Dear Chris,

RE: Treasury Minute response – Auditing local government

Thank you for the response to the Committee’s report on Auditing local government. I was pleased to see that you accepted the Committee’s recommendations. I am grateful for some of the commitments made by the Department, in particular actions to issue guidance to health bodies setting out clear expectations of how local bodies should respond to weaknesses reported by local auditors.

However, in a number of other areas the response either did not fully address our recommendation or did not add to what we knew when we wrote our report.

I recognise that Departments have been asked to keep their Treasury Minute responses concise and to the point, but there are a number of points on which I would appreciate some further clarification.

• In relation to recommendation 2, the Committee was concerned that Departments are not doing enough, with respect to the performance information they gather, to provide local bodies with an overview of issues that could help them strengthen their arrangements. Your response repeats what the Committee was told and was in place at the time of the evidence session and does not set out what will be done to make use of information gathered through monitoring arrangements. Please could you provide further information to give the Committee assurance about how you intend to improve the use of information gathered through monitoring arrangements.

• Furthermore, in relation to the response to recommendation 3, this again sets out pre-existing arrangements that were presented at the evidence session. The response states that, in some areas, NHS Improvement and NHS England further supplement the arrangements that set out expectations to local bodies of what information should be made publicly available. Please could you provide further information to give the Committee assurance about how you have assessed that these pre-existing arrangements are fit for purpose and ensure that expectations are clear to all local NHS bodies.

• In relation to the element of recommendation 5 concerning how the Department will get assurance in areas not covered by local audit, such as partnership working,
you have stated you will describe the accountability framework and that lines of accountability will be aligned to statutory entities. However, your response does not clearly address our concerns regarding joint working in non-statutory arrangements. Please could you provide further information about how you are assessing this gap and how you plan to ensure you have complete assurance.

I would be grateful for a response by 27 July 2019. In addition to the Treasury Officer of Accounts, I am also copying this letter to the Comptroller and Auditor General.

MEG HILLIER MP
CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS