

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

A. APPOINTMENT OF EXTERNAL AUDITORS 2023/24

Introduction

1. This report sets out proposals for appointing the external auditor to the Council/Authority for the accounts for the five-year period from 2023/24.

Background and summary

2. Under the Local Government Audit and Accountability Act 2014 (“the Act”), the Council is required to appoint an auditor to audit its accounts for each financial year. The Council has three options:-
 - a) To appoint its own auditor, which requires it to follow the procedure set out in the Act.
 - b) To act jointly with other authorities to procure an auditor following the procedures in the Act.
 - c) To opt in to the national auditor appointment scheme administered by a body designated by the Secretary of State as the ‘appointing person’. The body currently designated for this role is Public Sector Audit Appointments Limited (PSAA).
3. The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. In December 2016 the Council opted into the ‘appointing person’ national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
4. PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make decisions about their external audit arrangements from 2023/24.

Consideration by the Corporate Governance Committee

5. The Corporate Governance Committee on 5th November considered the attached report on the matter. The report concluded that the sector-wide procurement conducted by PSAA would produce better outcomes and be less burdensome for the Council than a procurement undertaken locally because:
 - a) collective procurement reduces costs for the sector and for individual authorities compared to smaller local procurements;

- b) if the Council did not use the national appointment arrangements, it would need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract which would be costly and time consuming;
 - c) given the limited supply of auditor resources it was the best opportunity to secure the appointment of a qualified, registered auditor.
6. To take advantage of the national auditor appointment arrangements, a decision by full Council is required. The opt-in period closes on 11 March 2022.
7. The decision of the Corporate Governance Committee is set out in the motion below.

(Motion to be moved

That the County Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors for five financial years from 1 April 2023.)

5th November 2021

**Mr T. Barkley,
Chairman**

Background Papers

Report of the Director of Corporate Resources to the meeting of the Corporate Governance Committee on 5th November on Appointment of External Auditor
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=434&MId=6495&Ver=4>

Appendices

Appendix A – Report to the Corporate Governance Committee (5th November) on the Appointment of External Auditors