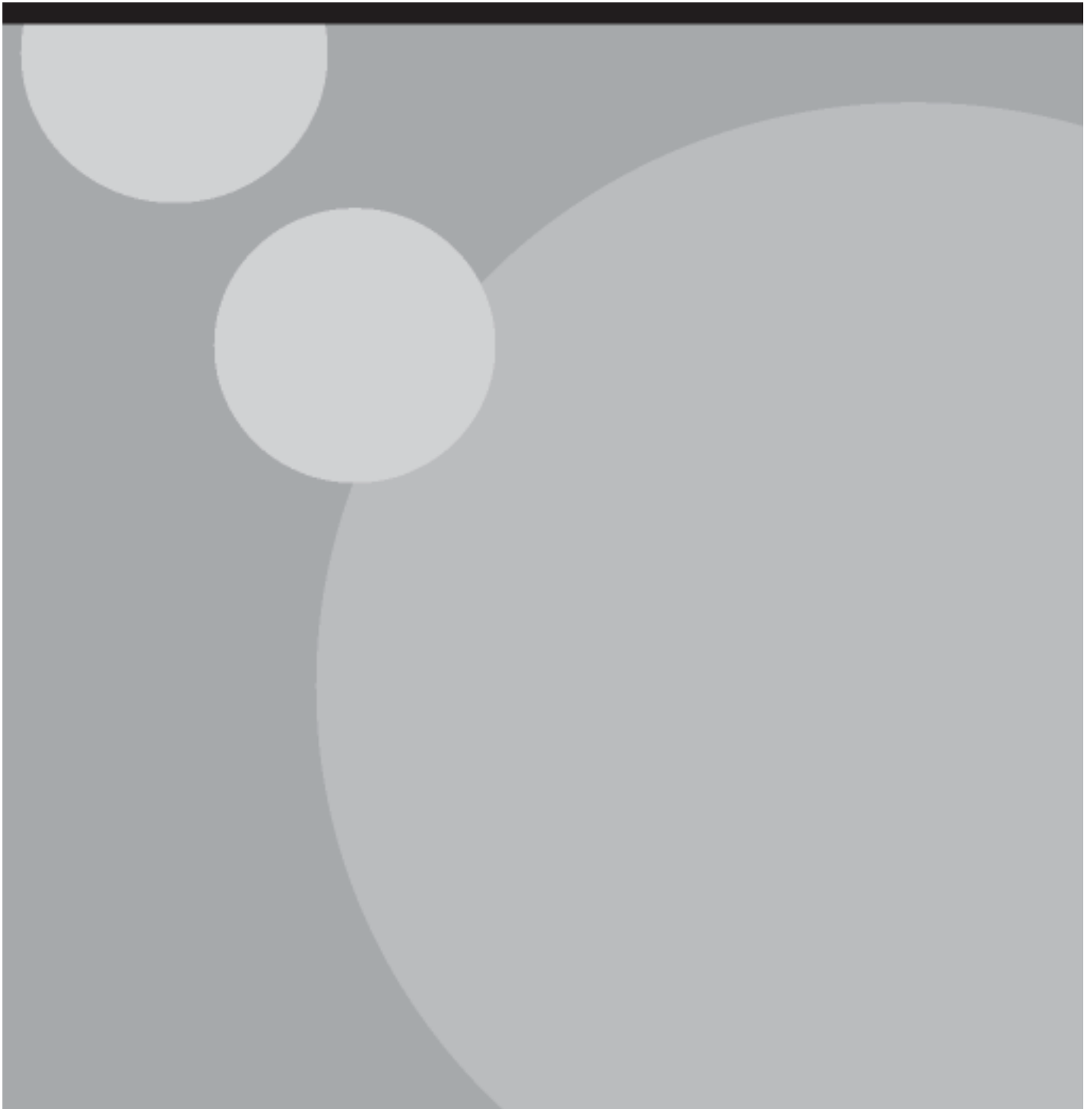




Future of local public audit - consultation

Summary of responses



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SECTION 1

Introduction

- 1.1 On 13 August 2010, the Secretary of State for Communities and Local Government announced plans to disband the Audit Commission, transfer the work of the Audit Commission's in-house practice into the private sector and put in place a new local audit framework. Local authorities would be free to appoint their own independent external auditors and there would be a new audit framework for local health bodies. A new decentralised audit regime would be established and council and local health bodies would still be subject to robust auditing.
- 1.2 In March 2011, the Government published the *Future of local public audit* consultation paper seeking views on plans for how the new local audit framework could work following the disbandment of the Audit Commission. These proposals were developed by the Department for Communities and Local Government following discussion with a wide range of partners and bodies that would be affected by the changes. These included the Audit Commission, the National Audit Office, the Financial Reporting Council, accountancy professional bodies, local government, other local public bodies and Government departments with an interest.
- 1.3 The consultation paper set these proposals within the context that the current arrangements for local public audit, whereby a single organisation is the regulator, commissioner and provider of local audit services is unnecessarily centralised, and that there is a lack of transparency and clarity as well as potential conflicts between the role.
- 1.4 The proposals in the consultation paper built on the statutory arrangements and professional ethical and technical standards that currently apply in the companies sector with adaptations to ensure that the principles of public sector audit are maintained.
- 1.5 This summarises the responses received to the consultation, and is being published alongside the Government's Response to the consultation.

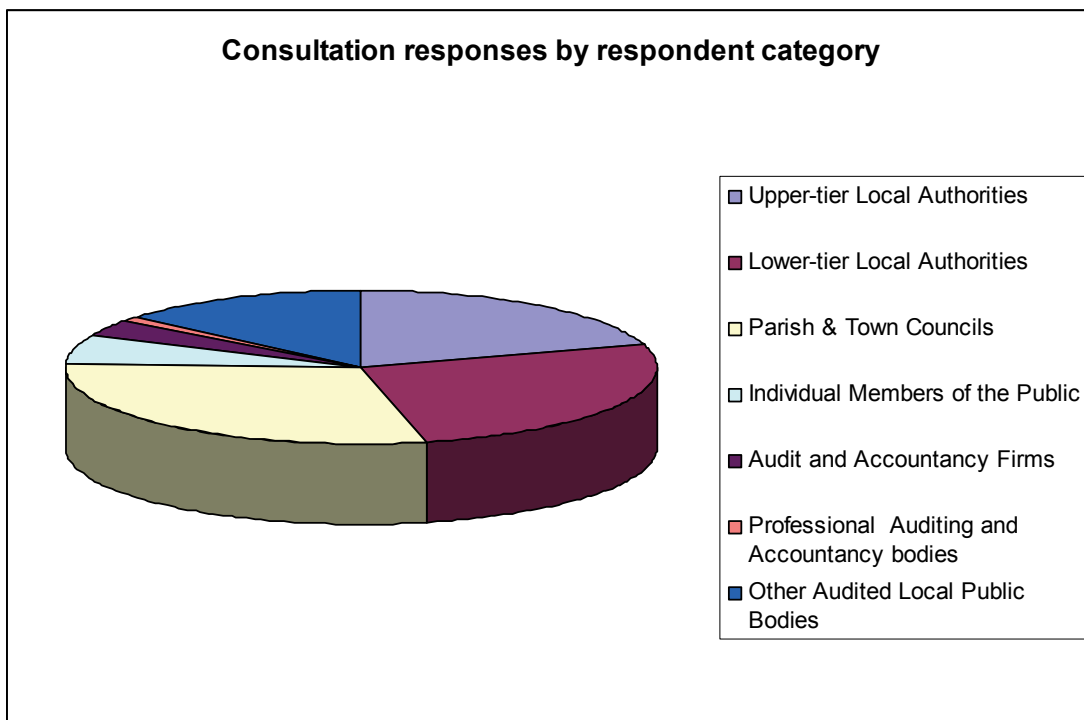
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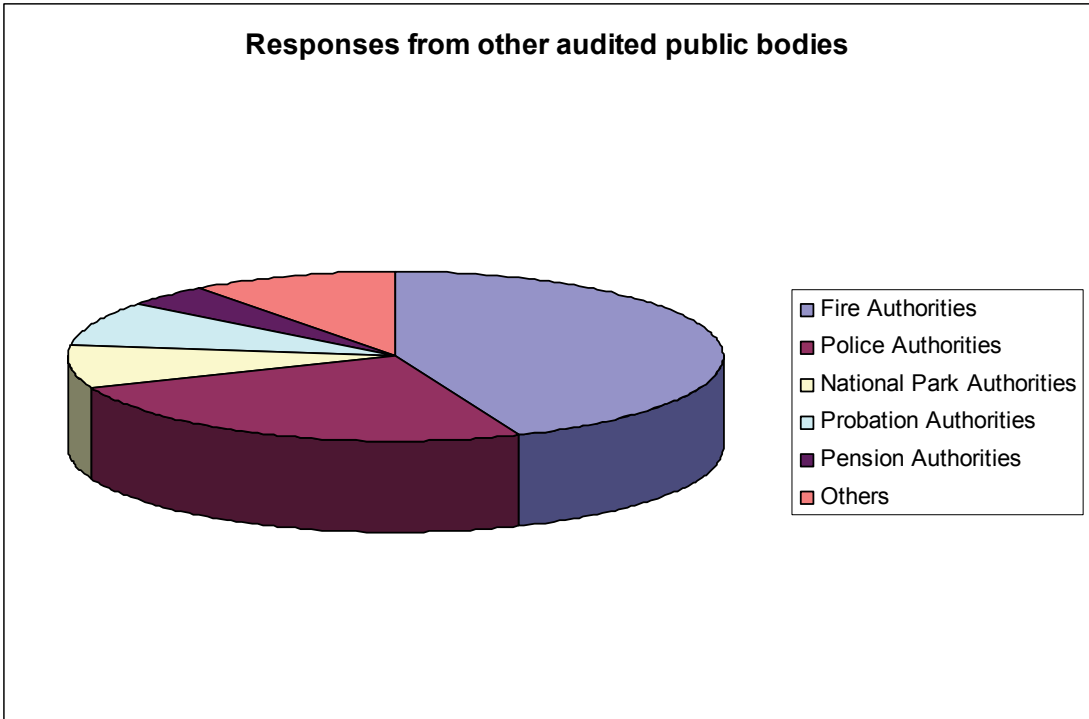
Overview of responses

2.1 We received 453 responses. The majority of which were from local government: parish and town councils, district councils, county and unitary local authorities and their representative bodies. Responses were also received from professional accountancy and regulatory bodies, auditing firms and other audited public bodies and members of the public. The majority of the members of the public who responded identified that they had auditing or accounting experience or were involved directly with the financial reporting for a council. A list of all respondents is included at Annex A.

Type of respondent	Number of responses
Upper tier local authorities	91
Lower tier local authorities	117
Parish and town councils	134
Individual members of the public	30 (including 4 Councillors)
Audit and accountancy firms	14
Professional Auditing and Accountancy bodies	5 (including Audit Commission)
Other audited public bodies	
<ul style="list-style-type: none"> • Fire authorities 	21
<ul style="list-style-type: none"> • Police authorities 	12
<ul style="list-style-type: none"> • National Park Authorities 	4
<ul style="list-style-type: none"> • Probation Authorities 	4
<ul style="list-style-type: none"> • Pension authorities 	2
<ul style="list-style-type: none"> • Others 	5
Non-categorised responses	14
Total	453

- 2.2 It should be noted that some respondents did not reply to all questions posed and some offered multiple answers to individual questions. Consequently, we have tried to break down responses to each question and indicate the overall level of support, but there have been elements of subjective analysis in doing so.
- 2.3 The number of local authorities that responded was far greater than the number of respondees in other categories. It should therefore be borne in mind that any simple numerical consideration would give disproportionate weight to the views of local authorities above any other category of respondee.





2.4 Sections 3 to 7 of this report provide a detailed summary of the responses to each of the questions raised in the consultation paper.

SECTION 3

Design principles

Question 1

Have we identified the correct design principles? If not, what other principles should be considered? Do the proposals in this document meet these design principles?

- 3.1 We received 144 answers to this question, with the majority of respondees coming from local authorities and other audited bodies. The vast majority of those who answered this question agreed that the consultation document had identified the correct design principles of:
- localism and decentralisation
 - transparency
 - lower audit fees; and
 - high standards of auditing.
- 3.2 However, many respondees, whilst agreeing that these were the correct design principles commented that they did not believe that the framework outlined in the consultation document would achieve lower audit fees. This was of particular concern to the professional auditing, accountancy and regulatory bodies with 75 per cent of respondents highlighting this as an issue. Twenty-one per cent of the accounting and auditing firms also expressed concern over this issue. Local authorities exhibited less concern, with only nine of the 82 responses to this question making reference to not achieving lower fees.

We support the general approach of councils leading in this area and the key design principles. A careful balance will need to be struck in the way the principles are applied. Whilst we accept the need for appropriate safeguards we think that the proposed approach is unnecessarily prescriptive.

(Local government body)

The third design principle of 'lower audit fees' should to some extent be achieved by abolishing Comprehensive Area Assessments and the Audit Commission's other inspection activities. While it would of course be desirable to further this aim, we do not believe it should be at the expense of principles 4 and 2.

(Professional body)

Question 2

Do you agree that the audit of probation trusts should fall within the Comptroller and Auditor General's regime?

- 3.3 We received 48 responses to this question. Most of the responses were from local authorities. The majority of those who answered this question agreed that the audit of probation trusts should fall within the Comptroller and Auditor General's regime. However, it should be noted that responses from four probation authorities, and their representative, were evenly split as to whether they should be included in the regime or not. Those who did not want to be included preferred to be considered as another audited body and have the framework for the audit of local public bodies apply instead.

Trusts support this in principle, though this is a contentious issue. Trusts expect that the Comptroller and Auditor General would ensure that:

The current standards of audit work are maintained; The local relationship between a Trust and its external auditor is sustained: this is critical to an effective audit process; The provision of local audit and the national consolidation of Trusts' accounts by the same body does not fetter the independence of advice given to trusts; Trusts will continue to be able to influence the pricing and scope of the work undertaken based on the relative risk profile and associated scale of fees, in line with the current arrangements with Audit Commission, and ultimately that is no increase in costs to Trusts arising from this change; There should be confirmation of what the future arrangements will be for Probation Trusts to continue to be part of the National Fraud Initiative (NFI), which to date has been run by the Audit Commission.

(Probation Trust)

SECTION 4

Regulation of local public audit

Question 3

Do you think that the National Audit Office would be best placed to produce the Code of audit practice and the supporting guidance?

- 4.1 There were 139 responses to this question, 93 per cent of which agreed with the National Audit Office being best placed to produce the Code of audit practice and the supporting guidance. Very few responses indicated otherwise. Local authorities made up the majority of the respondees to this question.

Registration of auditors

Question 4

Do you agree that we should replicate the system for approving and controlling statutory auditors under the Companies Act 2006 for statutory local public auditors?

- 4.2 We received 115 responses to this question, the majority of the responses (88%) were in agreement that the Companies Act 2006 system should be replicated. However, some of the professional bodies responded that there would need to be some adaptation for the system to work for public bodies.

Question 5

Who should be responsible for maintaining and reviewing the register of statutory local public auditors?

- 4.3 This question received 111 responses in total. Overall the responses indicated preferences for the recognised supervisory bodies and regulatory bodies, with the Financial Reporting Council being the most popular answer (44%). The National Audit Office was the second most popular with 29 per cent of the responses indicating this as a preference.
- 4.4 The individual sectors indicated slightly different preferences. Local authorities provided 66 responses to this question, 51 per cent of which chose the Financial Reporting Council as their preference, as did town and parish councils with 60 per cent of their ten responses in agreement. However, four out of the five professional and regulatory bodies that responded were in favour of the Recognised Supervisory Bodies maintaining the register. Of the accountancy and audit firms that responded 50 per cent preferred the Financial Reporting Council but 30 per cent preferred to replicate the current system with one Recognised Supervisory Body (Institute of Chartered Accountants of Scotland) holding an overarching list of auditors. The National Audit Office was the favoured body for other audited bodies and the remaining respondees.

Question 6

How can we ensure that the right balance is struck between requiring audit firms eligible for statutory local public audit to have the right level of experience, while allowing new firms to enter the market?

- 4.5 There were 126 responses to this question. The favoured response with 44 comments was that firms should be required to demonstrate their track record in public sector audit and/or their ability to source the appropriate expertise. The second most popular response was that there was a need to set out proper high-level eligibility criteria, including the correct skills and qualifications for firms and individuals so that the market was opened to new firms. Other notable responses were to limit the market share of any one firm, therefore allowing others to bid for work and only allow new entrants to the market to audit the smaller public bodies to gain the necessary experience before progressing to those with an income/expenditure over £6.5m.

Respondees from audit firms indicated a preference to leave the issue to the open market.

To maintain the quality of local public audits, audit suppliers need to demonstrate a different and broader range of skills and knowledge than for commercial audits.

(Professional body)

The National Audit Office could specify and maintain standards including minimum experience of auditors in its Code of Auditing standards.

Further detailed guidance can be delegated to the Recognised Supervisory Bodies (who are responsible for 'passing fit' individual accountants and, in particular, those who are responsible for 'passing fit' external auditors). In general terms, the standards should be soft enough to allow new entrants. So perhaps every separate legal entity organisation carrying out external audit would be required to have a named Principal who must meet qualification and experience standards (a member of a Recognised Supervisory Body).

(Fire and Rescue Service)

Question 7

What additional criteria are required to ensure that auditors have the necessary experience to be able to undertake a robust audit of a local public body, without restricting the market?

4.6 We received 100 responses to this question. Forty-seven responses, of which local authorities made up 74.5 per cent, repeated the most popular answer from question six, i.e. that the firm have evidence of appropriately qualified staff and or public sector experience. This response was also popular with audit and accountancy firms (19% of responses). Town and parish councils did not favour this approach at all. The next most frequent response (15%) was that the auditor should have a specific understanding of the particular local public body being audited, especially in terms of governance and legal duties on that body. Other answers in descending popularity were:

- auditor should have no criminal record or director penalties
- demonstrate methods for keeping knowledge up to date

- leave additional criteria to the recognised supervisory bodies
- additional criteria should be as current audit commission criteria
- demonstrate that the firm has a sufficient infrastructure to deal with an audit of that size
- effective quality assurance arrangements
- no additional criteria are required; and
- firm should have specified lead times.

Apart from relevant experience and knowledge of the financial frameworks governing local authorities, the council believes that auditors must have a good understanding of the local context of a local public body. This council's audit committee and its members have welcomed auditors' assurances and comments in the knowledge that auditors have a full understanding of the local context. We do not believe this requirement would unfairly restrict the market. We believe audit firms must be expected to familiarise themselves with the local context of a prospective client when expressing an interest in contracting for its audit work.

(Borough council)

Monitoring and enforcement

Question 8

What should constitute a public interest entity (i.e. a body for which audits are directly monitored by the overall regulator) for the purposes of local audit regulation? How should these be defined?

Question 9

There is an argument that by their very nature all local public bodies could be categorised as ‘public interest entities.’ Does the overall regulator need to undertake any additional regulation or monitoring of these bodies? If so, should these bodies be categorised by the key services they perform, or by their income or expenditure? If the latter, what should the threshold be?

- 4.7 Question eight received 85 responses and question nine received 79 responses. The responses to both questions are very similar so both sets of responses are discussed below. Thirty-one responses (of which 90 per cent were from local authorities, with accounting and auditing firms and the professional bodies making up the remainder) indicated that all the principal local authorities should be considered as public interest entities. Of the responses, 17.6 per cent indicated that all of the bodies currently audited by the Audit Commission should be treated as public interest entities. This option was the most popular response from town and parish councils, auditing and accountancy firms and non-categorised respondees.
- 4.8 Some respondees suggested all public bodies with income/expenditure over £6.5m should be treated as public interest entities or that the strategic importance of the body and the necessity of its financial wellbeing should dictate whether it should be treated as a public interest entity. The professional bodies that responded suggested that only the very largest or top 1 per cent in terms of income/expenditure should be subject to a monitoring regime.
- 4.9 Those that indicated that public bodies classed as public interest entities should be subject to additional monitoring suggested that they should be categorised by their income, accountabilities or their risk. Nearly half of the relevant responses suggested that no additional regulation or monitoring should be required for those local public bodies categorised as public interest entities.

Imposing a heavy overhead of extra checks and controls and national oversight would be a barrier to this. It would also be against the spirit of localism – where those best placed to judge is not Whitehall via national standards but local organisations. Therefore, any additional rules applied to govern the audit of ‘public interest entities’ need to be kept to a strict minimum.

(County council)

Question 10

What should the role of the regulator be in relation to any local bodies treated in a manner similar to public interest entities?

- 4.10 We received 58 responses to this question. The majority of respondees were local authorities. The role favoured by 76 per cent of the respondees was for the role of the regulator to be the same for both private companies and public bodies, as described in para 2.22 of the consultation document.
- 4.11 In the case of public interest entities, the Professional Oversight Board has an additional role in monitoring the quality of the auditing function. The Accountancy and Actuarial Disciplinary Board has a role in investigating significant public interest disciplinary cases and imposing sanctions to those found guilty of misconduct.

SECTION 5

Commissioning local public audit services

Duty to appoint an auditor

Question 11

Do you think the arrangements we set out are sufficiently flexible to allow councils to cooperate and jointly appoint auditors? If not, how would you make the appointment process more flexible, whilst ensuring independence?

- 5.1 Nearly three quarters of the 136 responses to this question agreed that the arrangements for audit committees were flexible enough to allow joint appointments. The responses to this and other questions around audit committees were clearly divided by category of respondent. In general terms the audited bodies, local authorities in particular, were against the idea of a majority independent audit committee. Those from other sectors such as audit and accountancy firms and the professional bodies were generally in favour of the proposals.

Structure of audit committees

Question 12

Do you think we have identified the correct criteria to ensure the quality of independent members? If not, what criteria would you suggest?

- 5.2 This question received 145 answers, with 85 addressing the first question directly, 62 per cent of those agreed that the correct criteria had been identified in the consultation document while approximately 38 per cent of the respondents disagreed. The main cause for disagreement was that the criteria listed were more focussed on ensuring the independence of independent members rather than their quality and capability.

5.3 Taking different groups of respondents, the responses are less clear cut. Local authorities were the most numerous of the respondents to this question, but were almost evenly split with twenty-five respondents agreeing, whilst twenty-four disagreed. Local authorities thought that having the overall necessary skills to perform the audit committee function was important. Other audited bodies were again divided on this question with six agreeing and five disagreeing. Auditing and accounting firms were more clearly in agreement with the criteria identified in the consultation document with eight respondents agreeing and two disagreeing. All of the professional bodies that responded agreed with the proposals for the criteria.

5.4 Other suggestions for criteria included:

- no ties to audit firms
- no political ties
- no business dealings with the local authority or audited body
- that the independent members should be able to demonstrate a range; of skills including financial; analytical, information technology and interpersonal
- have a link to the geographical area; and
- that the audit committee include a trade union representative.

5.5 It was also suggested that the Guidance on Audit Committees produced by the Financial Reporting Council was useful guidance to follow.

We believe that the structure and role of the audit committee will become significant under the proposed new arrangements.

(Professional body)

Question 13

How do we balance the requirements for independence with the need for skills and experience of independent members? Is it necessary for independent members to have financial expertise?

- 5.6 There were 138 responses to this question. Overall 47 per cent of respondents believed that financial awareness or experience was desirable but not essential for the independent members of an audit committee, 44 per cent of the 93 responses from local authorities were in agreement with this. This was by far the most popular response from each group of respondees. It was felt that if the overall skills of the audit committee as a whole were appropriate for the tasks they had to perform, the financial expertise did not have to rest with the independent members.

Question 14

Do you think that sourcing suitable independent members will be difficult? Will remuneration be necessary and, if so, at what level?

- 5.7 We received 192 responses to this question overall, 85 of those indicated that they thought it would be difficult to source independent members of a suitable calibre. Local authorities submitted 61% of the overall responses with 62 responses indicating that it would be difficult to source independent members (compared to only seven responses which said it would not be difficult).

Experience sourcing independent members for the Council's Standards Committee suggests this will not be difficult.

(District council)

- 5.8 Most respondents agreed that remuneration would be necessary for the independent members but responses were split with regard to what level, the most popular responses being that the level should be locally determined and that only 'reasonable' expenses should be paid (similar to other committees).

The Authority is concerned that it may not be possible to recruit sufficient qualified independent members for audit committees. It supports the freedom for such appointments and their use being identified as best practice. It does not however believe that such appointments should be mandatory, particularly as it may not be possible for all authorities to appoint a required number of independent audit committee members. Recognition of this potential situation is required.

