

Title of meeting: Governance and Audit and Standards Committee
City Council

Date of meeting: 3 February 2017 (Governance and Audit and Standards
Committee)
14 February (City Council)

Subject: External Audit Arrangements After 2017/18

Report by: Director of Finance and Information Services (Section 151
Officer)

Wards affected: All

Key decision: No

Full Council decision: Yes

1. Purpose of report

To secure the appointment of an external auditor for the 2018/19 and subsequent years accounts.

2. Recommendation

That Governance and Audit and Standards Committee consider the report and recommends to Council that it opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

3. Background

In July 2016 PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across most of local government. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA).

The date by which authorities will need to opt in to the appointing person arrangements is 9 March 2017.

4. Reasons for recommendations

The main advantages of using PSAA are:

- Assure timely auditor appointments
- Manage independence of auditors
- Secure competitive prices
- Save on procurement costs
- Save time and effort needed on auditor panels
- Focus on audit quality
- Operate on a not for profit basis and distribute any surplus funds to scheme members.

An alternative option available to the Council is to establish an auditor panel and conduct our own procurement either on its own, or through a joint procurement with a group of other local authorities. This is not recommended as it will be a far more resource intensive process and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service.

5. Equality impact assessment (EIA)

The contents of this report do not have any relevant equalities impact and therefore an equalities assessment is not required.

6. Legal Implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

7. Director of Finance and Information Services (Section 151 Officer) comments

All financial considerations are contained within the body of the report.

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Signed by Director of Finance and Information Services (Section 151 Officer)

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Information pertaining to the appointment of external auditors	Financial Services
2	

