

Local Government Update

FRAB

24 November 2022

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Local Audit Time Analysis of Percentage Completions

(as at 30 September
2022)

Source:
Public Sector Audit
Appointments Audit
Contract Monitoring
Report

| Audit year | Publication date | Number of opted in bodies | Percentage audits complete by publication date | Number of audits outstanding per financial year |
|-------------------|-------------------------|----------------------------------|---|--|
| 2020/21 | 30 September | 474 | 9% | 168 |
| 2019/20 | 30 November | 478 | 45% | 45 |
| 2018/19 | 31 July | 486 | 57% | 11 |
| 2017/18 | 31 July | 494 | 87% | 3 |
| 2016/17 | 30 September | 497 | 95% | 1 |
| 2015/16 | 30 September | 497 | 97% | 1 |

Local Audit: Recent Events

FRC : Appointment Neil Harris at FRC: First Director of Local Audit

PSAA: October Public Sector Audit Appointments Ltd (PSAA) announced the outcome of its procurement of audit services for the 470 local government, police and fire bodies (99% of eligible local bodies)

Offered contracts to six suppliers:

- Retained the services of three existing suppliers,
- One former supplier
- Two new suppliers

Scale of the contracts varies widely depending upon the capacity which each supplier is able to provide

Public Audit Forum Practice Note 10, *Audit of financial statements of public sector bodies in the United Kingdom*: Not just local audit but important impact for the public sector as a whole consultation closed and particularly changes for materiality

Performance Tracker 2022 - Public services after two years of Covid - Recommendations

