

Audit Contract Monitoring Report Data Pack

PSAA Board

Quarter 2 – September 2023

Quarter Headlines

5 (1%) 2022/23 opinions were given by the publishing date of 30 September 2023.

Overall 918 opinions are delayed (3 from pre 2018/19)

At 30 September 2023 outstanding earlier years' opinions were:

- **2018/19 at 10 bodies (2%)**
- **2019/20 at 34 bodies (7%)**
- **2020/21 at 106 bodies (22%)**
- **2021/22 at 303 bodies (65%)**
- **2022/23 at 462 bodies (99%)**

Quarter Headlines

The audit backlog continues to be extremely concerning, with only 5 of 467 audited bodies given 2022/23 audit opinions by the specified publishing date of 30 September 2023, leaving 918 audit opinions outstanding.

Steve Freer, PSAA's Chair said,

'The scale of the backlog of local audit opinions is becoming more and more serious. It is now very clear that an extraordinary intervention of some sort is urgently required to put the system back on track. Hopefully, current work to develop a solution can be concluded quickly, enabling details of the planned solution to be announced and implemented as soon as possible. An important strand of any solution must be to address the root causes of so many delayed opinions so that following its implementation the delivery of timely opinions is firmly and permanently re-established.'

The matter is subject to ongoing parliamentary scrutiny and intensive work to find a lasting solution.

Quarter Headlines

Auditors have used their additional powers as follows:

Statutory Recommendations were made at :

»» Middlesbrough Council
(21 August 2023)

»» Birmingham City Council
(29 September 2023)

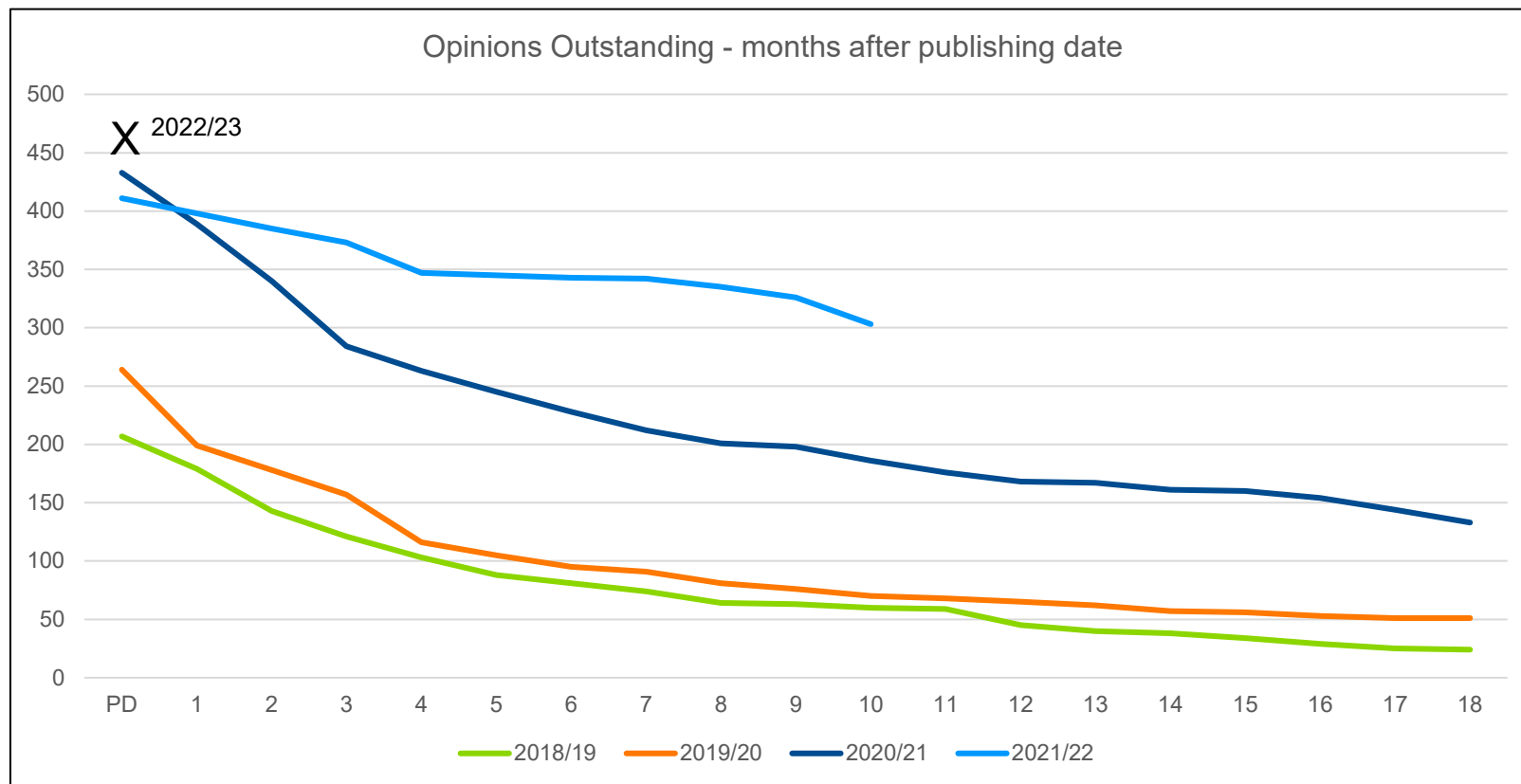
Audit Opinions data 2018/19 to 2022/23

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 30 Sept 2023	Number of audits by oldest year outstanding
2022/23 30 Sept	467	1%	462 (99%)	159
2021/22 30 Nov	467	12%	303 (65%)	197
2020/21 30 Sep	474	9%	106 (22%)	72
2019/20 30 Nov	478	45%	34(7%)	24
2018/19 31 Jul	486	57%	10 (2%)	9

