

The local audit regulatory system - system partners



There are six bodies in England with statutory responsibilities relating to local audit:

The **Financial Reporting Council (FRC)** is responsible for setting auditing standards in the UK, sets guidance for and supervises CIPFA and the ICAEW, and supervises audit firms and performs audit quality reviews of major local audits. The FRC has a non-statutory role as incoming shadow system leader in which it chairs and provides secretariat support to the Local Audit Liaison Committee.

The **National Audit Office (NAO)** and **Comptroller and Auditor General (C&AG)** have responsibility for setting the Code of Audit Practice and issuing associated guidance. The NAO also undertake supporting activities like chairing the Local Auditors Advisory Group, technical networks and maintaining contracts for actuarial, valuation and legal support for local auditors.

The **Chartered Institute of Public Finance and Accountancy (CIPFA)** is the recognised qualifying body for local audit. In addition to providing secretariat to the CIPFA Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Board, which sets the Code of Practice on Local Authority Accounting, CIPFA sets other Codes of Practice and provides good practice bulletins and other guidance to the sector.

Who does what

The **Institute of Chartered Accountants in England and Wales (ICAEW)** is the recognised supervisory body with responsibility for registering Key Audit Partners and local audit firms under guidance set by the FRC. The ICAEW undertake audit quality reviews of non-major local audits.

The **Department for Levelling Up, Housing and Communities (DLUHC)** has overall policy responsibility for the local audit, reporting and governance frameworks. DLUHC is currently operating as shadow system leader.

The **Public Sector Audit Appointments (PSAA)** is the appointing person for local authority audits and has responsibility for procurement and contract management. It is owned by the Local Government Association (LGA), the representative body for local government.

Get in touch

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