



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-1720

Date 30 May 2024

AUDIT DATA ON LOCAL AUTHORITIES

Thank you for your email request of 9th May 2024 requesting audit data information on local authorities from the National Audit Office (NAO). Your request has been considered under the terms of the Freedom of Information Act 2000 (FOIA).

The FOIA provides a legal right of access to recorded information held by a public authority, but it is subject to certain exemptions that may apply. While we hold some information within the scope of your request, we consider that information to be exempt from disclosure under **Section 33** (Public Audit Functions) of the FOIA.

Your original request has been reproduced in **Annex A** for your reference along with our responses. **Annex B** provides a full explanation of the Section 33 exemption, how it applies to your request and our consideration of the public interest test.

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 FOIA.

I am sorry we are not able to share all the information that you requested on this occasion but hope the information we have provided to your questions have been of some assistance.

Yours sincerely,

NAO FOI Team

Annex A

Request for information regarding audit data on local authorities

(Your request is in italics below)

Dear NAO team,

I hope this message finds you well.

I am writing on behalf of The Audit Reform Lab, a collective of academics, consultants, and activists based within the Centre for Research on Accounting and Finance in Context (CRAFIC) at the University of Sheffield. Led by Professor, we aim to advance audit reform through rigorous academic research, investigative insights, and strategic engagement with media and policymakers.

As part of our current research project, we are investigating local authority audits. We have come across the comprehensive overview of audit reports for local public bodies available on your website (<https://www.nao.org.uk/overviews/find-a-local-public-bodys-audit-report/>) and found it to be highly informative.

To enhance our research, we kindly request your assistance in providing data on the following, if available as a CSV file:

1. The total number of local authorities, clearly indicating which had their accounts signed off in a particular year and which did not.

Local authorities are not required to provide the NAO with this information, and we also do not monitor this on a regular basis. [Public Sector Audit Appointments Ltd](#) (PSAA) is the responsible body for appointing auditors to most local authorities. While PSAA do share some data with us, we consider this information to be exempt from disclosure under **Section 33** – (Public Audit Functions). Please refer to **Annex B** which provides a full explanation of the Section 33 exemption.

I would suggest contacting PSAA as they may be better placed to provide a more comprehensive response to your request. More information on how to contact them can be found here: [Contact us - PSAA](#).

2. The external audit firms responsible for each local authority's audit.

The NAO does not hold this information as this is outside of our remit. The external audit firms and the engagement leads responsible for audits as appointed by PSAA is available on their website. More information can be found here [Appointing auditors and setting fees - PSAA](#).

Any auditors' details for authorities who have 'opted out' of this arrangement should be available from the authority concerned. PSAA may also be able to help by providing an up-to-date list of authorities who have 'opted out' if you contact them directly with your request.

3. The name of the audit partner (if possible) for each local authority.

Please refer to our response to Question 2 which also covers this point.

4. Audit fees paid annually by each local authority.

Information relating to audit fees for auditors appointed by PSAA again can be found on their website. Please refer to [2023/24 scale of fees - PSAA](#).

5. A summary of the opinions issued (financial statements, value for money, and exceptional powers).

Any summarised data we hold is available on the [local public body's audit reporting tool](#) on our website. The tool also allows you to access a .csv file which summarises the geographical information in a tabular format.

- ***Additionally, any clarification regarding the missing data in your database and map would be greatly appreciated.***

Auditors have no statutory duty to provide the NAO with copies of the opinions and annual reports they issue. Missing data will most likely be due to either audit firms not having provided us with a copy of the opinion/annual report at the time the tool was last updated, or because the opinion and/or annual report had not yet been issued. The accuracy of the tool is therefore reliant on auditors forwarding documents to us once they have been issued.

We also do not routinely record data relating to outstanding audits as this falls outside of our remit. Our tool is updated periodically, so any further audit reports received since will not reflect on the tool until the next update. The current backlog in local audit means periodic updates to the tool have been less frequent. You can request missing information from PSAA who may be able to help cover any gaps in data.

- ***We would prefer data covering at least back to the 2016-17 financial year (post-Audit Commission), but any available pre-2016 data would also be of interest.***

With regards to data going back pre-2016, you may find some helpful information on the archived website of the Audit Commission which was abolished in 2015. We have provided some useful links below which may be helpful.

[\[ARCHIVED CONTENT\] Audit Commission | Protecting the public purse \(nationalarchives.gov.uk\)](#)

[\[ARCHIVED CONTENT\] Audit Commission \(nationalarchives.gov.uk\)](#) – 2004/05 to 2006/07

[\[ARCHIVED CONTENT\] Find an organisation - Audit Commission \(nationalarchives.gov.uk\)](#) – contains information up to 2010/11

Annex B

This annex sets out the exemption that we have applied to your request.

Section 33 Freedom of Information Act 2000 – Public Audit

Section 33 of the FOIA provides that:

(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).

Reasons why we have applied the Section 33 exemption:

We have applied Section 33 exemption to some of the information we hold within the scope of your request, namely any local audit data provided by Public Sector Audit Appointment (PSAA). This information was provided by PSAA in confidence, and we believe that disclosing this information under the FOI Act would be likely to prejudice the effective performance of our public audit functions going forward and therefore we have applied Section 33 exemption to your request.

The audit process is enhanced significantly by audited bodies or third-party entities responding promptly to information requests and/or volunteering information to support a constructive, timely and effective audit. Disclosure by the NAO of sensitive information beyond that required for audit reporting purposes would impair the provision of audit information in the future. It would reduce, if not cut off, critical information flows. It would also incentivise audited bodies to take a minimalist approach to NAO information requests or, in the case of

bodies whose engagement is optional, serve to discourage such information sharing altogether.

An effective, efficient audit is supported through an open and constructive approach between the NAO and the audited body. As such it is critically important that we have a safe space to gather information and knowledge and can engage in a free and frank way with audited bodies. The release of this information would remove this safe space - precipitating a backdrop of increased challenge and procedure around requests for audit information. This would require the NAO to formally assert our statutory access rights more frequently and potentially seek to enforce them, leading to significant delay, escalation of issues and increased audit costs.

Section 17(3) of the Budget Responsibility and National Audit Act 2011 places a duty on the C&AG to “aim to carry out functions effectively and cost effectively”. Given the above factors, we consider that our disclosure of the information requested would be at odds with this statutory requirement – it would serve to undermine the effectiveness and increase the cost of the C&AG’s public audit functions.

For the reasons set out above, we consider it appropriate to apply the public audit exemption available under Section 33(2) of the 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 providing transparency on matters of public interest and driving improvement in the use of public resources.

We recognise there is a public interest in knowing the use of public money is subject to appropriate levels of accountability and transparency. However, we consider the disclosure of the specific information we have withheld would be likely to reduce the effectiveness of the audit process for the reasons set out above.

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@nao.org.uk or by post to:

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

The FOI and Correspondence Manager 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 primary way of escalating your concerns to the Information Commissioner is at: www.ico.org.uk/foicomplaints

Alternatively, you can contact the ICO at <https://ico.org.uk/> or Information Commissioner’s Office Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF.