

Regulatory Compliance monitoring report

Quarter 1 2015-16

PricewaterhouseCoopers 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.

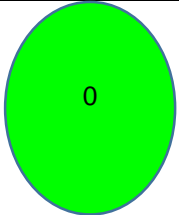
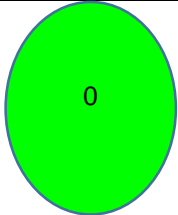
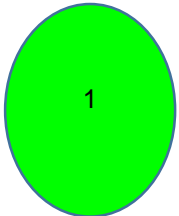
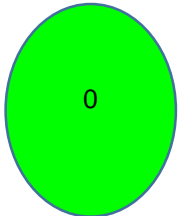
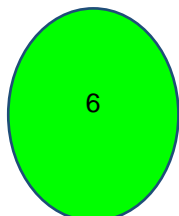
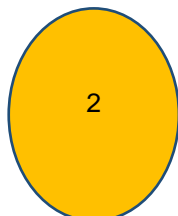
Contents

Monitoring of regime requirements.....	4
Other issues identified in the quarter.....	6
Fee variations	6
Non-audit services	6

Monitoring of regime requirements

1 This report summarises the performance of PricewaterhouseCoopers LLP (PwC) against key quarterly performance indicators. The all firm comparison is also provided.

Activity	Target	All firms % (no.) missed	PwC % (no.) missed	Red, Amber, Green (RAG) status	Firm comments
Issue of planning letters.	100% by 30 April 2015.	100%	NA*	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)	93.5% (2)	G>95.01% delivered or 1 missed. A 90.01 – 95.00% delivered or 2 missed. R<90.00% delivered or 3 missed	The delayed opinions and VFM conclusions were because two CCGs entered into a 2014/15 transaction between them that we had reason to believe was beyond their respective powers. We consulted with a Technical Panel of PwC Partners, subject specialists, the NAO, NHS England (West Midlands) and PSAA over the lawfulness of this transaction. Having consulted extensively we concluded it would be appropriate to qualify our regularity opinion for both and issue section 19 referrals to the Secretary of State explaining our concerns regarding the transaction between the CCGs.
Issue of NHS VFM conclusions.	100% by 29 May 2015 (CCG) and 5 June 2015 (NHS Trusts).	98.0% (6)	93.5% (2)	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.			G = 0 upheld A= 1 R = 2 or more.	
Non-compliance with requirements on independence issues.	No instances of non-compliance.			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.			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	We continue to work with the objectors, Councils, NAO and the PSAA in relation to resolving the outstanding objections over nine months old, in as efficient manner as possible.

*no 2015/16 planning letters required from PwC

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 £5,672 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
5,672	0.08	5,672	0.08

Non-audit services

3 Three 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.

Table 1: Non-audit service requests

Body	Nature of work	Comments
1	Strategic and Financial advice regarding a combined authority.	Approved.
2	Programme support regarding collaborative commissioning.	Approved.
3	Health care system transformation programme	Approved.