

Report to:	AUDIT COMMITTEE
Relevant Officer:	Iain Leviston, Manager, KPMG
Date of Meeting	26 November 2015

APPOINTING THE COUNCIL'S EXTERNAL AUDITOR

1.0 Purpose of the report:

1.1 To consider the report on the appointment of external auditors.

2.0 Recommendation(s):

2.1 To consider the report, asking relevant questions and making any recommendations that are considered appropriate.

3.0 Reasons for recommendation(s):

3.1 To inform the Committee of the specific requirements that will need to be complied with when exercising the power to appoint an external auditor from the 2018/19 financial year onwards.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priority is:

- Deliver quality services through a professional, well-rewarded and motivated workforce

5.0 Background Information

- 5.1 In August 2010 the Secretary of State for Communities and Local Government announced the intention to close the Audit Commission, the body that appointed external auditors to Local Government and NHS organisations (excluding Foundation Trusts). As part of the announcement, it was stated that organisations whose appointments were previously controlled by the Audit Commission would have the freedom to appoint their own external auditors.
- 5.2 The Audit Commission closed on 31 March 2015. At that time contracts were already in place for local government and NHS external audit appointments that covered audits up to and including the financial year 2016/17. Within these contracts there is an option to extend for a maximum of three further years, i.e. up to and including the financial year 2019/20.
- 5.3 A consultation exercise with key stakeholder groups has recently been concluded on whether, and if so for how long, to extend these contracts. The Government decided that for local government bodies the contracts will be extended by one year, so incorporating the audit of the 2017/18 financial year.
- 5.4 This decision means that the Council will now assume the power to appoint its external auditor from the 2018/19 financial year onwards. Whilst there are some different options open regarding approaches to this new power, there is a need to comply with some specific requirements. These requirements are considered in the attached report.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 6 (a): Appointing the Council's External Auditor report

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 None

10.0 Risk management considerations:

10.1 None

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 None