

Audit Contract Monitoring Report Data Pack

PSAA Board

Quarter 4 – March 2023

Quarter Headlines

56 (12%) 2021/22 opinions were given by the publishing date of 30 November 2022.

By 31 March 2023 this had risen to 120 (26%) bodies, leaving 347 (74%) remaining.

At 31 March 2023 outstanding earlier years' opinions were:

- **2018/19 at 10 bodies (2%)**
- **2019/20 at 39 bodies (8%)**
- **2020/21 at 145 bodies (31%)**

Overall 545 opinions are delayed (4 from pre 2018/19)

Quarter Headlines

Auditors have used their additional powers as follows:

A Public Interest Report was issued at:

»» Cheshire East Council
(17 January 2023)

Statutory Recommendations were made at:

»» Slough BC
(7 February 2023)

»» London Borough of Croydon
(20 March 2023)

Quarter Headlines

The backlog of unfinished audits continues to be very concerning with 545 audit opinions outstanding as at 31 March 2023.

The matter is subject to ongoing parliamentary scrutiny.

In January 2023 the NAO published a progress update to their report on the timeliness of local government audit reporting on local government in England.

A follow up Public Accounts Committee hearing took place on 16 March 2023.

The Levelling Up Housing and Communities Committee has launched its own inquiry on local government accounts and audit.

Audit Opinions Data 2021/22

Firm	Total audits	Outstanding at 30 Nov 2022		Outstanding at 31 Mar 2023	
BDO	25	25	100%	25	100%
DL	26	25	96%	24	92%
EY	149	141	95%	129	87%
GT	180	144	80%	103	57%
Mazars	87	76	87%	66	85%
Total	467	411	88%	347	74%

Publishing date of 30 November 2022

51 audit opinions were issued in the first quarter of 2023

Audit Opinions Data 2020/21

Firm	Total audits	Outstanding at 30 Sep 2021		Outstanding at 30 Sep 2022		Outstanding at 31 Mar 2023	
BDO	25	25	100%	20	80%	17	68 %
DL	26	24	92%	19	73%	18	69%
EY	157	148	94%	61	39%	55	34%
GT	179	157	88%	49	27%	37	21%
Mazars	87	79	91%	19	22%	19	22%
Total	474	433	91%	168	35%	145	31%

Publishing date of 30 September 2021

15 audit opinions were issued in the first quarter of 2023

Audit Opinions Data 2019/20

Firm	Total audits	Outstanding at 30 Nov 2020		Outstanding at 30 Sep 2021		Outstanding at 31 Mar 2023	
BDO	25	14	56%	9	36%	9	36%
DL	26	16	62%	10	38%	4	15%
EY	161	103	64%	26	16%	9	6%
GT	179	82	46%	19	11%	11	6%
Mazars	87	49	56%	6	7%	6	7%
Total	478	264	56%	70	15%	39	8%

Publishing date of 30 November 2020

Five audit opinions were issued in the first quarter of 2023

Audit Opinions data 2018/19

Firm	Total audits	Opinions outstanding				
		31 Jul 2019	30 Sep 2020	30 Sep 2021	30 Sep 2022	31 Mar 2023
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
Total	486	208	37	15	10	10

