

Regulatory Compliance monitoring report

Quarter 4 2016-17

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 a number of statutory functions (from the Audit Commission Act 1998) to PSAA on a transitional basis by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014.

As a consequence of these delegations, for 2017/18 the company will continue to be responsible under transitional arrangements for appointing auditors to local government and police bodies, for setting audit fees and for making arrangements for certification of housing benefit subsidy claims.

Looking beyond 2017/18, the Secretary of State has specified PSAA as an appointing person for principal local government bodies from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.

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Other issues identified in the quarter

Fee variations

3 During quarter four, PSAA received requests for variations to 2015/16 scale fees, totalling £34,463 as detailed in Table1.

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 |
|---------|--|--|--|---|
| 2015-16 | 34,463 | 0.18 | 32,934 | 0.17 |

4 PSAA has asked the firm to provide further supporting information on the remainder of the 2015/16 fee variations requested (£1,529).

Non-audit services

5 Six requests made to PSAA for approval of non-audit services above the de minimis threshold as set out in the Terms of Appointment, were approved during quarter four.

Table 2: Non-audit service requests

| Body | Nature of work | Comments |
|------|--|----------|
| 1 | PFI Termination evaluation | Approved |
| 2 | Subscription to CFO Insights and Place analytics | Approved |
| 3 | Housing Delivery company proposal | Approved |
| 4 | Facilitation re productivity plan | Approved |
| 5 | Subscription to CFO Insights | Approved |
| 6 | Subscription to CFO Insights | Approved |

Monitoring of regime requirements

1 This report summarises the performance of the firm against key quarterly performance indicators. The all firm comparison is also provided.

| Activity | Target | All Suppliers % (no.) | GT % (no.) | Firm Comments |
|--|---|-----------------------------|------------------|------------------|
| Issue of planning (fee) letters. | 100% by 29 April 2016. Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 100% (0) | 100% (0) | |
| Issue of NHS audit opinions. | 100% by 27 May 2016 (CCG) and 2 June 2016 (NHS Trusts). Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 100% (0) | 100% (0) | |
| Issue of NHS VFM conclusions. | 100% by 27 May 2016 (CCG) and 2 June 2016 (NHS Trusts). Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 100% (0) | 100% (0) | |
| Issue of local government audit opinions. | 100% by 30 September 2016. Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 97% (16) | 98% (4) | |
| Issue of local government audit VFM conclusions. | 100% by 30 September 2016. Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 97% (17) | 98% (4) | |
| Issue of WGA reports. | 100% by 21 October 2016. Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 97% (16) | 97% (6) | |
| Confirmation of final NHS fee to audited bodies | 100% by 31 July 2016 Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 100% (0) | 100% (0) | |
| Issue of NHS annual audit letters. | 100% by 31 July 2016 Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 99% (2) | 98% (2) | |
| Confirmation of final local government fee to audited bodies | 100% by 30 October 2016 Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 100% (0) | 100% (0) | |
| Issue of local government annual audit letters. | 100% by 30 October 2016 Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 97% (18) | 96% (8) | |

Source: PSAA

2016-17 QRP Monitoring Spreadsheet/ 26/04/2017

| Activity | Target | All Suppliers % (no.) | GT % (no.) | Firm Comments |
|--|---|-----------------------------|------------------|------------------|
| Audited body database information. | Accurate database information provided to PSAA. Green>95.01% delivered or only 1 missed Amber 90.01% to 95% delivered or only 2 missed Red<90% delivered of 3 or more missed | 99% (11) | 99% (3) | |
| Complaints upheld against auditors. | Complaints upheld against auditors. Green 0 Upheld Amber 1 upheld Red 2 or more upheld | 1 | 1 | |
| Non-compliance with requirements on independence issues. | Instances of non-compliance. Firms: Green 1 case Amber 2 cases Red 3 or more cases Regime: Green Up to 5 cases Amber 6 or 7 cases Red 8 or more cases | 1 | 0 | |
| Attendance at Contact Partner Meetings | Attendance of Contact Partner at all meetings. Firms: Green 1 case Amber 2 cases Red 3 or more cases Regime: Green Up to 5 cases Amber 6 or 7 cases Red 8 or more cases | 0 | 0 | |
| Consideration of objections | Outstanding objections not determined within 9 months. Firms: Green 1 case Amber 2 cases Red 3 or more cases Regime: Green Up to 5 cases Amber 6 or 7 cases Red 8 or more cases | 5 | 2 | |