

REPORT OF: FINANCIAL SERVICES MANAGER

TO: ACCOUNTS & AUDIT COMMITTEE

DATES: 31st July 2017

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Appointment of External Auditor – Update

PURPOSE OF REPORT

1. The purpose of this report is to provide the Committee with an update on recent developments linked to the appointment of External Auditor to the Council.

RECOMMENDATIONS

2. The Committee is recommended to note the content of this report.

ISSUE

Introduction

3. The Committee last received an update on this matter at its meeting in January 2017. This advised that the Council had been formally notified by PSAA¹ that it had appointed Grant Thornton as external auditor to the Council for 2017/18. The report also made reference to the arrangements for auditor appointments from 2018/19 and confirmed that the Council had opted in to the national scheme for auditor appointments being developed by the PSAA. Hence, the Council's external auditor for 2018/19 will be appointed by the PSAA following their procurement process and by no later than 31st December 2017.
4. The PSAA completed their procurement process during June and we were notified of the outcome which has resulted in the award of 6 contract lots, for varying values, to the following firms:
 - Grant Thornton LLP
 - EY (formerly Ernst & Young) LLP
 - Mazars LLP
 - BDO LLP
 - Deloitte LLP
 - Moore Stephens and Scott-Moncrieff LLP (consortium)

¹ Public Sector Audit Appointments Ltd

5. The press release issued by PSAA when announcing the above awards stated that aggregate savings are expected to exceed £6m per annum, equivalent to a reduction of approximately 18% in the scale fees payable by local bodies.
6. At this stage we do not know which auditor will be appointed to the Council. The PSAA will shortly begin a consultation process leading to the appointment of named firms to individual authorities. All appointments will be finalised by 31st December 2017.
7. The proposed appointment for 2018/19 will only address the audit work on the Council's financial statements. It specifically excludes the grant certification work required by the Department for Work and Pensions on the Housing Benefit Subsidy claim form. We will have to make our own arrangements to procure this audit service unless an agreement can be reached with our appointed auditor (once known) for them to undertake this work also.
8. Further updates on these matters will be submitted to the Committee in due course. More information on the audit appointment process is available on the PSAA website at: <http://www.psaa.co.uk/appointing-person/auditor-appointment-process/>

IMPLICATIONS

Policy

9. No policy implications arise from this report.

Financial

10. There are no direct financial implications resulting from this report. The audit fees payable in the current financial year total £48,616 as set out in the Audit Plan presented by Grant Thornton to the last meeting of this Committee in March.

Legal

11. There are no direct legal implications resulting from this report.

Risk Management

12. There are no immediate risk management implications resulting from this report.

Health and Safety

13. There are no health and safety implications arising from the contents of this report.

Sustainability

14. There are no sustainability issues arising from the contents of this report.

Community Safety

15. There are no community safety issues arising from the contents of this report.

Equality and Diversity

16. There are no equality and diversity issues arising from the contents of this report.

APPENDICES

None.