

# Regulatory Compliance monitoring report

**Quarter 1 2017-18**

**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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## 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 30 April 2017.  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 31 May 2017 (CCG) and 1 June 2017 (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% (1)	99% (1)	
Issue of NHS VFM conclusions.	100% by 31 May 2017 (CCG) and 1 June 2017 (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% (1)	99% (1)	
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	100% (0)	100% (0)	
Complaints upheld against auditors.	Complaints upheld against auditors.  Green 0 Upheld Amber 1 upheld Red 2 or more upheld	0	0	
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	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	28	11	

## Other issues identified in the quarter

### Fee variations

3 During quarter one, PSAA received requests for variations to 2015/16 and 2016/17 scale fees, totalling £10,050 and £9,000 respectively 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	254,608	1.31	126,277	0.65
2016-17	6,417	0.03	6,417	0.03

4 Fee variations totalling £124,691 (2015/16) were rejected. PSAA has asked the firm to provide further supporting information on the remainder of the 2015/16 fee variations requested (£3,640).

### Non-audit services

5 Two 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 one.

**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