

# **Audit Contract Monitoring Report Data Pack**

**PSAA Board**

**Quarter 4 – March 2022**

# Quarter Headlines

The publishing date for audited bodies' 2020/21 financial statements was 30 September 2021. By 31 March 2022 Financial Statement Opinions had been given at 246 (52%) opted in bodies and Auditors Annual Reports had been presented at 136 (29%) opted in bodies.

At 31 March 2022 opinions from earlier years were outstanding as follows:

- **2018/19 at 13 opted in bodies (3%)**
- **2019/20 at 51 opted in bodies (11%)**

# Quarter Headlines

The growing backlog of unfinished audits is very worrying with over 40% of opted-in bodies preparing their 2021/22 financial statements with the prior year not completed.

The current position has been exacerbated by concerns about the valuation of infrastructure assets. CIPFA has established an urgent task and finish group to consider the issue and propose a resolution.

Adverse effects flow from delayed audit opinions:

- they disrupt related work plans;
- they raise uncertainties in relation to the organisation's financial position; they weaken governance and accountability processes; and
- they are less valuable and relevant to all interested parties.

The continued deterioration in performance, underlines the imperative for the whole system to work together urgently to restore timely completion of audits before public confidence and trust are seriously damaged.

# Quarter Headlines

Auditors have used their additional powers as follows:

A Public Interest Report was issued at:

»» London Borough of Croydon (26 January 2022)

Statutory Recommendations have been made at:

»» Copeland Borough Council (12 March 2022)

# Audit Opinions Data 2020/21

Firm	Total audits	Opinion given	Outstanding at 30 Sep 2021		Outstanding at 31 Mar 2022	
BDO	25	0	25	100%	23	92%
DL	26	2	24	92%	20	77%
EY	157	9	148	94%	89	57%
GT	179	22	157	88%	67	37%
Mazars	87	8	79	91%	29	34%
<b>Total</b>	<b>474</b>	<b>41</b>	<b>433</b>	<b>91%</b>	<b>228</b>	<b>48%</b>

Publishing date of 30 September 2021

By 30 April a further 16 audit opinions had been given

# Audit Opinions Data 2019/20

Firm	Total audits	Outstanding at 30 Nov 2020		Outstanding at 30 Sep 2021		Outstanding at 31 Mar 2022	
BDO	<b>25</b>	14	56%	9	36%	9	36%
DL	<b>26</b>	16	62%	10	38%	6	23%
EY	<b>161</b>	103	64%	26	16%	17	11%
GT	<b>179</b>	82	46%	19	11%	13	7%
Mazars	<b>87</b>	49	56%	6	7%	6	7%
<b>Total</b>	<b>478</b>	<b>264</b>	<b>56%</b>	<b>70</b>	<b>15%</b>	<b>51</b>	<b>11%</b>

Publishing date of 30 November 2020

# Audit Opinions data 2018/19

Firm	Total audits	Opinions outstanding				
		31 July 2019	30 Sept 2019	30 Sept 2020	30 Sept 2021	31 Mar 2022
BDO	27	13	9	4	2	2
DL	30	18	15	4	3	2
EY	163	90	70	20	4	3
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>15</b>	<b>13</b>

Publishing date of 31 July 2019

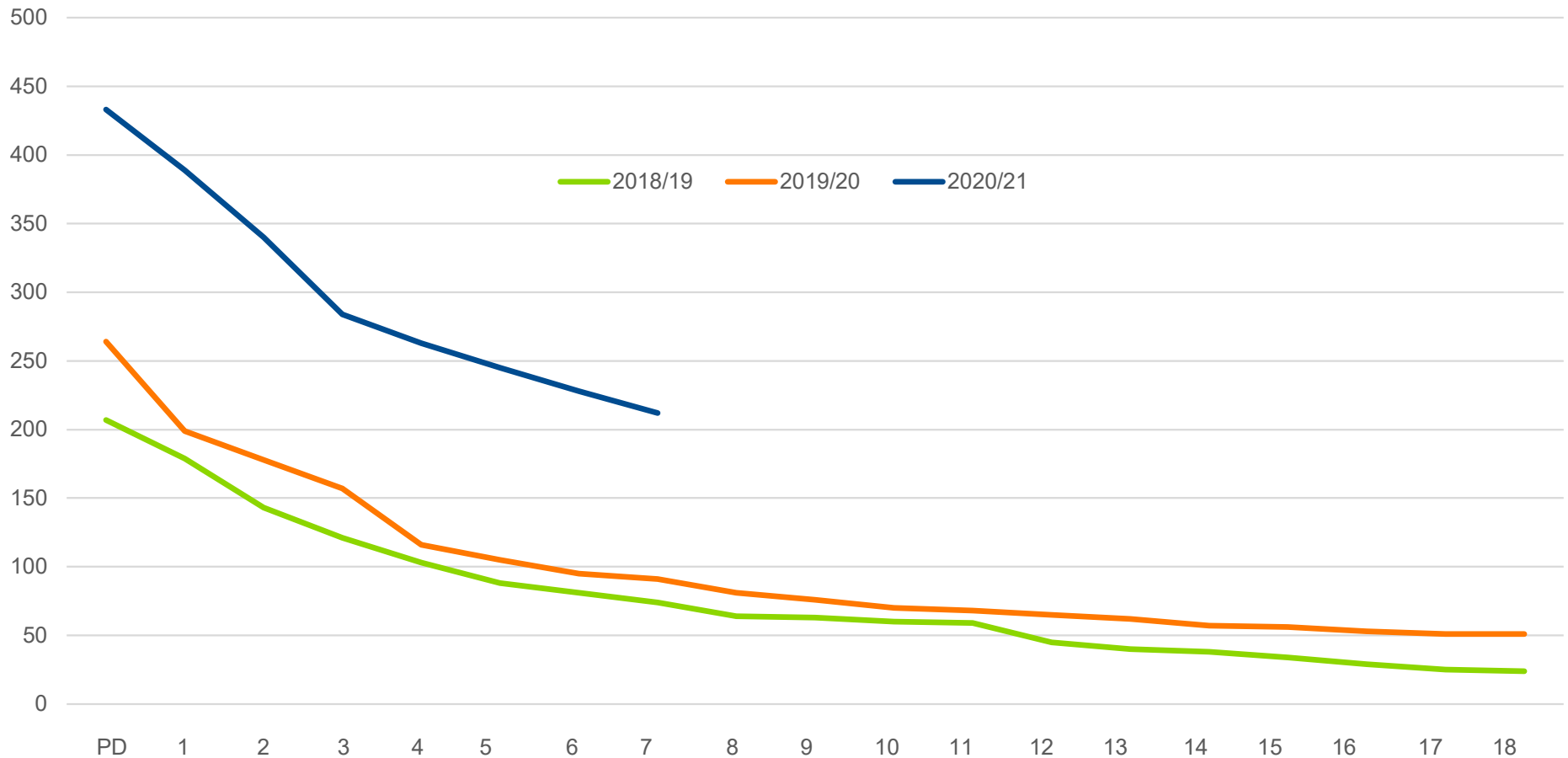
# Audit Opinions data 2015/16 to 2020/21

<b>Audit year <i>Publishing date</i></b>	<b>Number of opted in bodies</b>	<b>Percentage of audits complete by publishing date</b>	<b>Number of audits by oldest year outstanding Total = 212</b>	<b>Number of audits outstanding per financial year</b>
2020/21 <i>30 Sep</i>	<b>474</b>	9%	161	212
2019/20 <i>30 Nov</i>	<b>478</b>	45%	38	51
2018/19 <i>31 Jul</i>	<b>486</b>	57%	9	13
2017/18 <i>31 Jul</i>	<b>494</b>	87%	3	4
2016/17 <i>30 Sep</i>	<b>497</b>	95%	0	1
2015/16 <i>30 Sep</i>	<b>497</b>	97%	1	1



# Audit completions – profile after due date

Opinions Outstanding – months after publishing date



As at 30 April 2022

# Summary of Objections under Investigation

## As at 31 March 2022

Firm	2016/17 & prior	2017/18	2018/19	2019/20	2020/21	Total
BDO	5	1	-	3	1	<b>10</b>
DL	n/a	n/a	-	-	-	<b>0</b>
EY	2	-	2	-	2	<b>6</b>
GT	1	2	3	3	14	<b>23</b>
Mazars	-	1	2	1	4	<b>8</b>
<b>Total</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>21</b>	<b>47</b>

17 objections have been closed in the last quarter  
 By 30 April a further four objections had been closed

# Approved variations to Scale Fee

## As at 31 March 2022

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
2018/19	28.3	4.8**	33.1	16.8%
2019/20	28.4	10.2**	38.6	35.9%
2020/21	28.3	3.1**	31.4	11.0%

\*\*Not all variation requests for previous years have been submitted or processed. The current average rate of variations approved for individual bodies is 47% (19/20) and 48% (20/21). This reflects the additional audit costs including those arising from the pandemic.