COUNCIL – 23RD JANUARY 2017

Report of the Audit Committee

ITEM 6.5 APPOINTMENT OF EXTERNAL AUDITOR

Purpose of Report

To consider a recommendation of the Audit Committee that the Council opts into the national scheme for auditor appointments (external auditor).

Recommendation

That the Council opts into the national scheme for auditor appointments, which is administered by Public Sector Auditor Appointments Limited.

Reason

To establish suitable arrangements for the appointment of external auditors for the audit of accounts from 2018/19.

Policy Justification and Previous Decisions

The Council is required to make arrangements for the appointment of external auditors for the audit of accounts from 2018/19 and to make that appointment by the end of 2017. In doing so, the Council must comply with the Local Accountability and Audit Act 2014.

At its meeting on 29th November 2016, the Audit Committee considered this matter and recommended that the Council should opt into the national scheme for auditor appointments in this respect. The report considered by the Committee is attached as an Annex.

Implementation Timetable including Future Decisions and Scrutiny

The decision of the Council on this matter will take effect at the close of the Council meeting on 23rd January 2017.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications associated with this report.

Risk Management

No specific risks have been identified in connection with this report.

Background Papers:	Public Sector Auditor Appointments Limited Invitation and Prospectus.
Officers to Contact:	Laura Strong Democratic Services Officer laura.strong@charnwood.gov.uk (01509) 634734

AUDIT COMMITTEE – 29TH NOVEMBER 2016

Report of the s151 Officer

Part A

ITEM APPOINTMENT OF EXTERNAL AUDITOR

Purpose of Report

To recommend that the Council opts into the national scheme for external auditor appointments.

Recommendation

That it be recommended to Council to opt into the national scheme for auditor appointments, which is administered by Public Sector Auditor Appointments Limited.

Reason

To establish suitable arrangements for the appointment of external auditors for the audit of accounts from 2018/19.

Policy Justification and Previous Decisions

The Council is required to make arrangements for the appointment of external auditors for the audit of accounts from 2018/19 by the end of 2017, and in doing so must comply with the Local Accountability and Audit Act 2014.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications arising from this decision.

Risk Management

There are no specific risks associated with this decision.

Background Papers: PSAA Prospectus
PSAA Invitation

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Part B

Background

1. Under the Local Audit and Accountability Act 2014, the Council is obliged to put in place arrangements for the appointment of an external auditor for the audit of the statement of accounts from 2018/19, and the appointment must be made by the end of 2017.

2. The options available for the appointing of an external auditor are:

   - Opt in to the national scheme for auditor appointments, which is administered by Public Sector Auditor Appointments Limited (PSAA) who have been designated by the Secretary of State,
   - Undertake a local procurement and appointment process, either individually or in conjunction with other public sector bodies, to be overseen by an auditor panel which must have a majority of independent members (ie. not elected councillors) and which must be chaired by an independent person.

3. PSAA have indicated that they require confirmation by 9th March 2017 if the Council wishes to opt into the national scheme.

4. Officers have considered the available options, and recommend that opting into the national scheme is the preferred way forward as it will allow the Council to avoid the complexities associated with having to appoint an auditor panel and administer a local procurement and appointment process. It will also ensure that the whole process is run entirely independently by an experienced organisation.

5. The decision to opt into the national scheme will have to be taken by full Council, and therefore the Committee is asked to make a recommendation to the next full Council meeting.

6. Further information about PSAA and the procurement and appointment process under the national scheme is set out in the PSAA invitation and prospectus which have been published as background papers to this report.