

COUNCIL, 25 JANUARY, 2017

REPORT OF THE AUDIT COMMITTEE

NATIONAL SCHEME FOR AUDITOR APPOINTMENTS

At its meeting on 29 November 2016 the Audit Committee considered a report (attached) which set out the options for the appointment of external auditors from 1 April 2018.

Under the Local Audit and Accountability Act 2014 and associated Regulations, the Council had been contacted by Public Sector Audit Appointments (PSAA) who were an independent, not for profit company established by the Local Government Association and specified by the Secretary of State as an 'appointing person' for external auditors. The Council had been invited by PSAA, along with all other Local Authorities, to opt in to a sector led arrangement so that PSAA could enter into a number of contracts with appropriately qualified audit firms and appoint a suitable company to be the Council's auditor.

This would allow a number of benefits for the Council including the appointment of a suitably qualified and registered auditor, compliance with contractual and independence requirements and lower overall procurement costs.

Officers were unable to recommend either of the other available options – the establishment by the Council of individual or joint auditor panels since both these options would be more resource intensive processes to implement and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service. It would also be more difficult to manage quality and independence requirements through a local appointment process.

The Audit Committee accordingly recommends to Council that it:

1. **Accepts** Public Sector Audit Appointments invitation to 'opt in' to the sector led option for the appointment of external auditors commencing 1 April 2018, for the financial years of the contracts let in accordance with the PSAA procurement strategy; (5 years as currently proposed);
2. **Delegates** to the Section 151 Officer authority to give notice to the PSSA that the invitation is accepted