(Fire authority)

Role of the audit committee

Question 15

Do you think that our proposals for audit committees provide the necessary safeguards to ensure the independence of the auditor appointment? If so, which of the options described in paragraph 3.9 seems most appropriate and proportionate? If not, how would you ensure independence while also ensuring a decentralised approach?

- 5.9 We received a total of 146 responses to this question. Fifty-three responses agreed that our proposals did provide the necessary safeguard for the independence of the auditor appointment, whereas 26 responses disagreed. Of those that agreed, the majority were local authorities with 39 respondees agreeing, compared to 20 responses from the same group which disagreed. Responses were also divided from the other audited public bodies; five respondees agreed and four disagreed. Eight auditing and accountancy firms agreed with the proposals. Aside from these, this question was not widely answered by other groups.
- 5.10 With regard to the make up of the audit committee, of those who indicated a preference, a minimum of independent members was favoured by a small majority – 28 responses from a total of 44, predominantly from local authorities. Town and parish councils also responded to this part of the question with the preference being split almost equally between options a) chair and minimum independent members and b) chair and majority of independent members.

- 5.11 Other notable comments that arose were that the makeup of the audit committee should be a local decision for each audited body and that these arrangements weren't suitable for the way police authorities were structured.

We are not convinced that any safeguards will ensure the independence of auditors. Independence is a state of mind. However the proposals for audit committees will provide a check on the ongoing independence of auditors and the audit committee has an important role in advising the local public body. We believe Option 1 is the most appropriate and proportionate.

(Audit and accountancy firm)

Question 16

Which option do you consider would strike the best balance between a localist approach and a robust role for the audit committee in ensuring independence of the auditor?

- 5.12 We received a total of 127 responses to this question. The majority of respondees preferred option 1 whereby the appointment of the auditor is the only mandatory duty for the audit committee and any other roles or responsibilities would be a local decision. However, a significant number of responses indicated that option 2 (a much more detailed mandatory role for the committee) was preferable.
- 5.13 Those that were in favour of option 1 were predominantly from local authorities, with 43 responses compared to 23 in favour of option 2. Town and parish councils were evenly split over their preference options, as were other audited bodies and the accounting and auditing firms that responded. Of the professional and regulatory bodies, 4 preferred the more prescriptive approach of option 2.

Question 17

Are these appropriate roles and responsibilities for the Audit Committee? To what extent should the role be specified in legislation?

- 5.14 There were 165 responses to this question. Sixty-seven responses agreed that the proposals contained in the consultation document were the appropriate roles and responsibilities for an audit committee. Sixteen responses disagreed. The second half of this question produced mixed responses, approximately equal numbers of respondents preferred the second option of a more detailed role set out in legislation or that the role shouldn't be in legislation at all. However, some felt that similar to option 1, the key roles and responsibilities of an audit committee should be in legislation while the other duties should be left to local discretion.

In the past there has been some resistance within local authorities to the introduction of audit committees. Although in many cases this has been overcome, putting audit committees on a statutory footing would safeguard their position, as has recently occurred in Wales with the Local Government (Wales) Measure 2011. (Professional Body)

The current responsibilities of audit committees cover a wide range of activities covering governance, risk management, assurance, internal controls and internal audit as well as responsibilities for reviewing external audit reports and recommendations. Through their work audit committees make an important contribution to good governance. It would therefore be difficult to legislate the role and responsibilities of an audit committee and this would also limit the operational flexibility already evident throughout local authorities.

(Professional body)

Question 18

Should the process for the appointment of an auditor be set out in a statutory code of practice or guidance? If the latter, who should produce and maintain this?

- 5.15 This question produced 129 responses. More respondents felt that the process for the appointment of an auditor should not be set out in legislation. Guidance was preferable to a statutory code of practice but the National Audit Office was indicated as the preferred provider.

It is not unreasonable to expect good practice to be adopted by all audited public bodies and, whilst the majority may be able to develop local arrangements that demonstrate the practice, many may appreciate the assistance and guidance that is offered by statutory guidance or a code of practice. We believe that the production of a code of practice would be beneficial in that it offers a ready-made approach that delivers good practice and reduces the amount of time and effort that would be needed to develop entirely local arrangements.

(Fire Officers Association)

Involvement of the public in the appointment of an auditor

Question 19

Is this a proportionate approach to public involvement in the selection and work of auditors?

- 5.16 This question received 117 responses, 55 agreed that this was a proportionate approach to public involvement in the process, whilst 54 disagreed. Some respondents suggested that public involvement be restricted to any undisclosed conflicts of interest on the part of the auditor.

Applicability to other sectors

Question 20

How can this process be adapted for bodies without elected members?

- 5.17 We had 36 responses to this question. Local authorities provided 21 responses, 18 of which said that the process should be individually tailored. Other groups who responded to this question were other audited public bodies who provided four responses, one indicating that they should be individually tailored. Overall 58 per cent of responses suggested that the process would have to be specifically tailored to the public body in question. Other suggestions included using non-

executive directors or to replicate the system used by the National Health Service.

Failure to appoint an auditor

Question 21

Which option do you consider provides a sufficient safeguard to ensure that local public bodies appoint an auditor? How would you ensure that the audited body fulfils its duty?

- 5.18 One-hundred and twenty three responses were received to this question. The majority of the responses were in favour of option 2 where the Secretary of State would have a power to make the auditor appointment. Thirty-eight out of the 80 local authorities that responded indicated this preference. Sixty-six per cent of the town and parish councils also preferred option 2. Fifteen other audited public bodies responded but their preference was split 53 per cent in favour of option 1 and the remaining 47 per cent favouring option 2. Eighty per cent of the audit and accounting firms that responded favoured option 2.
- 5.19 Most groups of respondees suggested that a staged approach combining options 1 and 2 would be appropriate – where the Secretary of State would direct the public body to appoint an auditor, should that fail, the Secretary of State would then appoint the auditor. This was suggested in 8 per cent of the responses received.

Proposed response: Options 1 and 2 could be combined as a two stage process with a timeframe being allocated to option 1, if a public body does not appoint an auditor within given timeframes then option 2 would be invoked.

(County council)

Question 22

Should local public bodies be under a duty to inform a body when they have appointed an auditor, or only if they have failed to appoint an auditor by the required date?

- 5.20 There were 119 responses to this question, informing the Secretary of State only in the case of a public body failing to appoint an auditor was favoured by a slim margin. Other responses suggested that neither scenario warranted informing the Secretary of State as this went against the principal of localism.

Question 23

If notification of auditor appointment is required, which body should be notified of the auditor appointment/failure to appoint an auditor?

- 5.21 We received 92 responses to this question, the most popular response was to notify the Government of auditor appointment/ failure to appoint an auditor. Others favoured informing the National Audit Office or the body that holds the register of eligible local public auditors.

Rotation of audit firms and audit staff

Question 24

Should any firm's term of appointment be limited to a maximum of two consecutive five-year periods?

- 5.22 There were 132 responses to this question, 94 respondents were in favour of the proposal to limit a firm's term of appointment to ten years, however 19 per cent of respondents felt that there should be no limit on the length of a firm's appointment for reasons including that it would be a barrier to new entrants.

Under the proposals the audit of a Council will be put out to tender every five years. At each tender the Audit Committee/Council will be given an opportunity to review all tenders and can take into account issues of pricing, independence, service levels etc. The ethical guidelines require audit partners to change after 7 years. It is therefore difficult to see what is to be gained by inserting a 10 year limit when the Audit Committee will have the opportunity to take into account independence/loss of independence at each tender process.

(Audit and accountancy firm)

We believe that any requirement to limit tenure undermines the authority of the audit committee. The audit committee should be best positioned to select the audit firm which best meets the needs of the local public body and the audit committee should not be hampered in this respect by external intervention. If the audit committee is not considered best placed to make this decision, this would suggest a need to further enhance the skills and effectiveness of the audit committee itself, rather than restricting its role in a single aspect of its remit.

(Audit and Accountancy Firm)

Question 25

Do the ethical standards provide sufficient safeguards for the rotation of the engagement lead and the audit team for local public bodies? If not, what additional safeguards are required?

- 5.23 There were 113 responses to this question. Ninety per cent of responses agreed that the current ethical standards were sufficient safeguard for rotation of audit staff.

Question 26

Do the proposals regarding the reappointment of an audit firm strike the right balance between allowing the auditor and audited body to build a relationship based on trust whilst ensuring the correct degree of independence?

