

# **Audit Contract Monitoring Report Data Pack**

**PSAA Board**

**Quarter 2 – September 2020**

# Quarter Highlights

- The COVID-19 pandemic is impacting on the delivery of both the remaining 2018/19 and 2019/20 audits years:
  - Supporting audit completion is challenging for authorities who have public health priorities.
  - There is added uncertainty about year-end valuations and other estimates
  - The pandemic itself is a non-adjusting Post Balance Sheet Event which requires appropriate disclosure and audit coverage.
- We continue to monitor delivery of 2018/19 engagements and are providing updates to the NAO and MHCLG. As at 30 September 2020 opinions were outstanding at 37 authorities (11.5%).
- Information from firms is that 87 opinions are currently at risk of not meeting the extended 30 November deadline for 2019/20. Our expectation is that this number will rise.

# Quarter Highlights

- The FRC expect to publish the results of their reviews of 'major local audits' at the end of October.
- We will take the findings from this report together with the ICAEW's reviews of other local audits into our 2020 Annual Quality Monitoring Report.

# Audit Opinions data 2018/19

Firm	Total audits	Opinions not delivered			
		31 July 2019	30 Sept 2019	31 March 2020	30 Sept 2020
BDO	27	13	9	4	4
EY	163	90	70	32	20
GT	181	70	35	16	7
Mazars	85	17	13	2	2
DL	30	18	15	7	4
<b>Total</b>	<b>486</b>	<b>208</b>	<b>142</b>	<b>61</b>	<b>37</b>
Total 2018		65	25	11	8

# Audit Opinions data 2019/20

Note that this includes the 37 outstanding from 2018/19

Firm	Total audits	Given by 30 Sept	Opinions at risk
BDO	27	0	4
EY	163	0	37
GT	181	1	37
Mazars	85	0	3
DL	30	0	6
<b>Total</b>	<b>486</b>	<b>1</b>	<b>87</b>

Publishing date of 30 November 2020

# Summary of Objections under Investigation

As at 30 Sept 2020	2016/17 & prior	2017/18	2018/19	2019/20	Total
BDO	9	2	-	-	11
EY	3	-	2	1	6
GT	1	2	10	5	18
KPMG	4	-	n/a	n/a	4
Mazars	3	1	5	2	11
DL	n/a	n/a	1	21	22
Total	20	5	18	29	72

# Other Performance Indicators

As part of our audit quality monitoring arrangements we consider a range of other performance indicators.

We reported to the Board one matter of non-compliance with the Terms of Appointment in this Quarter.

- GT failed to notify us of an extension of a manager appointment into an eighth year on a timely basis.