

Appointing External Auditors

G&A Committee	7 December 2016
Report Author	Director of Corporate Resources and s151 officer
Portfolio Holder	Cllr John Townend, Portfolio Holder - Finance and Estates
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	All Wards

Executive Summary:

To propose acceptance of the offer to join the designated collective scheme for auditor appointments via Public Sector Audit Appointments Ltd (PSAA) to manage the appointment of external auditors and achieve the best price.

Recommendation(s):

That Members agree acceptance of the PSAA offer and refer agreement to Council.

CORPORATE IMPLICATIONS

Financial and Value for Money	The financial implications of the budget are laid out within the body of the report.
Legal	Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the Council's finances. For this Council, this is the Director of Corporate Resources, and this report is helping to carry out that function. The requirements of other relevant statute have been referenced within the body of this report, where relevant.
Corporate	Corporate priorities can only be delivered with robust finances. Both the draft budget and the level of reserves recommended in this report are believed to be sufficient to meet these priorities and develop Services.
Equalities Act 2010 & Public Sector Equality Duty	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it. Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	
	Foster good relations between people who share a protected characteristic and people who do not share it.	
<p>There are no equity and equalities implications arising directly from this report, but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.</p> <p>It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council, as a result a full equality impact assessment will be undertaken for any specific service changes where appropriate.</p>		

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	✓
Promoting inward investment and job creation	✓
Supporting neighbourhoods	✓

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction and purpose of report

- 1.1 The current contracts with external audit firms expire with the completion of the 2017-18 audits for local government bodies. The expiry of contracts will also mark the end of the current mandatory regime for auditor appointments. Thereafter, local bodies will exercise choice about whether they opt in to the authorised national scheme, or whether they make other arrangements to appoint their own auditors.
- 1.2 Over the next few months all principal authorities will need to decide how their auditors will be appointed in the future. They can take advantage of a national collective scheme which is designed to offer them a further choice. Choosing the national scheme should pay dividends in quality, in cost, in responsiveness and in convenience.

2.0 Background

- 2.1 Public Sector Audit Appointments Ltd (PSAA) is leading the development of this national option. PSAA is a not-for-profit company which already administers the current audit contracts. In this area, it is the successor to the Audit Commission, which closed on 31 March 2015.
- 2.2 PSAA has been designated by the Department for Communities & Local Government (DCLG) to operate a collective scheme for auditor appointments for principal authorities (other than NHS bodies) in England. It is currently designing the scheme to reflect the sector's needs and views. The Local Government Association (LGA) is strongly

supportive of this ambition, and 200+ authorities have already signalled their positive interest. This is an opportunity for local government, fire, police and other bodies to act in their own and their communities' best interests.

3.0 Timetable

3.0 PSAA needs to receive the Council's formal acceptance of this invitation by 9 March 2017. In addition, the relevant regulations require that the decision to accept the invitation and to opt in needs to be made by the Members of the authority meeting as a whole. Hence consideration by G&A Committee on 7 December 2016 and Council on 9 February 2017.

4.0 Financial Implications

4.1 The budget for external auditors is £107,500, which contains the current charge.

Contact Officer:	Tim Willis, Director of Corporate Resources and S151 Officer
Reporting to:	Madeline Homer, Chief Executive

Background Papers

Title	Details of where to access copy
Invitation to opt into the national scheme for auditor Appointments.	Website: www.psa.co.uk Email to CE October 27, 2016

Corporate Consultation

Finance	<i>N/A – report authors</i>
Legal	<i>Tim Howes, Director of Corporate Governance</i>