Workforce
shortages

Backlogs

Collaboration

Data

Key lessons from the 2010s: austerity in public services

Fragility

• Cuts harder to deliver

Resources

• Staff cuts and pay not viable

Investment

• Capital spend and prevention

Efficiencies

• Sustainable efficiencies

Direction

• Time to assess options

Local Government Financial Resilience

No plan for long term financial sustainability

No change to settlement or statutory obligations

Inflation resulting in funding gaps

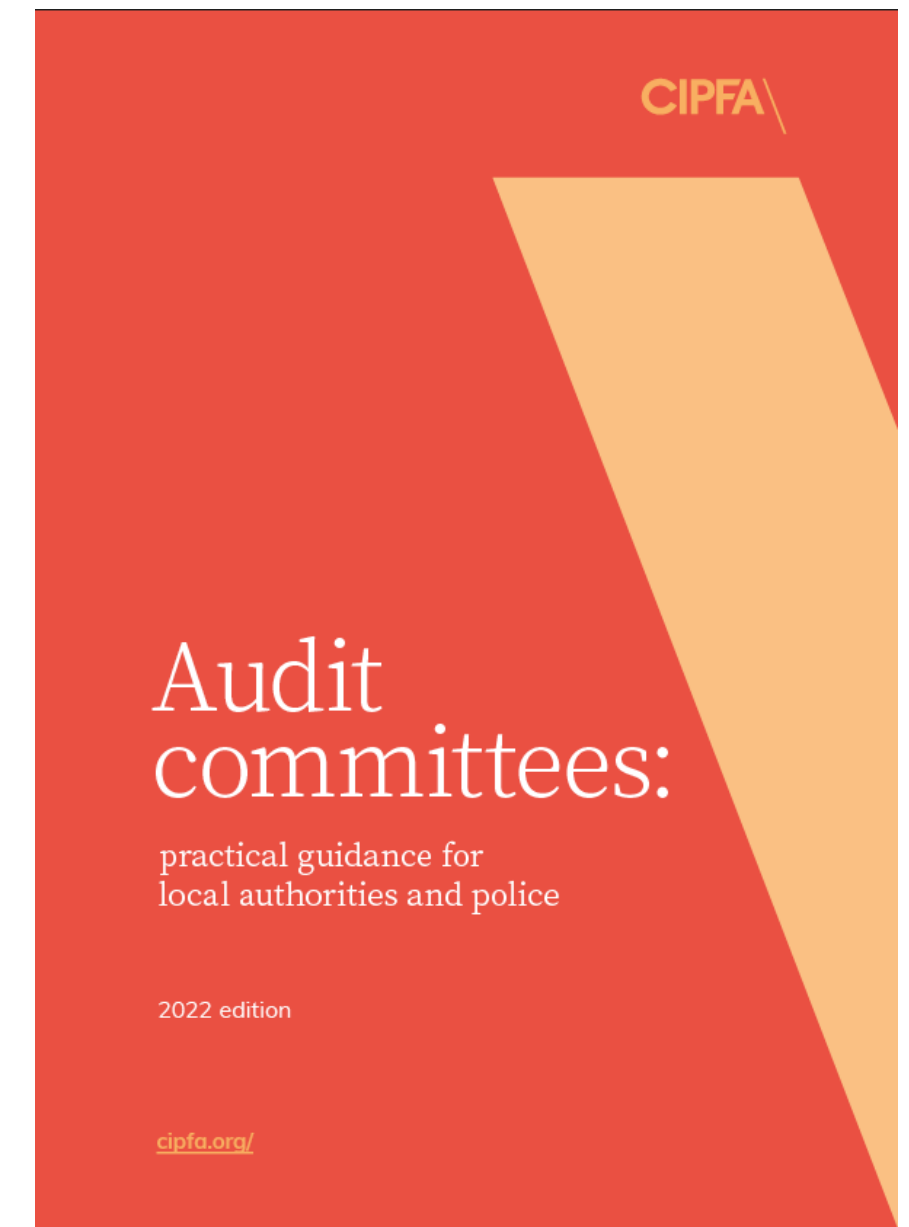
Growth in demand

Key messages from recent Local Government governance failures

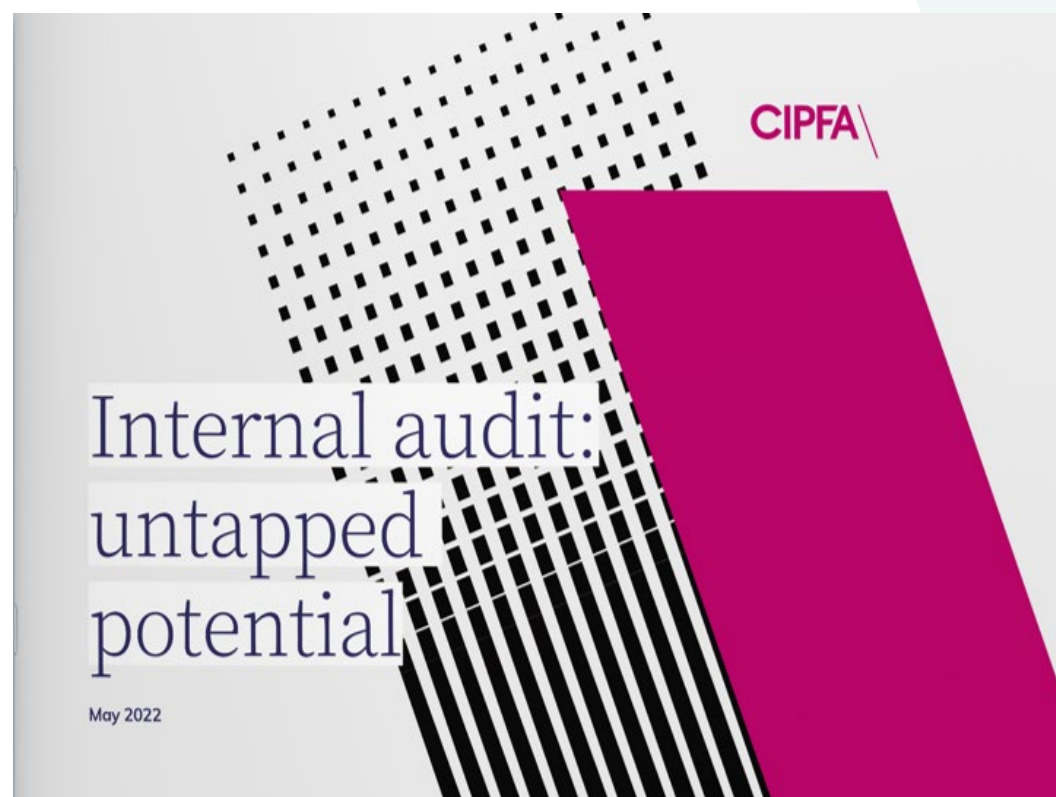
- absence of the right **culture and understanding of the Nolan Principles**
- need for **greater transparency** in decision making
- need for more effective **risk management**
- **weakness in challenge** via audit committees or scrutiny
- **lack of capacity** and expertise for operating in specific markets
- **lack of time** for considered challenge
- the need for **more effective capability** in commercial skills
- lack of **effective leadership**

