

# **Audit Contract Monitoring Report Data Pack**

**PSAA Board**

**Quarter 2 – September 2022**

# Quarter Headlines

The publishing date for audited bodies' 2020/21 financial statements was 30 September 2021. By 30 September 2022 Financial Statement Opinions had been given at 306 (65%) of opted in bodies and Auditor's Annual Reports had been presented at 265 (55%) of opted in bodies.

At 30 September 2022 opinions from earlier years were outstanding as follows:

- **2018/19 at 11 opted in bodies (2%)**
- **2019/20 at 45 opted in bodies (9%)**

# Quarter Headlines

Auditors have used their additional powers as follows:

Statutory Recommendations have been made at:

»» South Somerset District Council  
(30 August 2022)

»» Barrow-in-Furness Council  
(6 October 2022)

# Quarter Headlines

The backlog of unfinished audits is very concerning. One year after the publishing date, 35% of opted in bodies do not have a financial statement opinion.

In the last quarter audit opinions were given at 30 opted-in bodies. Whilst some of the ongoing delay is due to the moratorium at those audited bodies where there are concerns about the accounting for and auditing of infrastructure assets, all of the other delay factors remain. Any resolution of the infrastructure assets issue is unlikely to lead to a rapid completion of all outstanding audits.

It is imperative for the whole system to work together urgently to restore timely completion of audits.

# Audit Opinions Data 2020/21

Firm	Total audits	Outstanding at 30 Sep 2021		Outstanding at 30 Jun 2022		Outstanding at 30 Sept 2022	
BDO	25	25	100%	20	80%	20	80%
DL	26	24	92%	19	73%	19	73%
EY	157	148	94%	79	50%	61	39%
GT	179	157	88%	54	30%	49	27%
Mazars	87	79	91%	26	30%	19	22%
<b>Total</b>	<b>474</b>	<b>433</b>	<b>91%</b>	<b>198</b>	<b>42%</b>	<b>168</b>	<b>35%</b>

Publishing date of 30 September 2021

30 audit opinions were issued in the three months to September 2022

# Audit Opinions Data 2019/20

Firm	Total audits	Outstanding at 30 Nov 2020		Outstanding at 30 Sep 2021		Outstanding at 30 Sep 2022	
BDO	25	14	56%	9	36%	9	36%
DL	26	16	62%	10	38%	6	23%
EY	161	103	64%	26	16%	12	7%
GT	179	82	46%	19	11%	12	7%
Mazars	87	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>45</b>	<b>9%</b>

Publishing date of 30 November 2020

Six audit opinions were issued in the three months to September 2022

# Audit Opinions data 2018/19

Firm	Total audits	Opinions outstanding				
		31 July 2019	30 Sept 2019	30 Sept 2020	30 Sept 2021	30 Sept 2022
BDO	27	13	9	4	2	2
DL	30	18	15	4	3	2
EY	163	90	70	20	4	1
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>11</b>