Publishing date of 31 July 2019

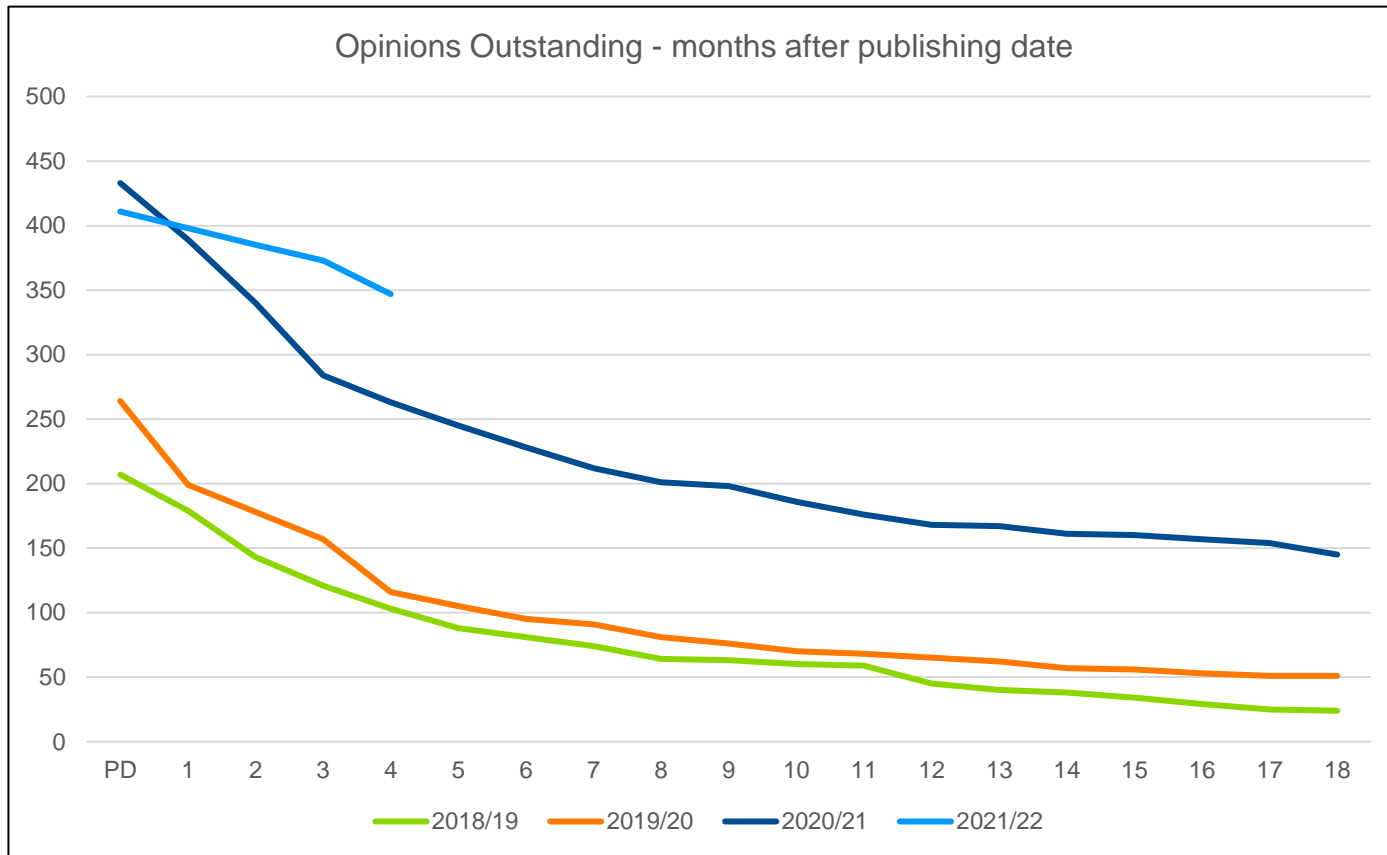
No audit opinions were issued in the first quarter of 2023

Audit Opinions data 2015/16 to 2021/22

Audit year <i>Publishing date</i>	Number of opted in bodies	Percentage of audits complete by publishing date	Number of audits outstanding per financial year As at 31 March 2023	Number of audits by oldest year outstanding
2021/22 30 Nov	467	12%	347 (74%)	202
2020/21 30 Sep	474	9%	145 (31%)	106
2019/20 30 Nov	478	45%	39 (8%)	29
2018/19 31 Jul	486	57%	10 (2%)	8
2017/18 31 Jul	494	87%	2	1
2016/17 30 Sep	497	95%	1	0
2015/16 30 Sep	497	97%	1	1

As at 31 March 2023

Audit completions – profile after due date



As at 31 March 2023

Summary of Objections under Investigation

As at 31 March 2023

Firm	2017/18 & prior	2018/19	2019/20	2020/21	2021/22	Total
BDO	6	-	3	1	1	11
DL	n/a	-	-	-	-	0
EY	2	2	-		-	4
GT	2	1	2	14	3	22
Mazars	-	-	-		5	5
Total	10	3	5	15	9	42

Eight objections have been closed in the last quarter

Approved variations to Scale Fee

As at 31 March 2023

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	7.4*	35.6	26.3%
2019/20	28.4	12.0*	40.3	42.1%
2020/21	28.3	13.3*	41.6	47.1%
2021/22**	28.6	0.9*	29.5	3.1%

*Not all variation requests for previous years have been submitted or processed. The current average rate of variations approved for individual bodies is 53% (19/20), 74% (20/21) and 57% (21/22).

**This year includes bake-in adjustments for 184 bodies, increasing the scale fee by £753k.