

# **Audit Contract Monitoring Report Data Pack**

**PSAA Board**

**Quarter 1 – June 2021**

# Quarter Highlights

- We continue to monitor delivery of audit engagements and are providing updates to the NAO, MHCLG and HMT. At 30 June 2021 opinions were outstanding as follows:
  - **2018/19 at 16 authorities (3%)**
  - **2019/20 at 91 authorities (19%)**
- The Public Accounts Committee enquiry into the Timeliness of Local government audit reporting in England held two evidence sessions.
- Annual assessment of audit firms' data security completed, concluding that robust arrangements are in place.

# Quarter Highlights

Auditors have used their additional powers as follows:

Statutory Recommendations have been made at one authority:

»» Slough Borough Council

# Audit Opinions Data 2019/20

Firm	Total audits	Outstanding at 30 Nov 2020		Outstanding at 31 March 2021		Outstanding at 30 June 2021	
		Count	Percentage	Count	Percentage	Count	Percentage
BDO	25	14	56%	11	44%	9	36%
DL	26	16	62%	13	50%	11	42%
EY	161	103	64%	47	29%	37	23%
GT	179	82	46%	31	17%	25	14%
Mazars	88	49	56%	14	16%	9	10%
<b>Total</b>	<b>478</b>	<b>264</b>	<b>56%</b>	<b>116</b>	<b>24%</b>	<b>91</b>	<b>19%</b>

Publishing date of 30 November 2020

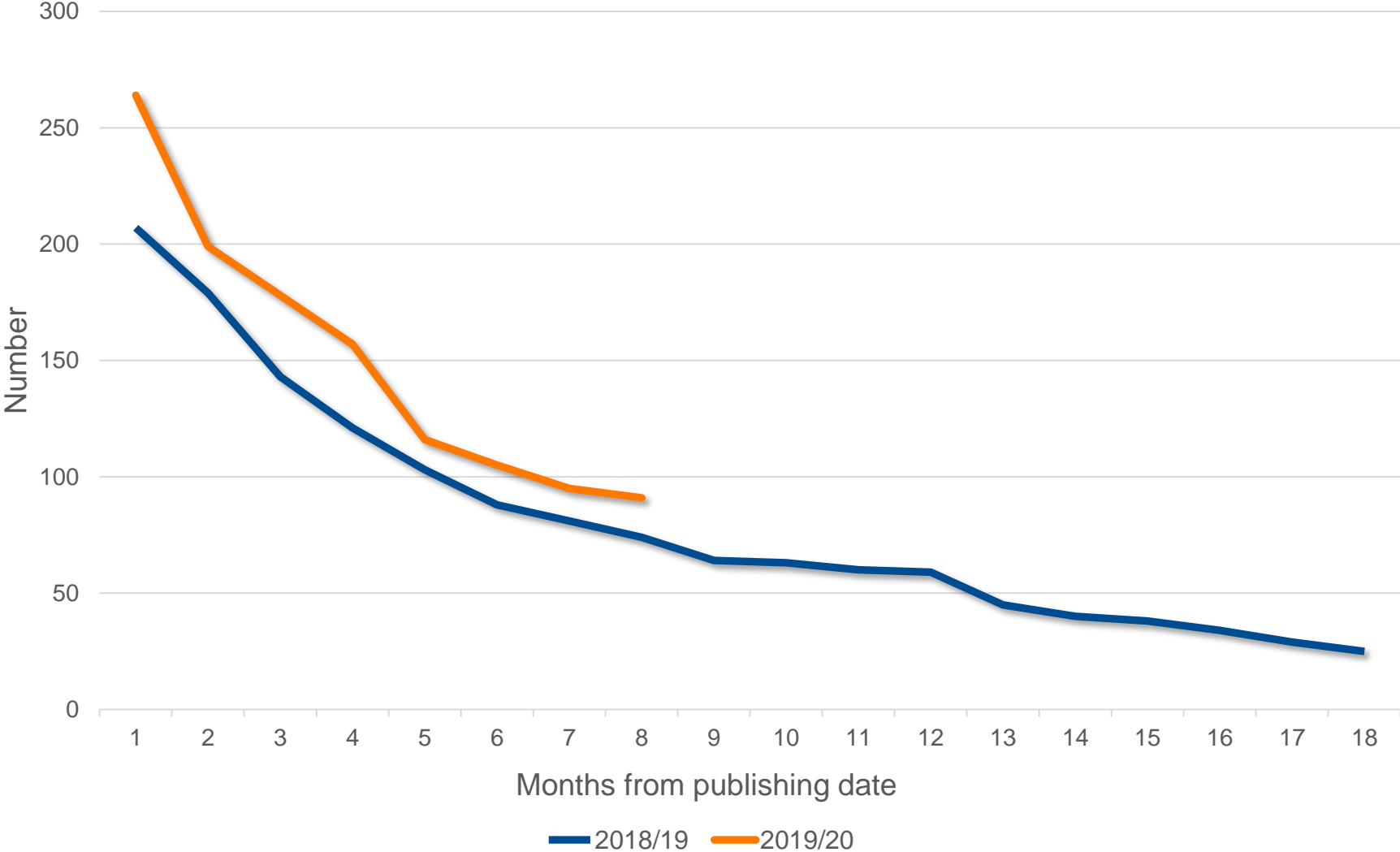
# Audit Opinions data 2018/19

Firm	Total audits	Opinions not delivered				
		31 July 2019	30 Sept 2019	30 Sept 2020	31 Mar 2021	30 June 2021
BDO	27	13	9	4	2	2
DL	30	18	15	4	3	3
EY	163	90	70	20	8	5
GT	181	70	35	7	4	4
Mazars	85	17	13	2	2	2
<b>Total</b>	<b>486</b>	<b>208</b>	<b>142</b>	<b>37</b>	<b>19</b>	<b>16</b>
<b>Total 2018</b>		<b>65</b>	<b>25</b>	<b>8</b>	<b>4</b>	<b>4</b>

Publishing date of 31 July 2019

# Profile of Audit completions

### Opinions Outstanding



# Summary of Objections under Investigation As at 30 June 2021

Firm	2016/17 & prior	2017/18	2018/19	2019/20	Total
BDO	6	2	-	3	11
DL	n/a	n/a	1	7	8
EY	2	-	3	-	5
GT	2	2	8	5	17
KPMG	3	-	n/a	n/a	3
Mazars	2	1	5	3	11
<b>Total</b>	<b>15</b>	<b>5</b>	<b>17</b>	<b>18</b>	<b>55</b>

Two objections have been closed in the last quarter

# Approved variations to Scale Fee As at 30 June 2021

Year	Audit scale fee £m	Total net value of fee variation requests approved (£m)	Total cost of audit £m	% of total variations against total scale fee approved
2017/18	42.4*	3.7	46.1	8.6%
2018/19	28.3	4.6	32.9	16.1%
2019/20	28.4	4.5**	32.9	15.7%

\*2017/18 includes Housing Benefit grant certification work. There is a 23% price decrease in audit years 2018/19 onwards.

\*\*Not all variation requests for 2019/20 have been submitted or processed. The current average rate of variations approved for individual bodies is 38%. This reflects the additional audit costs including those arising from the pandemic.



## Other Performance Indicators



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

We have two reportable issues of non-compliance with the Terms of Appointment in this Quarter. These were the result of individuals not complying with a firm's independence disclosure requirements

Appropriate action has been taken to mitigate the risk to auditor independence and a change in auditor appointment was not necessary in either case.