

AUDIT COMMITTEE – 22nd SEPTEMBER 2017

APPOINTMENT OF THE COUNCIL'S EXTERNAL AUDITOR FROM 2018/19 ONWARDS

1. Purpose of Report

- 1.1 To update members regarding the appointment of the Authority's External Auditors from 2018/19 onwards.

2. Introduction

- 2.1 From 2018/19, the Authority will have the power to choose the method by which it appoints its external auditor. Previous reports have been submitted into this Committee over time to brief members on the progress of this issue.

3. Recommendation

It is recommended that:

- **Members note the appointed Auditor for the Authority for the five year period commencing in 2018/19.**

4. Background

- 4.1 Historically, external auditors have been appointed by the Audit Commission, which was abolished on 31st March 2015 as per the Local Audit and Accountability Act 2014. Under the transitional arrangements of the legislation, these current contracts are to be continued through until 2017/18 financial year, managed by Public Sector Audit Appointments Ltd (PSAA).
- 4.2 The Authority's external auditors through this transitional period are KPMG who provide external audit services for the public sector within the entire Yorkshire & Humber region.
- 4.3 From 2018/19 onwards, the Authority had a choice in respect of the procurement route with regards external audit services. There were effectively 3 options available which are shown below:
- Option 1 – Standalone Tender;
 - Option 2 – Combined Tender; or
 - Option 3 – The Authority opts in to a sector led procurement scheme where an Appointed Person appoints the external auditor on the Authority's behalf

4.4 The Authority approved the recommendation to choose Option 3 and opt in to the sector led procurement route at the Audit Committee meeting on the 18th January 2017.

5. Consultation

5.1 On the 14th August 2017, PSAA Ltd contacted the Authority to inform of their provisional decision by means of a consultation process, to allow for any objections regarding matters of auditor independence and any conflicts of interest etc. to be fed back.

5.2 The provisional appointed auditors for the Authority from 2018/19, for a five year period are **Grant Thornton (UK) LLP.**

5.3 The Section 151 Officer and other members of the senior management team have no objection with the proposed appointment of Grant Thornton (UK) LLP as external auditors, though the overall impact of any potential objection across the national arena is, at this time, unknown.

5.4 The final decision will be reported to this Committee upon conclusion of the consultation.