

Meeting: Audit Committee
Council

Date: 18 January 2017
23 February 2017

Wards Affected: All

Report Title: Decision to opt in to the national scheme for Auditor Appointments with Public Sector Audit Appointment (PSAA) as the 'Appointing Person'

Is the decision a key decision? No

When does the decision need to be implemented? 8 March 2017

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1. Proposal and Introduction

- 1.1 This report sets out the proposals for appointing the external auditor to the Council for the 2018/19 accounts and beyond, as the current arrangements only cover up to and including 2017/18 audits. The auditors are currently working under a contract originally let by the Audit Commission and the contract was novated to Public Sector Audit Appointments (PSAA) following the closure of the Audit Commission.
- 1.2 If the Council is to take advantage of the national scheme for appointing auditors to be operated by PSAA for the subsequent years, it needs to take the decision at this meeting to enable the Council to accept the invitation, which has a deadline of, by early March 2017.

2. Reason for Proposal

- 2.1 A sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than any procurement undertaken locally. More specifically:
 - The audit costs are likely to be lower than if the Council sought to appoint locally, as national large-scale contracts are expected to drive keener prices from the audit firms;

- Without the national appointment, the Council would need to establish a separate independent auditor panel, which could be difficult, costly and time-consuming;
- PSAA can ensure the appointed auditor meets and maintains the required quality standards and can manage any potential conflicts of interest much more easily than the Council;
- Supporting the sector-led body will help to ensure there is a vibrant public audit market for the benefit of the whole sector and this Council going forward into the medium and long term.

3. Recommendation(s) / Proposed Decision

3.1 That the Audit Committee recommends:

That the Council accepts Public Sector Audit Appointments' (PSAA) invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2018.

Appendices

Appendix 1: Supporting Information

Background Documents

Invitation to become an opted-in authority