

Audit Contract Monitoring Report Data Pack

PSAA Board

Quarter 3 – December 2020

Quarter Highlights

- The COVID-19 pandemic is impacting on the delivery of both the remaining 2018/19 and 2019/20 audits years:
 - Supporting audit completion is challenging for authorities who have public health priorities.
 - There is added uncertainty about year-end valuations and other estimates
 - The pandemic itself is a non-adjusting Post Balance Sheet Event which requires appropriate disclosure and audit coverage.
 - Remote working, a necessity of social distancing requirements has compounded matters.
- We continue to monitor delivery of audit engagements and are providing updates to the NAO, MHCLG and HMT. As at 31 December 2020 opinions were outstanding at:
 - For 2018/19 at 26 authorities (6%);
 - For 2019/20 at 199 authorities (42%)
- We have published our Annual Quality Monitoring Report

Audit Opinions data 2018/19

Firm	Total audits	Opinions not delivered			
		31 July 2019	30 Sept 2019	30 Sept 2020	31 Dec 2020
BDO	27	13	9	4	2
DL	30	18	15	4	4
EY	163	90	70	20	13
GT	181	70	35	7	5
Mazars	85	17	13	2	2
Total	486	208	142	37	26
Total 2018		65	25	8	7

Audit Opinions data 2019/20

Firm	Total audits	Outstanding at 30 Nov 2020		Outstanding at 31 December 2020	
BDO	25	14	56%	12	48%
DL	26	16	62%	15	58%
EY	161	103	64%	81	50%
GT	179	82	46%	64	36%
Mazars	88	49	56%	27	31%
Total	478	264	56%	199	42%

Publishing date of 30 November 2020

Summary of Objections under Investigation

As at 31 Dec 2020	2016/17 & prior	2017/18	2018/19	2019/20	Total
BDO	6	2	-	3	11
EY	3	-	2	1	6
GT	2	2	10	5	19
KPMG	4	-	n/a	n/a	4
Mazars	3	1	5	3	12
DL	n/a	n/a	1	6	7
Total	18	5	18	18	59

Fee variations – Local Government

We monitor the levels of variations to scale fees requested and report on approved fee variations to each Board meeting. The cumulative position is shown below.

Further fee variations are still being challenged in respect of all three years.

Year	Audit scale fee £m	Total net value of fee variation requests approved (£)	Total cost of audit £m	% of variation against total scale fee approved	Currently under challenge (£)
2016/17	42.3	3,189,865	45.5	7.54%	605,183
2017/18	42.4	3,161,282	45.6	7.46%	647,012
2018/19	28.2	3,893,249	32.1	13.81%	880,787

Other Performance Indicators

As part of our audit quality monitoring arrangements we consider a range of other performance indicators.

We have no reportable issues of non-compliance with the Terms of Appointment in this Quarter.