

Addressing the local audit backlog in England: DLUHC Consultation

1. 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?

Not relevant to Tonbridge and Malling Borough Council as accounts up to and including 2022/23 have been Audited and Published.

2. 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

Please explain your response

Not relevant to Tonbridge and Malling Borough Council as accounts up to and including 2022/23 have been Audited and Published.

3. 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

Not relevant to Tonbridge and Malling Borough Council as accounts up to and including 2022/23 have been Audited and Published.

4. 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.

Not relevant to Tonbridge and Malling Borough Council as accounts up to and including 2022/23 have been Audited and Published.

5. 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?

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agree
 disagree
 unsure

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

Not relevant to Tonbridge and Malling Borough Council as accounts up to and including 2022/23 have been Audited and Published.

6. 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?

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

agree
 disagree
 unsure

Do you have any comments on these dates?

7. 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

8. 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

9. 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

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

Where the delay in the accounts sign off have been a result of poor management or resourcing on either party, I would expect the Authority or Auditors to be named and the Section 151 officer or Engagement Lead to provide the reasons for the delay.

If the delay is as a result of poor management on the case of the Auditor financial rebates should be awarded to the Local Authority, if it is the failure of the Local Authority additional charges can be rendered onto the Authority.

10. 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

Given that the delays in Audit are placing significant pressure on the Local Authority Staff preparing the accounts and associated working papers, phasing of additional time, in line with the Redman proposals to allow unaudited accounts to be published no later than 30 June should be implemented.

11. 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

As previously explained given the pressure and workload on Local Authority Staff additional time should be given for the preparation of the 2024/25 accounts, therefore a suggested date of 31 July for unaudited statements for 2024/25 would be more appropriate with move to 30 June each year after

12. 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?

Please respond in the free text box below

Whilst the explanation is welcome, for those who are completing the 2023/24 accounts in a timely manner the changes on asset and pensions have come too late where valuers and actuaries have been engaged and are progressing on previously issued guidance.

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13. 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?

14. 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?

None at present

15. 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?

Where possible, please limit your response to 500 words