Publishing date of 31 July 2019

Two audit opinions were issued in the three months to September 2022

# Audit Opinions data 2015/16 to 2020/21

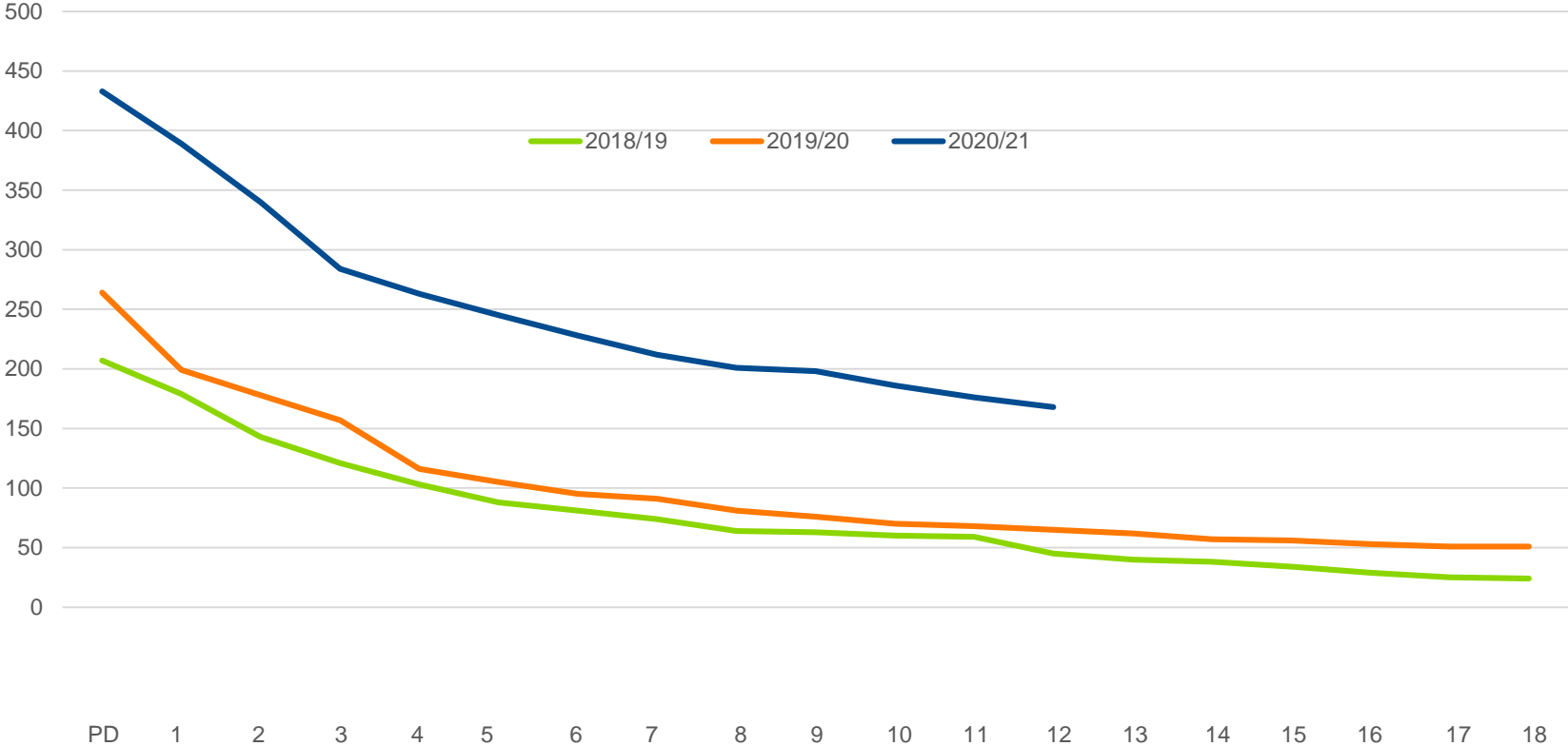
<b>Audit year <i>Publishing date</i></b>	<b>Number of opted in bodies</b>	<b>Percentage of audits complete by publishing date</b>	<b>Number of audits by oldest year outstanding Total = 168</b>	<b>Number of audits outstanding per financial year</b>
2020/21 <i>30 Sep</i>	<b>474</b>	9%	123	168
2019/20 <i>30 Nov</i>	<b>478</b>	45%	34	45
2018/19 <i>31 Jul</i>	<b>486</b>	57%	8	11
2017/18 <i>31 Jul</i>	<b>494</b>	87%	2	3
2016/17 <i>30 Sep</i>	<b>497</b>	95%	0`	1
2015/16 <i>30 Sep</i>	<b>497</b>	97%	1	1

As at 30 September 2022



# Audit completions – profile after due date

Opinions Outstanding – months after publishing date



As at 30 September 2022

# Summary of Objections under Investigation As at 30 September 2022

Firm	2016/17 & prior	2017/18	2018/19	2019/20	2020/21	Total
BDO	5	1	-	3	1	10
DL	n/a	n/a	-	-	-	0
EY	2	-	2	-	1	5
GT	1	2	3	2	15	23
Mazars	-	-	1	-	3	4
<b>Total</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>20</b>	<b>42</b>

Two objections have been closed in the last quarter

# Non-audit services requests

One request to undertake non-audit service requests has been made in 2021/22.

Year	No. of requests approved for non-audit services	Total fee value of requests approved £
2019/20	5	203,550
2020/21	0	0
2021/22	3	185,500
2022/23	1	56,500

Our role is to consider whether providing the service could potentially compromise the independence of the auditor. The work to be undertaken and the level of the fee is a matter for the audited body and the audit firm.

# Approved variations to Scale Fee As at 30 September 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	5.9**	34.2	20.8%
2019/20	28.4	11.4**	39.8	40.1%
2020/21***	28.5	10.0**	38.5	35.1%

\*\*Not all variation requests for previous years have been submitted or processed. The current average rate of variations approved for individual bodies is 50% (19/20) and 66% (20/21).

\*\*\*Includes EY fee variations in consultation with bodies.