

## **Arrangements for the Future Appointment of an External Auditor**

**01 February 2017**

### **Report of Audit Committee**

#### **PURPOSE OF REPORT**

To seek Council's approval for proposals relating to the future appointment of an external auditor to the Authority, as required by the Local Audit and Accountability Act 2014.

**This report is public**

#### **RECOMMENDATIONS**

- (1) That full Council approves the proposal that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the future appointment of external auditors.**

#### **1.0 Introduction**

- 1.1 At its meeting on 18 January 2017 the Audit Committee considered a report from the Chief Officer (Resources) setting out options relating to the future appointment of an external auditor to the Authority.
- 1.2 Following the abolition of the Audit Commission, new arrangements are needed for the appointment of external auditors to local authorities. The Local Audit and Accountability Act 2014 requires authorities to either opt in to an "appointing person regime" or to establish an auditor panel and conduct their own procurement exercise.
- 1.3 The date by which authorities need to opt in to the appointing person arrangements has now been set as 09 March 2017 and, in accordance with the Regulations, the decision to become an opted-in authority must be taken by full Council.
- 1.4 A copy of the report to Audit Committee is attached as Annex 1.

#### **2.0 Proposal Details**

- 2.1 In accordance with the Audit Committee's recommendation (Minute no 31, 18<sup>th</sup> January 2017), Council is requested to approve the proposal that the Council opts-in to the "appointing person regime" provided by Public Sector Audit Appointments (PSAA).

#### **3.0 Details of Consultation**

- 3.1 No additional consultation has been undertaken in compiling this report.

#### **4.0 Options and Options Analysis**

4.1 The options available are as set out in the annexed report.

#### **5.0 Conclusion**

5.1 In accordance with the Local Audit and Accountability Act 2014, the Council is required to make a decision on its preferred arrangements for appointing an external auditor for the audit of the 2018/19 accounts onwards. Council's approval of the proposed opt-in to the "appointing person regime" will enable the Council to fulfil that legal requirement and meet the deadline established for this purpose, in support of achieving value for money through the procurement of external audit services.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

##### **Risk Management:**

As set out in the report, use of PSAA minimises the risks inherent in undertaking our own procurement.

#### **LEGAL IMPLICATIONS**

The process set out in the report to Audit Committee and the recommendation made to full Council should ensure compliance with the Local Audit and Accountability Act 2014.

#### **FINANCIAL IMPLICATIONS**

If PSAA is not used some additional resource may be needed to establish an auditor panel and conduct a separate procurement. Until either procurement exercise is completed it is not possible to state whether, or what, additional financial resource may be required for audit fees for 2018/19 onwards, although it is anticipated that any increase will be minimised through using PSAA.

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources; Information Services; Property; Open Spaces**

None.

#### **SECTION 151 OFFICER'S COMMENTS**

The report to Audit Committee was produced by the Chief Officer (Resources) in her capacity as Section 151 Officer; she has no further comments.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

PSAA Prospectus  
PSAA – Appointing Person – Frequently Asked Questions  
Equality Impact Assessment

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