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<b>Lead topic: Government Accounting</b>	<b>Sub-topic: Local Authority Funding</b>	<b>Contact: Breda Rafter Ext: 5862</b>
<p>PAC may ask if the Minister has any plans to amend the C&amp;AG Acts to allow the C&amp;AG examine and report on spending by Local Authorities.</p>		
<p><b>Response:</b></p>		
<ul style="list-style-type: none"><li>• The range of legislative provisions in the Comptroller and Auditor General Act, 1993 involve both the Minister for Finance and the Minister for Public Expenditure and Reform, while issues relating to Local Government Audit are a matter for the Minister for the Environment and Local Government.</li><li>• In this context, the issue of a possible merger between the Local Government Auditing Service (LGAS) and the Office of the Comptroller and Auditor General (OC&amp;AG) was considered as part of the Government's programme for the rationalisation of state agencies.</li><li>• <b>A critical review Group, with an independent Chair, was established to consider this matter in the context of the Government's consideration of agency rationalisation. The work of the Group was overtaken by a decision of the Government that the LGAS and the OC&amp;AG should not be merged.</b></li><li>• <b>The Group had to take account of the wider context of local government reform and in light of the Governments policy position on the merger the work of the Group was brought to a conclusion.</b></li><li>• While it was decided not to merge these organisations, the process lead to engagement at senior management level between the two auditing bodies with regard to enhanced co-operation arrangements in areas such as professional training, value for money methodology and the possibility of issuing joint reports within their existing respective mandates.</li><li>• The Local Government Reform Act 2014 introduced significant changes to local government. These changes included changes in the area of audit and oversight and the Act provided for the establishment of a National Oversight and Audit Commission (NOAC) for the sector.</li><li>• The NOAC was set up to provide independent scrutiny of local government performance in fulfilling national, regional and local mandates, including performance in respect of its financial resources.</li><li>• The establishment of NOAC is part of the reform process provided for in the Local Government Reform Act 2014 and is a significant development in public accountability at local government level.</li></ul>		