Audit Committees Position Statement and supporting publication

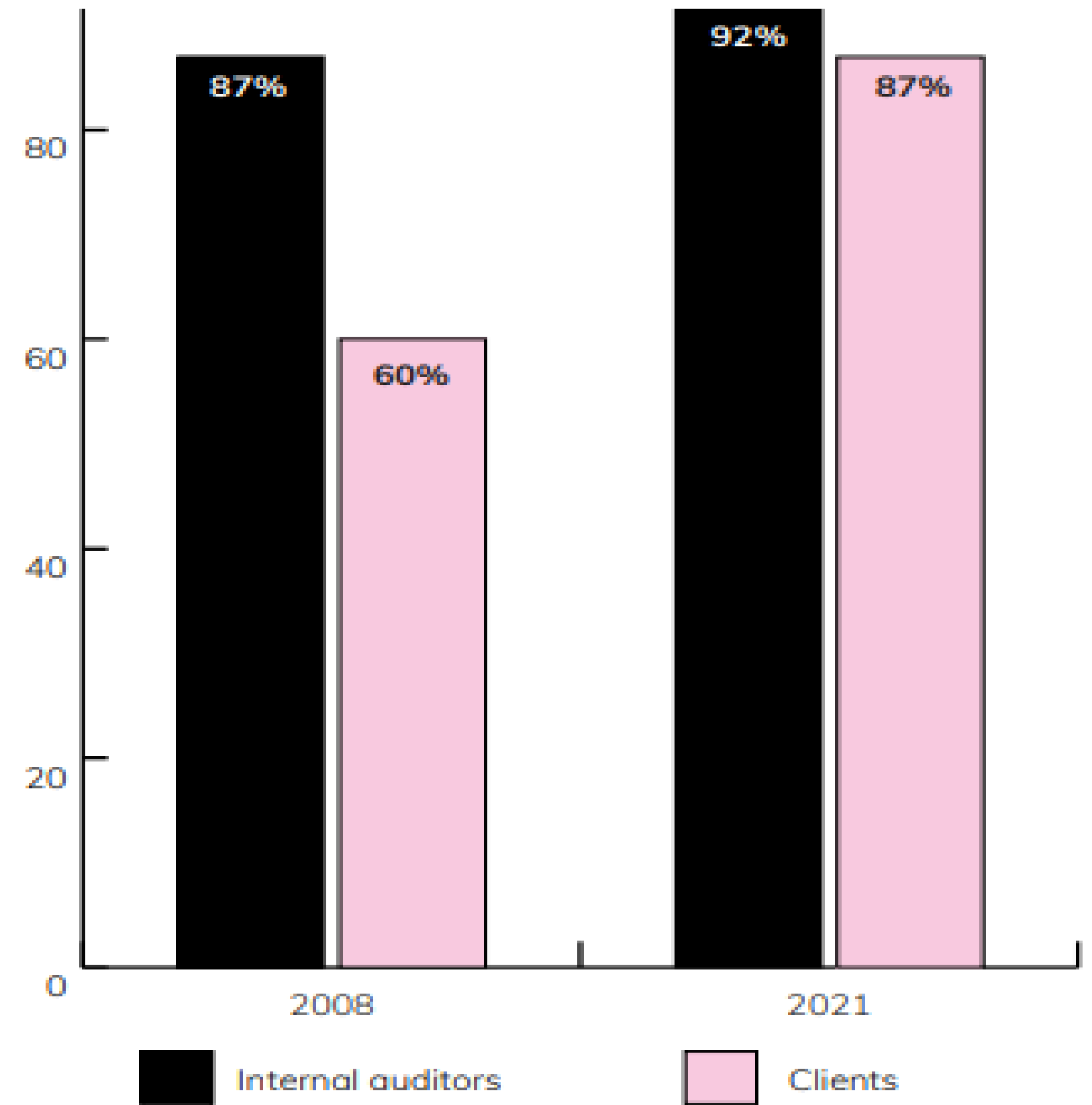
- New Position Statement on Audit Committees in Local Authorities and Police
 - Issued April 2022 - [download the statement](#)
 - Additional resource: [The audit committee and organisational effectiveness in policing](#)
- New supporting publication, October 2022
 - [Details](#)



Internal Audit - research report



- Strong respect from clients and audit committees
- Broad range of audit services
- Good awareness of opportunities and future needs
- Satisfaction of auditing in the public services



Respondents agreeing or strongly agreeing with the statement: the contribution internal audit makes supports the management of the organisation.

Preventing Corruption: Compendium of Global Case Studies

A selection of best practices and global case studies focusing on tackling fraud and preventing the vicious circle of corruption, segmented into nine key areas.

Entire compendium focuses on **positive** case studies, highlighting creative, innovative, and most importantly **real world** examples of corruption prevention initiatives.

Digital only, to be regularly updated and revised in the future.

Complement the Institute's fraud and anti-corruption work, including:

- Investigation Training;
- Investigation Apprenticeship Programme; and
- International Corruption Prevention Programme and Qualification (*in development*).

To be translated in French and Spanish, a first for the Institute, in-line with planned pilot countries for the new International Corruption Prevention Programme and Qualification.

Preventing Corruption: A Compendium of Global Case Studies



Nine key topics

Civil society and social media
 Conflicts of interest
 Corruption risk assessment
 Culture change
 Investigation, prosecution and deterrence
 Prevention strategies
 Role of technology
 Training and mentoring
 Whistleblowing

<https://www.cipfa.org/services/cipfa%20solutions/fraud%20and%20corruption/preventing%20corruption%20a%20compendium%20of%20global%20case%20studies>

Helpful Links

Anti-Corruption Cases Studies

A selection of best practices and [global case studies](#) focusing on tackling fraud and preventing the vicious circle of corruption

Financial Resilience

The report [Learning lessons: what Section 114](#) can teach us explores Section 114 notices as well as common trends and themes around financial management and governance in local authorities

Financial Management Code

[Implementation of the financial management code](#) is a Civica sponsored insight into the implementation and strengthening of financial management via CIPFA's Financial Management Code.

Performance Tracker

The [Performance Tracker](#) assesses how English public services have coped with the aftermath of the pandemic and the outlook for the remainder of this Parliament.