

# Regulatory Compliance monitoring report

**Quarter 4 2015-16**

**KPMG 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.**

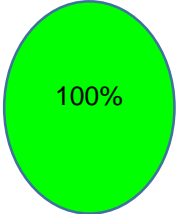
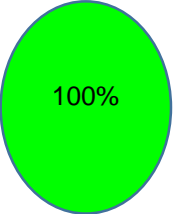
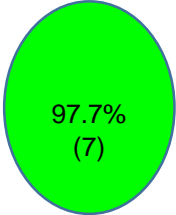
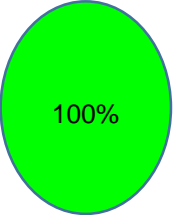
**Before 1 April 2015, these responsibilities were discharged by the Audit Commission.**

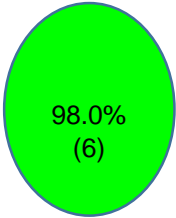
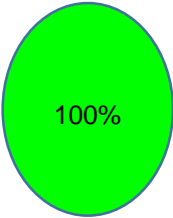
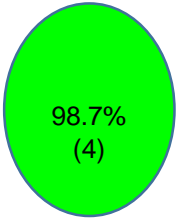
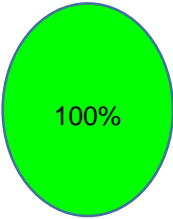
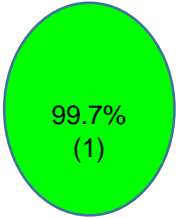
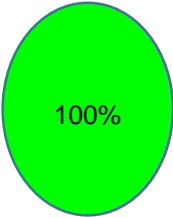
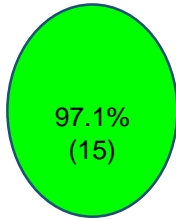
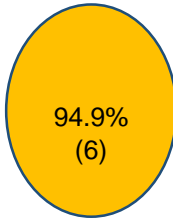
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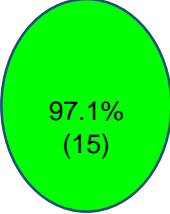
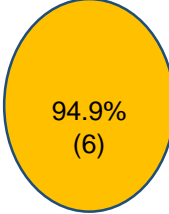
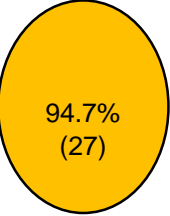
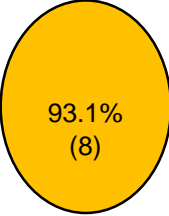
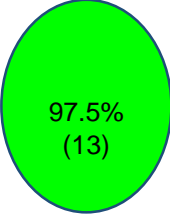
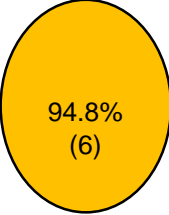
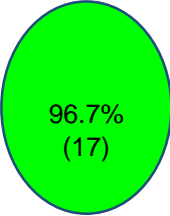
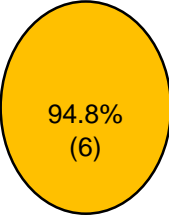
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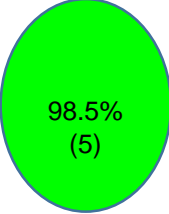
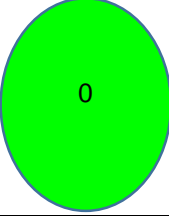
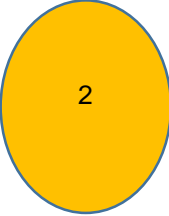
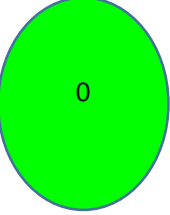
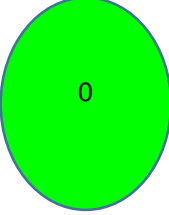
## Monitoring of regime requirements

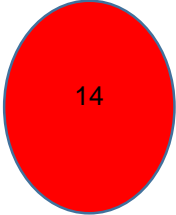
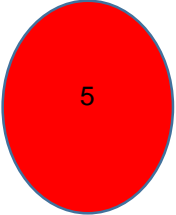
1 This report summarises the performance of KPMG LLP (KPMG) against key quarterly performance indicators. The all firm comparison is also provided. Exception items are listed by Engagement Lead in Appendix 1 and also by Audited Body in Appendix 2.

Activity	Target	All firms % (no.) missed	KPMG % (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)	 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 VFM conclusions.	100% by 29 May 2015 (CCG) and 5 June 2015 (NHS Trusts).			<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	
Issue of NHS annual audit letters.	100% by 31 July 2015.			<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	
Confirmation of final NHS fee to audited bodies.	100% by 31 July 2015.			<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	
Issue of local government audit opinions.	100% by 30 September 2015.			<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	In all six cases the delays were due to issues beyond the firm's control.

Issue of local government VFM conclusions.	100% by 30 September 2015.	 <p>97.1% (15)</p>	 <p>94.9% (6)</p>	<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	As per opinion comments above.
Issue of WGA reports.	100% by 2 October 2015.	 <p>94.7% (27)</p>	 <p>93.1% (8)</p>	<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	The delays were owing to issues beyond the firm's control.
Issue of local government annual audit letters.	100% by 30 October 2015.	 <p>97.5% (13)</p>	 <p>94.8% (6)</p>	<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	The delays were owing to issues beyond the firm's control.
Confirmation of final local government fee to audited bodies.	100% by 30 October 2015.	 <p>96.7% (17)</p>	 <p>94.8% (6)</p>	<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	The delays were owing to issues beyond the firm's control.

Audited body database information	Accurate database information provided to PSAA.			<p>G&gt;95.01% delivered or 1 missed.</p> <p>A 90.01 – 95.00% delivered or 2 missed.</p> <p>R&lt;90.00% delivered or 3 missed</p>	
Complaints upheld against auditors.	No complaints upheld against auditors.			<p>G = 0 upheld</p> <p>A= 1</p> <p>R = 2 or more.</p>	
Non-compliance with requirements on independence issues.	No instances of non-compliance.			<p>Firm:</p> <p>G= up to 1, A= 2, R= 3 or more</p> <p>Regime:</p> <p>G= up to 7, A= 8, R= 9 or more</p>	
Attendance at Contact Partner Group meetings.	Attendance of Contact Partner (or nominated representative) at all meetings.			<p>Firm:</p> <p>G= up to 1, A= 2, R= 3 or more missed meetings.</p> <p>Regime:</p> <p>G= up to 7, A= 8, R= 9 or more missed meetings.</p>	

Consideration of Objections	All objections decided upon within nine months.			<p>Firm:</p> <p>G= up to 1 over nine months</p> <p>A= 2, R= 3 or more</p> <p>Regime:</p> <p>G= up to 7 over nine months</p> <p>A= 8, R= 9 or more</p>	<p>These are all very complex objections and we continue to progress them as efficiently as possible.</p>
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## Other issues identified in the quarter

### Fee variations

2 During quarter four, PSAA received requests for variations to 2014/15 scale fees totalling £19,219 as detailed in Table 1.

**Table 1: 2014/15 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
19,219	0.1	19,219	0.1

### Non-audit services

3 4 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 four.

**Table 3: Non-audit service requests**

Body	Nature of work	Comments
1	Tax work	Approved
2	Tax work	Approved
3	Fraud risk training	Approved
4	Tax work	Approved

### Other matters

4 There was one piece of non-audit services work done above de minimis without prior PSAA approval.

5 There was also one objection that was not resolved within 9 months.