At 30 September 2023

The table excludes the three opinions outstanding at one authority from 2015/16 to 2017/18

Audit completions – profile after due date



As at 30 September 2023

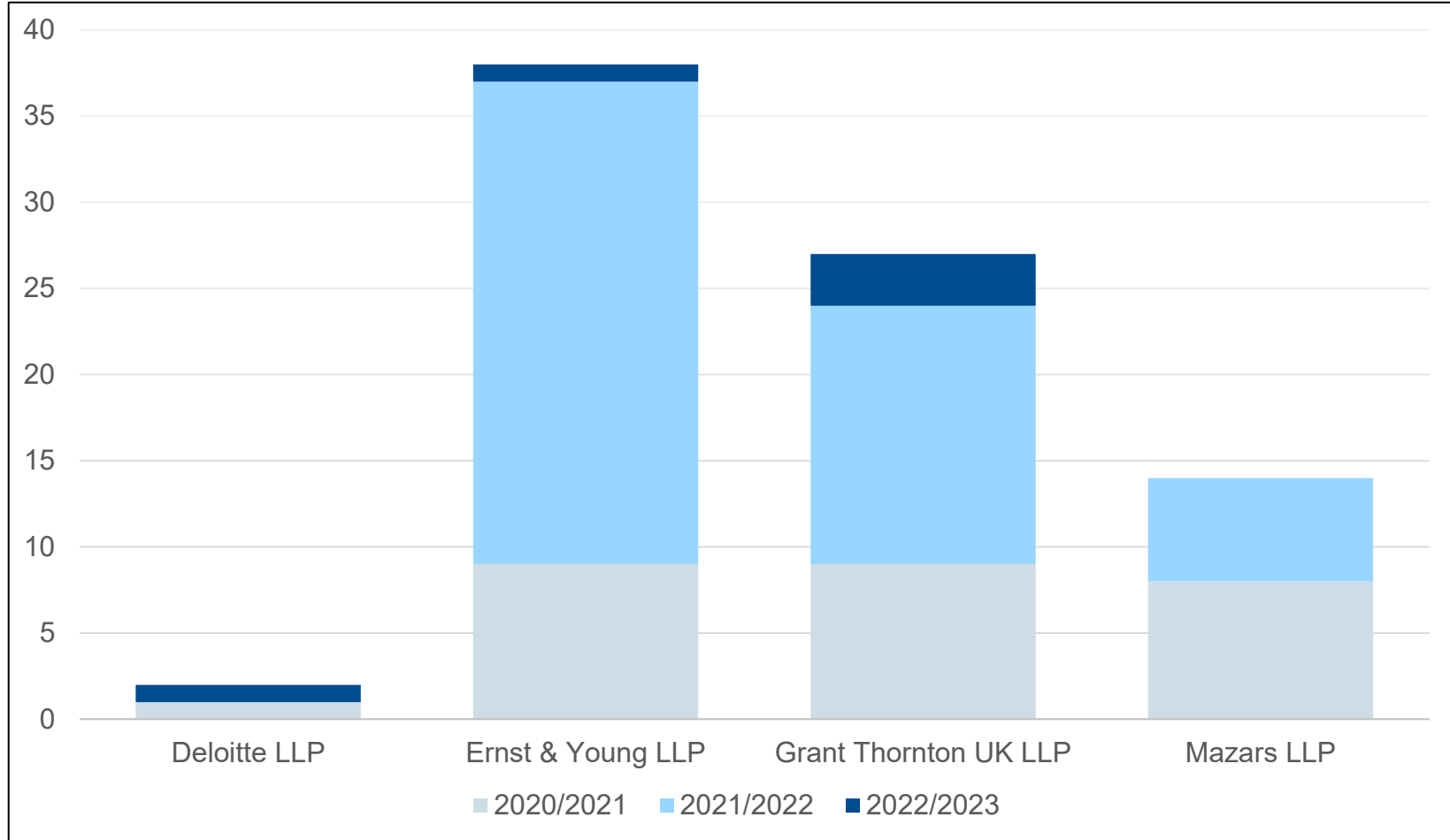
Audit Opinions Signed - June to Sept 2023

	BDO	DL	EY	GT	Maz	Total
Jun 2023	-	-	2	2	2	6
Jul 2023	-	-	10	2	2	14
Aug 2023	-	1	4	3	8	16
Sep 2023	-	1	22	20	2	45
Total	-	2	38	27	14	81

17% of audited bodies have had audit opinions signed since June 2023

- Five for 2022/23
- 49 for 2021/22
- 27 for 2020/21

Audit Opinions Signed - June to Sept 2023



BDO did not sign any opinions in the period

Summary of Objections under Investigation

As at 30 September 2023

Firm	2018/19 & prior	2019/20	2020/21	2021/22	2022/23	Total
BDO	7	2	1	1		11
DL	n/a	1	2	1	-	4
EY	1	-	-	2	-	3
GT	2	2	10	3	2	19
Mazars	-	-	-	1	2	3
Total	10	5	13	8	4	40

Seven objections have been closed in the period July to September 2023

Approved variations to Scale Fee

End of Quarter 2 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	13.8*	42.2	48.5%
2020/21	28.3	15.0*	43.3	53.2%
2021/22**	28.6	5.3*	33.8	18.4%

*Not all variation requests for previous years have been submitted or processed. The current average rate of variations approved for individual bodies is 56% (19/20), 75% (20/21) and 69% (21/22).

**This year includes bake-in adjustments for 184 of 467 audited bodies.