

# Regulatory Compliance monitoring report

**Quarter 4 2018-19**

**Mazars LLP**

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

**In 2015, 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 is responsible under transitional arrangements for appointing auditors to local government and police bodies and for setting audit fees.**

**In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government authorities from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.**

**From 2018/19, PSAA is responsible for appointing an auditor and setting scale fees for relevant principal authorities that have chosen to opt into its national scheme.**

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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.)	Mazars % (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 local government audit opinions.	100% by 31 July 2018.  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	87% (63)	94% (2)	This was the first year of the earlier close timetable. Delays in the issue of the financial statements opinion were due to matters outside of the firm's control as noted in the PSAA Report on the Results of Auditors work.
Issue of local government audit VFM conclusions.	100% by 31 July 2018.  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% (4)	100% (0)	It is only possible to issue a VFM arrangements conclusion report alongside a financial statements audit opinion. There were no VFM arrangements conclusions delayed for reasons other than in respect of the financial statements opinion.
Issue of WGA reports.	100% by 31 August 2018  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)	It is not possible to issue a WGA report until after an audit opinion has been issued. There were no WGA reports delayed for reasons other than in respect of the financial statements opinion.
Confirmation of final local government fee to audited bodies	100% by 31 August 2018  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 31 August 2018  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)	
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	2	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	

Source: PSAA

Activity	Target	All Suppliers % (no.)	Mazars % (no.)	Firm Comments
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	46	2	These are complex objections that require extensive review and legal consultation.

## **Other issues identified in the quarter**

### **Fee variations**

- 2 During quarter four PSAA received no requests from Mazars LLP for variations to scale fees.

### **Non-audit services**

- 3 During quarter four no requests were made to PSAA for approval of non-audit services above the de minimis thresholds set out in the Terms of Appointment.