

Appointment of External Auditor

Report of the County Treasurer

Please note that the following recommendation is subject to confirmation by Committee before taking effect.

Recommendation:

That Members approve Devon County Council joining the national framework for appointing the External Auditor, led by Public Sector Audit Appointments and seek ratification of the decision by County Council at its meeting on 8th December 2016.

1. Background to the issue

- 1.1. Audit Committee received a report (CT/16/52) at its meeting of 7th September 2016, which outlined the requirement of the County Council to appoint its external auditor by December 2017.
- 1.2. Public Sector Audit Appointments (PSAA), a limited company owned by the Local Government Association, has been granted Appointing Person status for local authority external auditors.
- 1.3. The previous report outlined three options available to the Council with regard to the appointment of the external auditor. These included making a stand-alone appointment, setting up a joint Auditor Panel / local joint procurement arrangements with other Councils or opting in to a sector led body approach.
- 1.4. PSAA is commencing the project for external auditor appointments. The date by which principal authorities need to opt in to the appointing person arrangement is not yet finalised. The aim is to award contracts to audit firms by June 2017, giving six months to consult with authorities on appointments before the December 2017 deadline. PSAA anticipate that invitations to opt in to the national framework will be issued before December 2016 at the latest and Authorities will have a minimum period of eight weeks to respond to the invitation.
- 1.5. In accordance with Regulation 19 of the Local Audit (Appointing Person) Regulations 2015, a principal authority will need to make a decision to opt in at full Council.
- 1.6. The September 2016 report outlined clear benefits of joining the national framework arrangement. Recent correspondence with PSAA indicates that PSAA will run a tendering exercise, evaluate bids and award contracts to successful external auditors. It will then propose and consult with each authority on an individual auditor appointment, taking into account the views of the authority, and with due regard to ensuring independence is maintained.

2. Recommendations

- 2.1. On this basis, it is recommended that Devon County Council join the national framework arrangement as led by PSAA and this decision is confirmed by Audit Committee members.
- 2.2. It is also recommended that the decision be ratified by County Council at its meeting on 8th December 2016.

Mary Davis

County Treasurer

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<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
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Nil

There are no equality issues associated with this report.