

PSAA – Advisory Panel

1 June 2020

10.00 – 12.00

Agenda

- Welcome
- Notes from meeting 29 January 2020
- Update on 2018/19
- Covid19 – impact on bodies and firms
- Audit fees 2019/20 and 2020/21
- World of Audit
- Quality of audit services survey
- LAQF
- AOB
- Next meeting – 19th October

PSAA Advisory Panel – 1 June 2020

- Welcome
- Minutes from 29 January 2020 meeting

Audit Opinions data 2018/19

Firm	Total audits	Opinions not delivered				
		31 July 2019	30 Sept 2019	31 Dec 2019	31 March 2020	31 May 2020
BDO	27	13	9	6	4	4
EY	163	90	70	45	32	32
GT	181	70	35	19	16	14
Mazars	85	17	13	3	2	2
DL	30	18	15	12	7	7
Total	486	208	142	85	61	59
Total 2018		65	25	14	11	9

Summary of Objections under Investigation

The totals include 3 LOBO and 6 PFI objections.

As at 31 May 2020	> 9 mths		< 9mths	
Firm	2016/17 & prior	2017/18	2018/19	Total
BDO	9	2	-	11
EY	2	-	2	4
GT	4	3	11	18
KPMG	5	-	N/A	5
Mazars	2	2	5	9
DL	N/A	N/A	1	1
Total	22	7	19	48

COVID – 19

Impact on Accounts and Audit – 31 March 2020

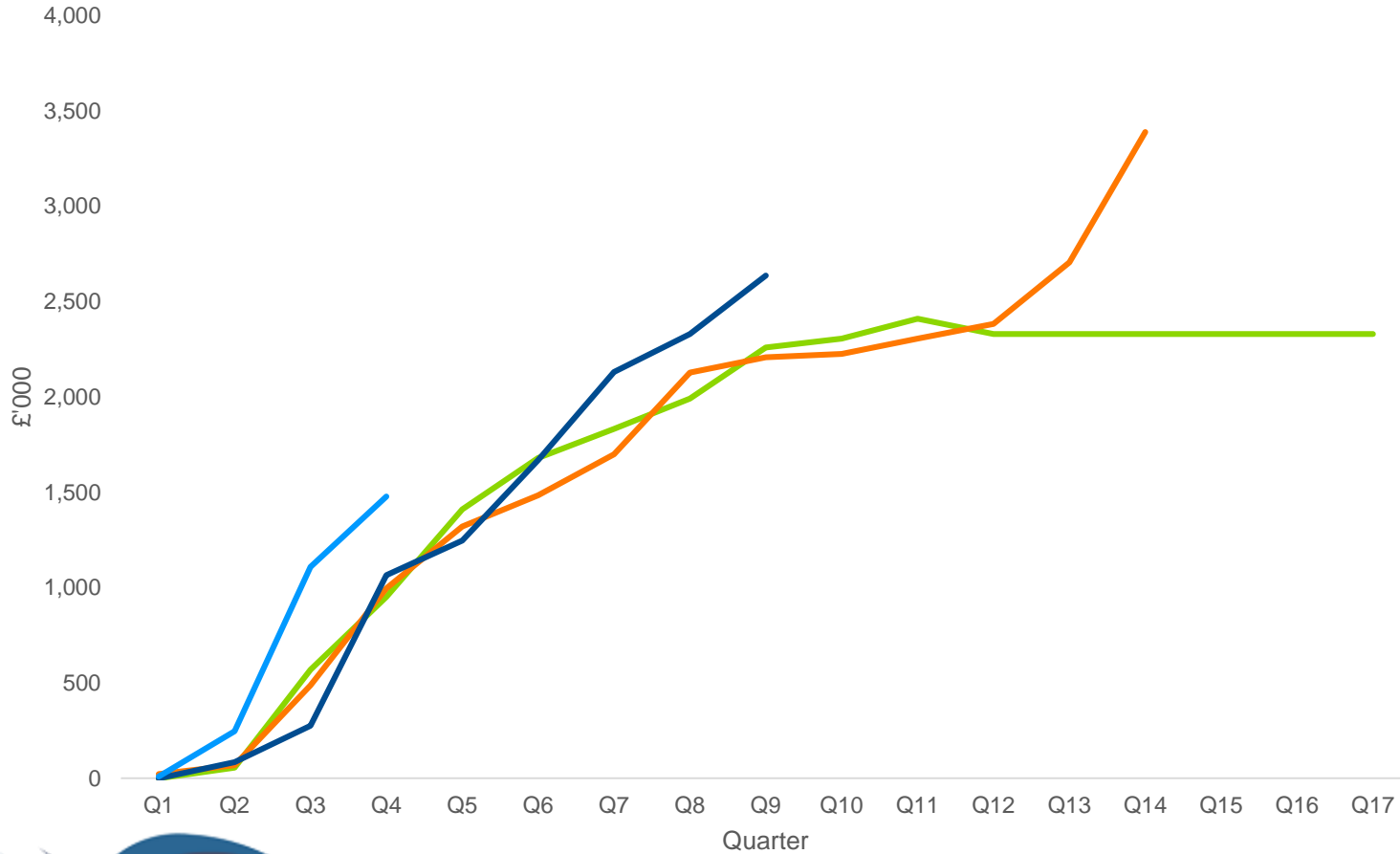
- Amendment to Accounts and Audit Regulations
- CIPFA Accounts Code and Bulletin 05
- Impact on authorities
 - Financial resilience/going concern
 - Uncertainty
- Impact on audit firms
 - Remote working
 - Assurance over uncertainties
 - Opinion issues

Audit Fees

- Fee variations 2018/19
- Planning discussions 2019/20
- Consultation 2020/21
 - [2020/21 audit fee scale](#)
 - [Frequently asked questions](#)

Profile of fee Variations 2015/16 to 2018/19

Fee variations for last 4 years



Fee variations 2018/19

Approved requests for variations for 2018/19 to date.

Firm	Contract % share	2018/19 audit scale fee £m	Total net value of fee variation requests approved (£)	% of variation against firms' total scale fee	% of total fee variations approved
BDO	6	1.5	10,004	0.7	0.7
DL	6	1.8	146,468	8.1	9.9
EY	30	8.4	6,887	0.1	0.5
Grant Thornton	40	11.3	1,139,075	10.1	77.1
Mazars	18	5.2	174,203	3.4	11.8
Total	100%	28.2	1,476,637	5.2	100

World of Audit

- 2020 NAO Code of Audit Practice – now live
 - Report promptly on 2020/21 issues
- Redmond Review
 - Recommendations expected September
- PSAA Touchstone Renard report now published
 - [Review of the sustainability of the local government audit market](#)
 - ICAEW webinar on sustainability 2 June 2020

Survey – 2018/19 Quality of Audit Services

- A key measure of the quality of audit services is customer satisfaction. Our 2018/19 survey of all opted in bodies received responses from 75 (15%) Audit Committee chairs and 193 (40%) Finance Directors.
- The survey has now been published:
[Findings of audit survey](#)
- We have shared the messages from the survey with the audit firms in order to drive forward improvement.
- We will undertake the survey annually.
- We are currently looking at how to improve the engagement with audit committee chairs. Ideas welcome!

PSAA update

- Objections' outcome project

[Independent analysis of the outcomes of electors objections](#)

- LAQF

Cancellation of June event

Looking at options for November – potentially a virtual event

Closing

- AOB
- Next meeting - Monday 19 October 10.00 am