- 5.24 There were 113 responses to this question. 96 respondents agreed that the proposals strike the right balance.

Resignation or removal of an auditor

Question 27

Do you think this proposed process provides sufficient safeguard to ensure that auditors are not removed, or resign, without serious consideration, and to maintain independence and audit quality? If not, what additional safeguards should be in place?

- 5.25 Ninety-two of the 122 responses received to this question agreed that these proposals did provide sufficient safeguard against the removal or resignation of the auditor. Each sector showed a majority agreement with the proposals:
- 91.5 per cent of local authority respondees
 - 100 per cent of town and parish respondees
 - 97.3 per cent of other audited public bodies
 - 100 per cent of professional and regulatory bodies
 - 90 per cent of auditing and accounting firms; and
 - 100 per cent of public responses.
- 5.26 Other comments included that 28 days was too short a notification period for procurement purposes and that the role for Recognised Supervisory Bodies needed clarification as they should only investigate an issue, not have responsibility to remove a firm or individual from the register of eligible local public auditors.

It would not be appropriate for the Registered Supervisory Body to have any role in approving or reversing the decision. Instead its role should be investigation of any breach of standards by the member.

(Professional body)

Auditor liability

Question 28

Do you think the new framework should put in place similar provision as that in place in the Companies sector, to prevent auditors from seeking to limit their liability in an unreasonable way?

- 5.27 One-hundred and three responses were received to this question, with 89 per cent of the respondents agreeing with the proposals in the consultation document.

Yes, though the financial risks to local authorities are significantly lower and this should be reflected in the fees.

(County council)

SECTION 6

Scope of audit and the work of auditors

Scope of local public audit

Question 29

Which option would provide the best balance between costs for local public bodies, a robust assessment of value for money for the local taxpayer and provides sufficient assurance and transparency to the electorate? Are there other options?

- 6.1 We received 157 responses to this question, 148 directly addressing the question. They were split almost evenly between all four options. The table below shows the preferences of each sector.

	Option 1	Option 2	Option 3	Option 4
Local authorities	31	33	24	15
Town & parish	1	2	2	6
Other audited bodies	4	10	3	1
Prof & regulatory bodies	0	2	0	1
Firms	1	2	1	7
Public	0	0	0	1
Non-categorised	0	0	1	0
Total	37	49	31	31

- 6.2 Some respondents suggested that a hybrid of the different options was preferable, a hybrid of options 1 and 2 proved the most popular of these.

Local government is diverse, from small district and unitary authorities to large county and metropolitan councils. Their needs vary as does their communities' desire for more transparent accountability. The greater the transparency and breadth of external audit inspection, the greater the cost. Councils should be free to decide on the level of audit according to their local appetite and affordability

(Borough council)

Question 30

Do you think local public bodies should be required to set out their performance and plans in an annual report? If so, why?

- 6.3 There were 206 responses to this question. Not all respondents answered this question directly. Of those that did, 57 per cent answered no, and of these the majority (81%) were local authorities. The majority of the other audited bodies group answered no, but only by a slim majority (seven – no: five - yes). The accounting and auditing firms and professional and regulatory bodies were in favour of an annual report. Those in favour responded that an annual report was a good means of communication with the electorate, whilst those not in favour commented that there were better ways to report and the production of an annual report was not a good use of resources.

No, the production of a report should be a discretionary matter. if it is to be mandatory we believe that there should be local flexibilities to decide on the content of this, thus avoiding the need for an overly bureaucratic reporting process as was the case with the old Best Value Performance Plans and is currently the case with the statement of accounts.

(Fire and Rescue Service)

Question 31

Would an annual report be a useful basis for reporting on financial resilience, regularity and propriety, as well as value for money, provided by local public bodies?

- 6.3 One-hundred and seventeen people responded to this question. The responses were almost evenly split. One additional comment suggested that if there were to be an annual report, its contents should not be too technical thereby making it more accessible to the public.

Question 32

Should the assurance provided by the auditor on the annual report be 'limited' or 'reasonable'?

- 6.4 There were 94 responses to this question. Sixty-seven responses were in favour of the assurance on an annual report being 'reasonable'. A number of responses said that any form of annual reporting was undesirable, others suggested that more definition was required to be able to make a judgement.

The terms 'reasonable assurance' and 'limited assurance' are used in standards issued by the International Auditing and Assurance Standards Board (IAASB), but the terms do not have firm definitions. Perhaps the most useful distinction is whether the auditor can give a 'positive opinion' (reasonable) or only a negative one (limited). However it is more relevant to consider the issues that should be the subject of the assurance engagement, and the degree to which each issue would acceptably be treated with anything less than full assurance. These issues would become clearer once the scope of the proposed annual report was determined.

(Professional body)

Question 33

What guidance would be required for local public bodies to produce an annual report? Who should produce and maintain the guidance?

6.5 There were 99 responses to this question, of those responses 24 addressed what guidance would be required. The responses were varied but 58 per cent of responses suggested that no guidance was necessary. Of the groups responding, local authorities and other audited public bodies were the ones to suggest that.

6.6 Other suggestions for what should be included in the guidance were:

- form and content of an annual report
- minimum reporting requirements
- replicate requirements of the Companies Act 2006.

The minimum reporting requirements response was most popular with the other audited bodies (in particular Fire and Rescue Authorities), with the other two suggestions being indicated by the professional and regulatory bodies, town and parish councils and audit and accountancy firms.

6.7 The remaining 75 responses addressed the second half of the question. The Chartered Institute of Public Finance and Accountancy was the most popular choice for producing guidance with 36 per cent of the responses. This was the most popular choice with local authorities. The National Audit Office was the second most popular choice with 25 per cent of the responses. This was favoured by town and parish councils, local authorities and auditing and accountancy firms. Another notable response was that guidance should be produced by the parent government department of the audited body. This was popular with other audited public bodies and local authorities.

Public interest reporting

Question 34

Do these safeguards also allow the auditor to carry out a public interest report without his independence or the quality of the public interest report being compromised?

- 6.8 We received 111 answers to this question. One-hundred and one responses agreed that the safeguards outlined in the consultation document would allow the auditor to issue a public interest report. Local authorities provided 60 per cent of the responses in agreement to the safeguards proposed, which may mask a more balanced view of the reaction to the proposals.
- 6.9 The responses from the professional and regulatory bodies and the auditing and accountancy bodies indicated that there was concern that the safeguards may not work in practice. All of the professional and regulatory bodies responded that they believed that the safeguards were not sufficient, as did 75 per cent of the audit and accountancy firms that responded.

Under any system where local public bodies appoint their own auditors, the self-interest threat to public interest reporting is real and probably cannot be entirely eliminated. Possible ways to mitigate this include:

- *Clear rules on when auditors are required to make a public interest report*
- *Disciplinary sanctions for auditors who do not make a report when one is required and appointing auditors for longer periods, say five year terms*
- *Disclosure by the auditor to a regulatory body of cases where the firm has been asked to resign following a public interest report.*

(Professional body)

Provision of non-audit services

Question 35

Do you agree that auditors appointed to a local public body should also be able to provide additional audit-related or other services to that body?

- 6.10 There were 127 responses to this question, with a clear majority favouring the auditor being able to provide non-audit services to the local public body as per the current ethical guidelines.

Question 36

Have we identified the correct balance between safeguarding auditor independence and increasing competition? If not, what safeguards do you think would be appropriate?

- 6.11 Out of 112 responses to this question, 80 respondees agreed that we have identified the correct balance between safeguarding auditor independence and increasing competition. Other suggestions included restricting firms from bidding for non audit work at the same time as audit work and to introduce a cap on the amount of local public audit work any one firm can take on.

We believe the proposals are reasonable but would suggest that the Audit Committee is given powers to delegate authority on appointments for non audit services below a certain cost to the statutory finance officer.

(Finance Officers Group)

Public interest disclosure

Question 37

Do you agree that it would be sensible for the auditor and the audit committee of the local public body to be designated prescribed persons under the Public Interest Disclosure Act? If not, who do you think would be best placed to undertake this role?

