

# Regulatory Compliance monitoring report

**Quarter 1 2015-16**

**Grant Thornton (UK) LLP**

**Public Sector Audit Appointments Limited (PSAA) is an independent company limited by guarantee incorporated by the Local Government Association in August 2014.**

**The Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to PSAA by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014.**

**The company is responsible for appointing auditors to local government, police and local NHS bodies, for setting audit fees and for making arrangements for the certification of housing benefit subsidy claims.**

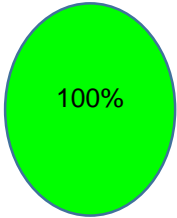
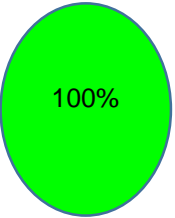
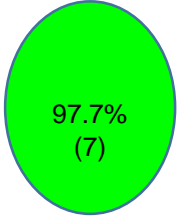
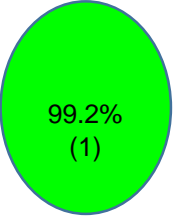
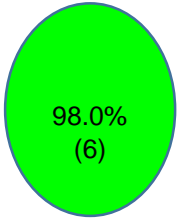
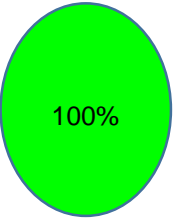
**Before 1 April 2015, these responsibilities were discharged by the Audit Commission.**

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## Monitoring of regime requirements

1 This report summarises the performance of Grant Thornton (UK) LLP (GT) against key quarterly performance indicators. The all firm comparison is also provided.

Activity	Target	All firms % (no.) missed	GT % (no.) missed	Red, Amber, Green (RAG) status	Firm comments
Issue of planning letters.	100% by 30 April 2015.	 100%	 100%	G>95.01% delivered or 1 missed. A 90.01 – 95.00% delivered or 2 missed. R<90.00% delivered or 3 missed.	
Issue of NHS audit opinions.	100% by 29 May 2015 (CCG) and 5 June 2015 (NHS Trusts).	 97.7% (7)	 99.2% (1)	G>95.01% delivered or 1 missed. A 90.01 – 95.00% delivered or 2 missed. R<90.00% delivered or 3 missed	
Issue of NHS VFM conclusions.	100% by 29 May 2015 (CCG) and 5 June 2015 (NHS Trusts).	 98.0% (6)	 100%	G>95.01% delivered or 1 missed. A 90.01 – 95.00% delivered or 2 missed. R<90.00% delivered or 3 missed	

Complaints upheld against auditors.	No complaints upheld against auditors.	0	0	G = 0 upheld A= 1 R = 2 or more.	
Non-compliance with requirements on independence issues.	No instances of non-compliance.	1	0	Firm: G= up to 1, A= 2, R= 3 or more Regime: G= up to 7, A= 8, R= 9 or more	
Consideration of Objections	All objections decided upon within nine months.	6	0	Firm: G= up to 1 over nine months A= 2, R= 3 or more Regime: G= up to 7 over nine months A= 8, R= 9 or more	

## Other issues identified in the quarter

### Fee variations

2 During quarter one, PSAA received requests for variations to 2013/14 and 2014/15 scale fees, totalling £41,302 as detailed in Table 1.

**Table 1: Fee variation requests**

Total net value of fee variation requests made (£)	% of variation against scale fee requested	Total net value of fee variation requests approved (£)	% of variation against scale fee approved
41,302	0.13	41,302	0.13

### Non-audit services

3 Nine requests were made to PSAA for approval of non-audit services above the de minimis threshold, set out in the Terms of appointment, during quarter one. One request was refused as, in PSAA's view, the scope of the non-audit work would have caused a self-review risk on the VFM conclusion.

**Table 1: Non-audit service requests**

Body	Nature of work	Comments
1	Tax advice.	Approved.
2	Evaluation of CCG governing body.	Refused.
3	Extension of due diligence work.	Approved.
4	Extension of tax work.	Approved.
5	Extension of station redevelopment work.	Approved.
6	Cost assurance work.	Approved.
7	Bond issue due diligence.	Approved.
8	Whistle Blowing arrangements review.	Approved.
9	Employment tax advice.	Approved.

## **Audit reports**

4 The Terms of Appointment require auditors to notify PSAA, both at draft and final stage, of any non-standard or delayed audit reports. During quarter one, six non-standard audit reports were not reported to PSAA until after they had been issued.