

# **Audit Contract Monitoring Report Data Pack**

**PSAA Board**

**Quarter 3 – December 2022**

# Quarter Headlines

Only 56 (12%) of opted in bodies were able to meet the publishing date of 30 November 2022 for 2021/22 audited financial statements. By 31 December 2022 opinions had been given at a further 13 opted in bodies leaving 398 (85%) remaining.

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

- **2018/19 at 10 opted in bodies (1%)**
- **2019/20 at 44 opted in bodies (9%)**
- **2020/21 at 161 opted in bodies (34%)**

Overall 619 opinions are delayed

# Quarter Headlines

Auditors have used their additional powers as follows:

Public Interest Reports were issued at:

- »» Spelthorne Borough Council  
(30 November 2022)
- »» Cheshire East Council  
(17 January 2023)

# Quarter Headlines

Auditors have used their additional powers as follows:

Statutory Recommendations have been made at:

- »» Barrow-in-Furness Borough Council  
(6 October 2022)
- »» West of England Combined Authority  
(10 October 2022)
- »» Bromsgrove District Council  
(31 October 2022)
- »» Redditch Borough Council  
(31 October 2022)

# Quarter Headlines

The backlog of unfinished audits continues to be very concerning.

This year's position on delayed audit opinions underscores the scale of the huge challenge that local audit is facing. Only 12% of local government bodies' 2021/22 audit opinions have been given by the publishing date of 30 November 2022. Although this is slightly higher than last year's 9%, this year's publishing date is two months later than the 30 September target for delivery of 2020/21 opinions.

In total over 630 audit opinions were recorded as delayed at 30 November 2022

S Freer (PSAA Chair) commented: *“The local audit system desperately needs to find a way of clearing the backlog and restoring the norm of timely opinions as quickly as possible.”*

# Audit Opinions Data 2021/22

Firm	Total audits	Outstanding at 30 Nov 2022		Outstanding at 31 Dec 2022	
BDO	<b>25</b>	25	100%	25	100%
DL	<b>26</b>	25	96%	25	96%
EY	<b>149</b>	141	95%	140	94%
GT	<b>180</b>	144	80%	134	75%
Mazars	<b>87</b>	76	87%	74	85%
<b>Total</b>	<b>467</b>	<b>411</b>	<b>88%</b>	<b>398</b>	<b>85%</b>

Publishing date for 2021/22 was 30 November 2022

# Audit Opinions Data 2020/21

Firm	Total audits	Outstanding at 30 Sep 2021		Outstanding at 30 Sep 2022		Outstanding at 31 Dec 2022	
BDO	<b>25</b>	25	100%	20	80%	20	80%
DL	<b>26</b>	24	92%	19	73%	19	73%
EY	<b>157</b>	148	94%	61	39%	56	36%
GT	<b>179</b>	157	88%	49	27%	46	26%
Mazars	<b>87</b>	79	91%	19	22%	19	22%
<b>Total</b>	<b>474</b>	<b>433</b>	<b>91%</b>	<b>168</b>	<b>35%</b>	<b>160</b>	<b>34%</b>

Publishing date for 2020/21 was 30 September 2021

Seven audit opinions were issued in the three months to December 2022

# Audit Opinions Data 2019/20

Firm	Total audits	Outstanding at 30 Nov 2020		Outstanding at 30 Sep 2021		Outstanding at 31 Dec 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%	11	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>44</b>	<b>9%</b>

Publishing date for 2019/20 was 30 November 2020

One audit opinion was issued in the three months to December 2022



# Audit Opinions data 2018/19

Firm	Total audits	Opinions outstanding				
		31 Jul 2019	30 Sep 2020	30 Sep 2021	30 Sep 2022	30 Dec 2022
BDO	27	13	4	2	2	2
DL	30	18	4	3	1	1
EY	163	90	20	4	1	1
GT	181	70	7	4	4	4
Mazars	85	17	2	2	2	2
<b>Total</b>	<b>486</b>	<b>208</b>	<b>37</b>	<b>15</b>	<b>10</b>	<b>10</b>