- 6.12 One-hundred and sixteen responses were received to this question. 78 per cent of those responses agreed that the audit committee and auditor were appropriate to be designated prescribed persons under the Public Interest Disclosure Act. Local authorities provided 72 responses, 79 per cent of which agreed with the proposals. All of the town and parish respondees agreed. Seventy-three per cent of other audited body responses, 80 per cent of auditing and accountancy firms, 80 per cent of the professional and regulatory bodies and 75 per cent of responses from the public were in agreement with the proposal.
- 6.13 19 responses overall disagreed with the proposals and six responses suggested that someone else was better placed to be the designated prescribed person. Their suggestions were:
- Section 151 officer
 - Independent person/body
 - Local Government Ombudsman.
- 6.14 It was also noted that the National Audit Office is registered as a prescribed person and can receive disclosures from local authority staff.

Transparency

Question 38

Do you agree that we should modernise the right to object to the accounts? If not, why?

- 6.15 We received 114 responses to this question, the overwhelming majority of which, were in agreement.

The current system is outdated given other ways in which electors may gain access to local authority spending information. It also has enormous resource/cost/legal implications.

(Professional body)

Question 39

Is the process set out above the most effective way for modernising the procedures for objections to accounts? If not, what system would you introduce?

- 6.16 There were 104 responses to this question; again the vast majority of responses were in agreement with our proposals for modernising objections to accounts. However, it was suggested that a standard accept/ reject criteria should be developed.

This council has previously had serial complainants that have delayed the closure of annual accounts for years. Allowing auditors to use their discretion whilst giving due consideration to issues raised seems a sensible way forward.

(London borough)

Question 40

Do you think it is sensible for auditors to be brought within the remit of the Freedom of Information Act to the extent of their functions as public office holders? If not, why?

6.17 There were 141 responses to this question. There was no clear preference indicated for whether auditors should be brought within the Freedom of Information regime. However, additional comments included:

- It is a waste of time and resource
- The information is already available from the audited body; and
- There is a fear of misuse.

These comments were reiterated in responses to the next question.

Yes. However, it will be necessary to make it clear that Freedom of Information requirements only apply to information held in support of the functions of local public auditors.

(Professional body)

Question 41

What will be the impact on (i) the auditor/audited body relationship, and (ii) audit fees by bringing auditors within the remit of the Freedom of Information Act (to the extent of their functions as public office holders only)?

6.18 We received 116 responses to this question, which showed a broad range of views. Twenty responses said that there would be no impact on the relationship between the auditor and audited body while a similar number thought it would have a detrimental effect on the working relationship, with the effect of restricting free and frank discussion. All of those that answered this question said that they thought bringing auditors into the Freedom of Information regime would increase fees.

There need not necessarily be an impact on the auditor's relationship with the body if Freedom of Information requirements are applied properly and with similar exemptions to those that currently apply to the Commission and the National Audit Office in relation to their audit functions. There will be some additional costs to the firms which will need to be reflected in their fees.

(Professional body)

SECTION 7

Arrangements for smaller bodies

Appointing the examiner

Question 42

Which option provides the most proportionate approach for smaller bodies? What could happen to the fees for smaller bodies under our proposals?

- 7.1 There were 127 responses to this question. The following table shows the preferences of each sector from the 120 responses that addressed the question directly:

	Option 1	Option 2	Neither	Other appointing body
Local authority	26	15	0	0
Town & parish	24	22	8	3
Other audited	2	3	0	0
Firms	6	0	0	0
Prof & reg bodies	1	1	3	1
Public	2	2	0	0
Non-categorised	0	0	0	1
Total	61	43	11	5

- 7.2 The comments received from the town and parish councils (these make up the majority of the smaller bodies regime) were that option 1 – where the unitary or county council would be responsible for appointing the independent examiner - would stand a greater chance of reducing costs and enable auditor independence. It was also considered that this would also help smaller bodies that already have limited resources.

- 7.3 However, option 2 - where the smaller public body would be responsible for all the arrangements - was seen to be the most flexible and less costly but would be more difficult to ensure consistency of approach across the sector.
- 7.4 The respondents felt that neither option was desirable and did not provide the safeguards of independence, affordability and integrity required of public audit/examination. It would also result in an increased training burden and could introduce risk during any transition.
- 7.5 Four respondents thought that there should be a central body to appoint an independent examiner/ auditor for smaller bodies, similar to the system already in place with the Audit Commission
- 7.6 Generally, it was considered that fees would increase under any of these proposals.

The general consensus is that the proposals will lead to increased fees being paid by all smaller bodies. This is directly contrary to a key design principle. We would seek an "improved status quo" option.

(Professional body)

Clear independence requirements for independent examiners would be critical under both options 1 and 2. If these were set nationally, the authority was required to appoint someone meeting these criteria, and the independent examiner themselves were required to certify compliance as part of their report each year, then there would be no need for appointment by an audit committee under option 2.

(Professional body)

Question 43

Do you think the county or unitary authority should have the role of commissioner for the independent examiners for smaller bodies in their areas? Should this be the section 151 officer, or the full council having regard to advice provided by the audit committee? What additional costs could this mean for county or unitary authorities?

- 7.7 There were 124 responses to this question. Town and parish councils provided 29 responses to the first part of the question. Seventy-six per cent of those responses disagreed that the county or unitary authority should have the role of commissioner. Similarly, 83 per cent of local authorities that responded to that question did not think that the role of commissioner should be with county or unitary authorities. The other sectors that responded showed agreement with the responses from town and parish councils and local authorities on this issue.
- 7.8 With regard to the second part of the question, 34 responses agreed that, if that role was to sit with the county or unitary authority, the Section 151 officer should have the role of commissioner rather than the full council.
- 7.9 Four town and parish council respondents and one respondent from the professional and regulatory bodies commented that the precepting council was more appropriate to have the role of commissioner.

Principal authorities should not have the commissioning role for smaller bodies as they are not best placed to understand the needs and roles of parishes. There is no indication of the implications of the changes on fees. It seems likely that costs would rise without the buying power of a national commissioning body.

(Parish council)

The county or unitary authority should not have responsibility for commissioning independent examiners for all smaller bodies in their areas. Local taxpayers should not have to pay for the scrutiny of smaller bodies for which there is no accountability. The county or unitary authority should appoint the independent examiners for the smaller bodies for which they are host only.

(Local authority)

Question 44

What guidance would be required to enable county/unitary authorities to:

- a.) Appoint independent examiners for the smaller bodies in their areas?**
- b.) Outline the annual return requirements for independent examiners?**

Who should produce and maintain this guidance?

- 7.10 There were 87 responses to this question. The responses that addressed the types of guidance that would be required specified:
- there should be national criteria
 - guidance on the appointment of an independent examiner
 - guidance on auditing practices; and
 - guidance on annual return requirements.
- 7.11 It was felt that the National Audit Office or National Association of Local Councils / Society of Local Council Clerks or the Financial Reporting Council were best placed to produce this guidance. However, a significant number thought that no guidance was necessary.

Question 45

Would option 2 ensure that smaller bodies appoint an external examiner, whilst maintaining independence in the appointment?

- 7.12 There were 94 responses to this question. The majority were in agreement, with 63 responses indicating yes. The remaining 31 responses disagreed that option 2 achieved its intended aim.

Question 46

Are there other options given the need to ensure independence in the appointment process? How would this work where the smaller body, e.g. a port health authority, straddles more than one county/unitary authority?

- 7.13 We received 45 responses to this question. The responses did not produce any clear preference, with 14 different answers presented. Town and parish councils provided 46.6 per cent of the responses, local authorities 42 per cent. The most frequent response was 'no' with 12 responses, 11 of which were from the town and parish council sector.

- 7.14 Other notable responses were:

- allow the precepting local authority to have responsibility for appointing an examiner to the smaller bodies
- have a single auditor span all of the functions of the local authority
- maintain a central/ residual body to make the appointment; and
- allow/ encourage contract sharing to make it easier to appoint an auditor/ independent examiner to the public body.

Other options to consider in appointing the examiner where multiple county/unitary authorities may apply is for them to be both involved with the audit committee with the larger authority by expenditure taking the lead.

(Town council)

Question 47

Is the four-level approach for the scope of the examination too complex? If so, how would you simplify it? Should the threshold for smaller bodies be not more than £6.5m or £500,000? Are there other ways of dealing with small bodies, e.g. a narrower scope of audit?

