



Supplementary Guidance Note (SGN) 04

Considering the impacts of the general election on 4 July 2024

Version issued on: 19 June 2024

About Supplementary Guidance Notes

Supplementary Guidance Notes (SGNs) are prepared and published by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (C&AG) who has power to issue guidance to auditors under Schedule 6 paragraph 9 of the Local Audit and Accountability Act 2014 (the Act).

SGNs are prepared and published when the C&AG wishes to address a particular issue, including setting out what the C&AG considers to be best professional practice in relation to that issue, having regard to the principles of proportionality and efficiency embodied by Chapter One of the 2020 Code of Audit Practice. SGNs are part of the full suite of Auditor Guidance Notes (AGNs) which as such constitute guidance to which local auditors must have regard under Section 20(6) of the Act. The guidance in SGNs supports auditors in meeting their requirements under the Act and the [Code of Audit Practice](#) published by the NAO on behalf of the C&AG.

The NAO also issues Weekly Auditor Communications (WACs) to local auditors to bring to their attention relevant information to support them in carrying out audit work. The firms that are local auditors under the Act may use WACs to update their own internal communications and reference tools.

SGNs are numbered sequentially and published on the NAO's website. Any new or revised SGNs are brought to the attention of local auditors through the WACs.

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The SGNs are designed to assist local auditors in forming their own understanding of the requirements of the Code. Auditors are required to have regard to SGNs, which means that they must take into account the guidance issued by the NAO, and, if they decide not to follow it, they must give clear (in the sense of objective, proper, and legitimate) reasons within audit documentation as to why they have not followed the guidance. SGNs are in no way intended as a substitute for the exercise of the independent professional skill and judgement of a local auditor in deciding how to apply the NAO's guidance or when providing explanations as to why guidance has not been followed.

Local auditors should not assume that SGNs are comprehensive or that they will provide a definitive answer in every case.



This Supplementary Guidance Note is relevant to all local auditors of local public bodies covered by the Local Audit and Accountability Act 2014 and the [Code of Audit Practice](#) (the Code) including auditors of NHS foundation trusts but except for auditors of smaller authorities. Guidance on auditors' work on value for money arrangements is published in AGN 03, considerations when exercising additional powers is published in AGN 04 and reporting is published in AGN 07.

Introduction and context

This SGN has been issued to provide additional guidance to support external auditors after the Prime Minister's announcement that a general election will be held on 4 July 2024.

Nothing in this SGN should be seen to prejudice or anticipate future government policy or Parliament's decision making.

Considering the impacts of the general election on 4 July 2024

1. Auditors will be aware that on 22 May, the Prime Minister called a general election for 4 July. As a result, Parliament was dissolved on 30 May. This means that the proposals consulted upon by the NAO and DLUHC respectively for changes to the Code of Audit Practice and the introduction of statutory publication deadlines for audited accounts ('backstop' dates) cannot proceed until a new Parliament is formed and the new government has had the opportunity to consider whether it wishes to proceed with the proposals.
2. Until then, auditors should continue to follow the current Code of Audit Practice. Where auditors are planning to complete audits, they should continue to make every effort to do so and as soon as possible.
3. As information on the new government's policy for local audit in England becomes available the C&AG will keep the need for further guidance under review. He will also consider the timetable for a new Code of Audit Practice which will have to be in place by March 2025 as the current Code reaches the end of its five-year life.
4. Until the new government has a policy position on the future of local audit in England it is not possible to provide any further clarity to auditors on next steps above and beyond what is set out in this SGN.

Other Support and Raising Technical Issues or Queries on this SGN

5. Auditors in firms should raise queries within the firm, in the first instance, so that the relevant technical support service can consider whether to refer queries to the NAO's Local Audit Code and Guidance (LACG) team by e-mailing LACG.queries@nao.org.uk.
6. Information supporting auditors is available on the LACG extranet. This includes details of third-party reports and information. Copies of referenced third party information and service auditor reports will also be available on the LACG extranet following issue. Updates will be communicated through the Weekly Auditor Communication (WAC). If there is a need for further statutory guidance during the year, the NAO may issue an addendum to this SGN.



7. The NAO also engages with the firms through its Local Auditors Advisory Group (LAAG) and supporting technical networks to consider any emerging regime-wide technical issues on a timely basis. Auditors should follow their in-house arrangements for bringing significant emerging issues to the attention of their supplier's representative on LAAG or the relevant technical network.