



Ministry of Housing, Communities & Local Government

Chris Jones

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**Ministry of Housing, Communities and
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By email

Local Audit Liaison Committee Members

Dear Committee members,

Formal notification of closure of the Local Audit Liaison Committee

I would like to extend my warmest thanks to members of the Local Audit Liaison Committee (LALC) for your hard work and participation in the Committee since its inception in July 2021, and also to the Financial Reporting Council (FRC) for the leadership it provided as chair, through what has been a time of great change and challenge for the sector.

The government set out its approach to local audit in its [Strategy for Local Audit Reform](#) in December 2024. Since then, we have provided further details in the [outcome to the consultation](#), published 9 April this year. The documents set out a clear purpose for local audit and its users, proposals for simplified and proportionate financial reporting, improvements to the market's capacity and capability, and ways to build strong relationships between local bodies and auditors. We will also establish a new arms-length body, the Local Audit Office (LAO), which will combine functions from across the system and oversee local audit.

MHCLG's Accounting Officer and the FRC agreed in February that the shadow system leadership role that the FRC had been performing would cease with immediate effect, and secretariat and chairing responsibilities for LALC would return to MHCLG.

MHCLG has now established the Local Audit System Transition Board (the Transition Board) to provide advice and challenge to support the department to manage the transition to the reformed local audit system, as well as oversight of the build-back work. All members of LALC are represented on at least the board, and all functions of the committee that remain relevant are carried out by either the new board or other governance arrangements in the department.

Given these developments, I am writing to formally notify you that the department is closing the Local Audit Liaison Committee. This letter will be published on the current

GOV.UK page for the committee, which will be updated to confirm LALC has been discontinued and provide links to the Local Audit Reform Strategy.

Thank you for your continued engagement throughout this process, and please do reach out to the Local Audit Reform Team if you have any questions. I look forward to continuing to work with you all as we implement the government's vision for a reformed audit system.

Yours sincerely,

CHRIS JONES

A handwritten signature in grey ink, appearing to read 'Chris Jones', with a stylized flourish at the end.