- 7.15 There were 95 responses to this question, 81 directly addressing the first part of this question. Forty-four per cent of the respondents overall thought that the four-level approach was too complex. Town and Parish Councils provided 32 responses to this question, of which 71.8 per cent thought that these arrangements weren't too complex. In contrast, of the 35 responses from local authorities, a slim majority (52.7%) thought that these arrangements were too complicated. Three out of the five professional and regulatory bodies that addressed this question, also thought it was too complicated.
- 7.16 Other responses said that the £6.5m limit was too high an amount to be without a robust audit across such a potentially large number of bodies.
- 7.17 Suggestions for simplification included:
- reducing to 3 bands with upper band being £500,000 (this was favoured by 60 per cent of the responses that addressed this issue);
 - level 2, 3 and 4 should appoint their own auditor;
 - there should be a central body to appoint an auditor/independent examiner; and
 - reduce the scope of the audit.

Public interest reporting for smaller bodies

Question 48

Does this provide a proportionate, but appropriate method for addressing issues that give cause for concern in the independent examination of smaller bodies? How would this work where the county council is not the precepting authority?

- 7.18 There were 73 responses directly addressing the first part of this question; of those 65 per cent agreed that the proposals in the consultation document for public interest reporting were appropriate for the smaller bodies sector. Opinion on the proposals amongst town and parish councils was divided with 56 per cent of the 30 responses from that sector agreeing that the proposals were appropriate and proportionate. Eighty-two per cent of responses from local authorities were in favour of the proposals.
- 7.19 With regard to how this would work where the county council was not the precepting authority, seven of the 10 responses suggested that the district or borough council was a more appropriate body to have the power to appoint an auditor to conduct a public interest report.

Objections to accounts of smaller bodies

Question 49

Is the process set out above the most appropriate way to deal with issues raised in relation to accounts for smaller bodies? If not, what system would you propose?

- 7.20 We received 88 responses to this question. Fifty-one responses were in agreement that the process whereby objections to the accounts of a smaller body would be raised with the county or unitary authority Section 151 officer. Twenty-two respondees disagreed. Other suggestions included:
- placing the responsibility with the district or borough council rather than county or unitary authorities
 - independent examiner should respond to the queries on the accounts
 - that a central body should deal with objections to the accounts of smaller bodies; and
 - objections should be referred to the Local Government Ombudsman.

Regulatory regime for smaller bodies

Question 50

Does this provide a proportionate but appropriate system of regulation for smaller bodies? If not, how should the audit for this market be regulated?

- 7.21 Eighty-eight responses were received to this question overall. Fifty-five were in agreement that the regulatory function for smaller bodies could rest with the county or unitary authority that the body resides in. Town and parish councils provided 36 responses, with 58 per cent of those in favour of this system of regulation. Eighty-five per cent of the local authorities that addressed this question agreed with the proposed system of regulation. Those that disagreed with this system of regulation were predominantly from town and parish councils.
- 7.22 We received six responses suggesting that the regulatory function was better placed elsewhere, with the National Audit Office being the most favoured with 3 responses, all from members of the public. One response was from the town and parish council sector, they preferred the district or borough council to act as regulator and central government was selected as an alternative by one professional and regulatory body.

ANNEX A

All respondents to the consultation

1. Abbots Langley Parish Council
2. Aldbury Parish Council
3. Allerdale Borough Council
4. Alpington with Yelverton Parish Council
5. Alton Town Council
6. Amber Valley Borough Council
7. Ampney Crucis Parish Council
8. Ansley Parish Council
9. Arun District Council
10. Ashby St Mary Parish Council
11. Ashford Borough Council
12. Association of Chartered Certified Accountants
13. Association of Drainage Boards
14. Audit Commission
15. Avon and Somerset Police Authority
16. Aylesbury Vale District Council
17. Balderton Parish Council
18. Barford, Sherbourne and Wasperton Parish Council
19. Barking and Dagenham, London Borough of
20. Barnsley Metropolitan Borough Council
21. Bartestree Parish Council
22. Basildon District Council
23. Basingstoke & Deane Borough Council
24. Bath and North East Somerset Council
25. Baughurst Parish Council
26. Bayton Parish Council
27. BDO LLP
28. Bedfordshire and Luton Fire Rescue
29. Beech Parish Council
30. Bidford-on-Avon Parish Council
31. Birmingham City Council
32. Blaby District Council

33. Blackburn with Darwen Borough Council
34. Blakeney Parish Council
35. Bodmin Town Council
36. Boston Borough Council
37. Bournemouth Borough Council
38. Bracknell Forest Borough Council
39. Bracknell Town Council
40. Bradford City Council
41. Braintree District Council
42. Bramshaw Parish Council
43. Brandon and Byshottles Parish Council
44. Breckland Council
45. Brent, London Borough of
46. Bristol City Council
47. Bromley, London Borough of
48. Broxted Parish Council
49. Broxtowe Borough Council
50. Brundall Parish Council
51. Brymton Parish Council
52. Buckinghamshire County Council
53. Budleigh Salterton Town Council
54. Burnley Borough Council
55. Burston and Shimpling Parish Council
56. Calderdale Metropolitan Borough Council
57. Calne Town Council
58. Cambridgeshire County Council
59. Camden, London Borough of
60. Canterbury City Council
61. Centre for Public Scrutiny
62. Charlton St Peter and Wilsford Parish Council
63. Chartered Institute of Public Finance and Accountancy
64. Chelmsford Borough Council
65. Cheltenham Borough Council
66. Chelveston-cum-Caldecott Parish Council
67. Chesham Bois Parish Council

68. Cheshire Police
69. Cheshire West and Chester Council
70. Chesterfield Borough Council
71. Chideock Parish Council
72. Chiltern District Council
73. Chipperfield Parish Council
74. Chorley Council
75. Christchurch Borough Council
76. City of London Corporation
77. Clement Keys
78. Cleveland Fire Authority
79. Colchester Borough Council
80. Corby Borough Council
81. Cornwall Association of Local Councils
82. Cornwall Council
83. Corsham Town Council
84. Cotswold District Council
85. County Councils Network
86. Coventry City Council
87. Crawley Council
88. Croydon, London Borough of
89. Cumbria County Council
90. Dacorum Borough Council
91. Darlington Borough Council
92. Dartford Borough Council
93. Dartmoor National Park Authority
94. Deloitte LLP
95. Derby City Council
96. Derbyshire County Council
97. Derbyshire Fire and Rescue Service
98. Derbyshire Police Authority
99. Derbyshire Probation Trust
100. Devon County Council
101. Ditchingham Parish Council
102. Doncaster Metropolitan Borough Council

103. Dorset County Council
104. Dorset Fire Authority
105. Dorset Police Authority
106. Dover District Council
107. Dudley Metropolitan Borough Council
108. Durham County Council
109. Easington Village Parish Council
110. East Dorset District Council
111. East Hampshire District Council
112. East Lindsey District Council
113. East Northamptonshire Council
114. East Riding Council
115. East Roston
116. East Sussex County Council
117. East Sussex Fire and Rescue Service
118. Eastleigh Borough Council
119. Eden District Council
120. Ellesmere Town Council
121. Emneth Parish Council
122. Enfield, London Borough of
123. English National Park Authorities Association
124. Epping Forest District Council
125. Erewash Borough Council
126. Essex Association of Local Councils
127. Essex County Council
128. Essex Fire Service
129. Everton Parish Council
130. Fen Ditton Parish Council
131. Financial Reporting Council
132. Fire Officers' Association
133. Forest of Dean Council
134. Franwellgate Moor Parish Council
135. Freckleton Parish Council
136. Fulford Parish Council
137. Gateshead Council

138. Gedling Borough Council
139. Gloucestershire County Council
140. Grant Thornton UK LLP
141. Gravesham Borough Council
142. Great Aycliffe Town Council
143. Great Baddow Parish Council
144. Great Waltham Parish Council
145. Great Wyrley Parish Council
146. Greater London Authority
147. Greater Manchester Combined Authority
148. Greater Manchester Waste Disposal Authority
149. Greenwich, London Borough of
150. Grimston Parish Council
151. Guildford Borough Council
152. Haddenham Parish Council
153. Halton Borough Council
154. Hampshire County Council
155. Hampshire Fire and Rescue Authority
156. Hampshire Police Authority
157. Harborough District Council
158. Haringey, London Borough of
159. Harrogate Borough Council
160. Harrow, London Borough of
161. Hart District Council
162. Hart Group
163. Hartlepool Borough Council
164. Havant Borough Council
165. Havering, London Borough of
166. Heacham Parish Council
167. Head 2 Head Ltd
168. Hereford and Worcester Fire and Rescue
169. Hertford Town Council
170. Hertfordshire Association of Parish and Town Councils
171. Hertfordshire County Council
172. High Peak Borough Council

