policy is to respond to requests made under the Freedom of Information Act 2000 as helpfully and promptly as possible, having regard to the principles set out in the Act. I therefore hope you are happy with the way we have handled your request. If you are not, then you should take the following steps.

In the first instance, within 40 working days, write to the National Audit Office Freedom of Information (FOI) Team at FOI.requests@nao.org.uk or by post to:

FOI Team, Green 2, National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP

The Head of FOI will arrange a review, which will be conducted by a senior member of staff who was not involved in decisions relating to your original request. Once the review has been completed, we will write informing you of the outcome.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

<https://ico.org.uk/>

or