Publishing date for 2018/19 was 31 July 2019

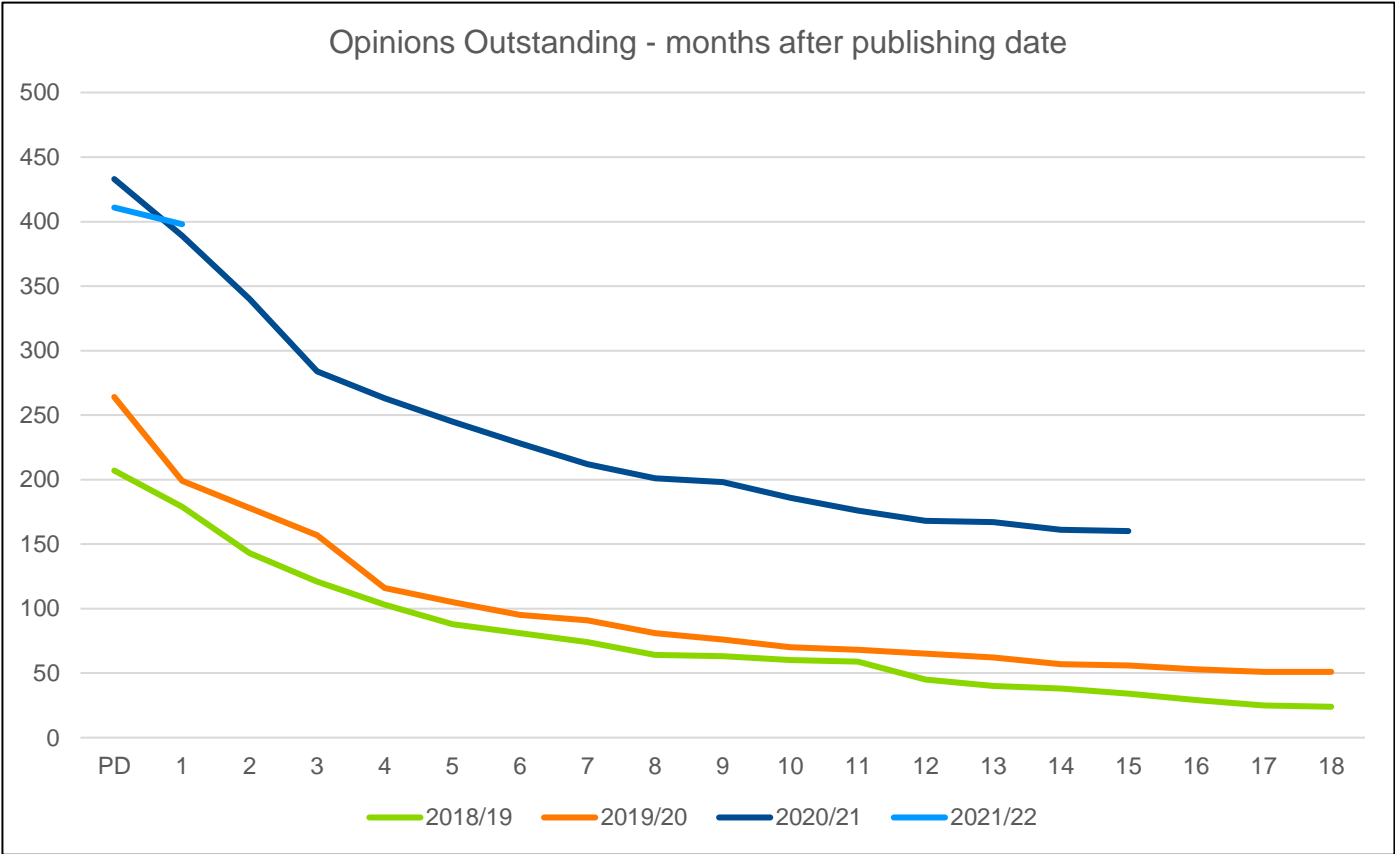
No audit opinions were issued in the three months to December 2022

# Audit Opinions data 2015/16 to 2021/22

<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 = 619</b>	<b>Number of audits outstanding per financial year</b>
2021/22 <i>30 Nov</i>	<b>467</b>	12%	238	398
2020/21 <i>30 Sep</i>	<b>474</b>	9%	116	160
2019/20 <i>30 Nov</i>	<b>478</b>	45%	34	44
2018/19 <i>31 Jul</i>	<b>486</b>	57%	7	10
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 December 2022

# Audit completions – profile after due date



As at 31 December 2022

PD = Publishing date

# Summary of Objections under Investigation As at 31 December 2022

Firm	2017/18 & prior	2018/19	2019/20	2020/21	2021/22	Total
BDO	6	-	3	1	-	10
DL	n/a	-	-	-	-	0
EY	2	2	-	1	-	5
GT	3	3	2	14	3	25
Mazars	-	-	-	2	-	2
<b>Total</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>18</b>	<b>3</b>	<b>42</b>

Three objections have been closed in the last quarter

# Approved variations to Scale Fee

## As at 31 December 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	28.2	5.9**	34.1	21.0%
2019/20	28.4	11.7**	40.1	41.0%
2020/21***	28.3	11.0**	39.3	39.0%

\*\*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 70% (20/21).