173. HLB International
174. Holywell-cum Needingworth Parish Council
175. Honiton Town Council
176. Hook Parish Council
177. Horndean Parish Council
178. Horsham District Council
179. Houghton Regis Town Council
180. Hound Parish Council
181. Humber, Ford and Stoke Prior Parish Council
182. Hythe and Dibden Parish Council
183. Institute of Chartered Accountants of England and Wales
184. Ipswich Borough Council
185. Isle of Wight Council
186. Islington, London Borough of
187. Ivybridge Town Council
188. Joint Practitioners Advisory Group
189. Kensington and Chelsea, Royal Borough of
190. Kent and Medway Fire and Rescue
191. Kent County Council
192. King's Lynn and West Norfolk Borough Council
193. Kingston Seymour Parish Council
194. Kingston upon Thames, Royal Borough of
195. Kinoulton Parish Council
196. Kirklees Council
197. KPMG
198. Lancashire Chief Finance Officers Group
199. Lancashire County Council
200. Lancashire Fire and Rescue Service
201. Landford Parish Council
202. Launceston City Council
203. Ledbury Town Council
204. Leeds City Council
205. Leicester City Council
206. Leicester, Leicestershire and Rutland Fire Authority
207. Leicestershire and Rutland Association of Local Councils

208. Leicestershire County Council
209. Lewes District Council
210. Lincoln City Council
211. Lincolnshire County Council
212. Lincolnshire Police Authority
213. Little Baddow Parish Council
214. Little Easton Parish Council
215. Liverpool Region Directors of Finance
216. Local Government Association
217. Lovewell Blake LLP
218. Lyonshall Parish Council
219. MacIntyre Hudson LLP
220. Maidstone Borough Council
221. Maldon District Council
222. Malvern Hills District Council
223. Manchester City Council
224. Marham Parish Council
225. Mazars LLP
226. Medstead Parish Council
227. Melchet Park & Plaitford Parish
228. Melton Borough Council
229. Melton Constable Parish Council
230. Menzies LLP
231. Merseyside Fire and Rescue Authority
232. Merseyside Probation Trusts
233. Metropolitan Police
234. Metropolitan Police Authority
235. Mid Devon District Council
236. Mid Sussex District Council
237. Middridge Parish Council
238. Mid-Suffolk District Council
239. Milton Keynes Council
240. MOAT Housing
241. Nash Parish Council
242. National Association of Local Councils

243. New Local Government Network
244. Newark and Sherwood District Council
245. Newcastle upon Tyne City Council
246. Newton Regis, Seckington and No Man's Heath Parish Council
247. Norfolk Association of Local Councils
248. Norfolk County Council
249. North Dorset District Council
250. North East Lincolnshire Council
251. North Hertfordshire District Council
252. North Hykeham Town Council
253. North Lincolnshire Council
254. North Norfolk District Council
255. North Somerset Council
256. North Tyneside Council
257. North Walsham Town Council
258. North Warwickshire Borough Council
259. North Yorks Fire and Rescue Authority
260. Northampton Borough Council
261. Northants County Council
262. Northumberland Association of Local Councils
263. Northumberland Council
264. Nottingham City Council
265. Nuneaton and Bedworth Borough Council
266. Odcombe Parish Council
267. Oldham Metropolitan Borough Council
268. Ongar Town Council
269. Orchard News Bureau Ltd
270. Oxfordshire County Council and Fire and Rescue Service
271. Pendle Borough Council
272. Petersfield Town Council
273. PKF (UK) LLP
274. Plymouth City Council
275. Police Authority Treasurers' Society
276. Poole Council, Borough of
277. Portsmouth City Council

278. Preston Council
279. Price Waterhouse Coopers
280. Probation Association
281. Prospect
282. Public Concern at Work
283. Purbeck District Council
284. Purleigh Parish Council
285. Rayleigh Town Council
286. Reading Borough Council
287. Redbridge, London Borough of
288. Redcar and Cleveland Borough Council
289. Ribble Valley Borough Council
290. Richmond upon Thames, London Borough of
291. Ringwood Town Council
292. Rochford District Council
293. Rother District Council
294. Rotherham Metropolitan Borough Council
295. RSM Tenon
296. Runnymede Borough Council
297. Rushmoor Borough Council
298. Saham Toney Parish Council
299. Salcombe Town Council
300. Salford City Council
301. Sandwell Council
302. Satley Parish Council
303. Scope
304. Sedgfield Town Council
305. Sedgemoor District Council
306. Sheffield City Council
307. Shepway District Council
308. Shevington Parish Council
309. Shildon Town Council
310. Shotteswell Parish Council
311. Shrewsbury Town Council
312. Shropshire Council

313. Shropshire Fire Service
314. Silchester Parish Council
315. Society of County Treasurers
316. Society of District Council Treasurers
317. Society of London Treasurers
318. Society of Local Council Clerks
319. Solihull Metropolitan Borough Council
320. Somerset County Council
321. South and West Internal Audit
322. South Bucks District Council
323. South Downs National Park Authority
324. South Gloucestershire Council
325. South Kesteven District Council
326. South Norfolk Council
327. South Oxfordshire District Council
328. South Somerset District Council
329. South Yorkshire Fire and Rescue
330. South Yorkshire Pension Authority
331. Southampton City Council
332. Southend-on-Sea Borough Council
333. Southwark London Borough of
334. SPARSE - Rural
335. St Edmundsbury Borough Council
336. Staffordshire County Council
337. Staffordshire Moorlands District Council
338. Stanway Parish Council
339. Stevenage Borough Council
340. Stockport Council
341. Stockton-on-Tees Council
342. Stoke on Trent City Council
343. Stokenham Parish Council
344. Suffolk Association of Local Councils
345. Suffolk Coastal District Council
346. Suffolk County Council
347. Sunderland City Council

348. Surrey County Council
349. Sutton, London Borough of
350. Swale Borough Council
351. Swardeston Parish Council
352. Swindon Borough Council
353. Tameside Metropolitan Borough Council
354. Tasburgh Parish Council
355. Tatenhill Parish Council
356. Taunton Deane Borough Council
357. Tavernham Parish Council
358. Tavistock Town Council
359. Telford and Wrekin Council
360. Tendring District Council
361. Test Valley Borough Council
362. Tewkesbury Borough Council
363. Thames Valley Police Authority
364. Thanet District Council
365. The Chief Fire Officers Association
366. Tidbury Green Parish Council
367. Tonbridge and Malling Borough Council
368. Tower Hamlets, London Borough of
369. Trafford Council
370. Transport for London
371. Tunbridge Wells Borough Council
372. Uckfield Town Council
373. Unitary Treasurers Group
374. Uttlesford District Council
375. Vale of White Horse District Council
376. Wakefield Council, City of
377. Walsall Metropolitan Borough Council
378. Waltham Abbey Town Council
379. Waltham Forest, London Borough of
380. Warrington Borough Council
381. Warwickshire County Council
382. Warwickshire Police Authority

383. Washingborough Parish Council
384. Waveney District Council
385. Waverley Borough Council
386. Wealden District Council
387. Wellington Town Council
388. Welton-by-Lincoln Parish Council
389. Welwyn Hatfield District Council
390. West Berkshire Council
391. West Devon and South Hams Council
392. West Dorset District Council
393. West Lindsey District Council
394. West Mercia Police Authority
395. West Midlands Fire Service
396. West Rudham Parish Council
397. West Somerset Council
398. West Sussex County Council
399. West Sussex Pension Fund
400. West Yorks Integrated Transport Authority
401. West Yorks Police Authority
402. Westminster City Council
403. Weymouth and Portland Borough Council
404. Whitnash Town Council
405. Wigan Council
406. Wiltshire Council
407. Wiltshire Fire Service
408. Winchester City Council
409. Wirral Council
410. Witham Fourth District Internal Drainage Board
411. Wivenhoe Town Council
412. Wokingham Borough Council
413. Wolston Parish Council
414. Wolverhampton City Council (Metropolitan District)
415. Woodhouse Parish Council
416. Woodley Town Council
417. Worcestershire County Council

- 418. Wychavon District Council
- 419. Wyre Forest District Council
- 420. Yaxham Parish Council
- 421. York and North Yorks Probation Trust
- 422. Yorkshire Dales National Park Authority
- 423. Yorkshire Local Councils Associations

And 30 respondents writing in an individual capacity.