

<b>Title of Report</b>	<b>FUTURE EXTERNAL AUDIT ARRANGEMENTS</b>	
<b>Presented by</b>	Mark Walker - Head of Finance (Section 151 Officer) and Customer Services	
<b>Background Papers</b>	None	<b>Public Report:</b> Yes
<b>Purpose of Report</b>	This report sets out proposals for appointing North West Leicestershire’s external auditor for the accounts for the five-year period from 2023/24.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE RECOMMEND TO COUNCIL THAT IT ENDORSE THE DECISION MADE TO ACCEPT PUBLIC SECTOR AUDIT APPOINTMENTS’ (PSAA) INVITATION TO OPT INTO THE SECTOR-LED OPTION FOR THE APPOINTMENT OF EXTERNAL AUDITORS TO PRINCIPAL LOCAL GOVERNMENT AND POLICE BODIES FOR FIVE FINANCIAL YEARS FROM 1 APRIL 2023.</b>	

## 1.0 BACKGROUND

- 1.1 The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. North West Leicestershire District Council opted into the ‘appointing person’ national collective auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23. Mazars have been the Council’s appointed auditors for this period.
- 1.2 PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. All local government bodies need to make a decision about their external audit arrangements for 2023 onwards. When considering this issue NWLDC, like other councils, had the option to arrange their own procurement and make a direct appointment or to take advantage of the national collective scheme arranged by PSAA.
- 1.3 Having considered the options, the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:
- collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;

- if it does not use the national appointment arrangements, the Council/Authority will 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;
- it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement; and
- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.

1.4 The Council was required to make a decision about whether to opt in or out of the national scheme by 11 March 2022. Due to the timing of the work on this matter it was not possible to bring this report to an earlier meeting of this Committee and the Council. Based on advice from the Interim S151 Officer, which included an assessment of the benefits of opting in versus opting out, the Chief Executive took the decision to opt-in to the national auditor appointment arrangements ahead of the 11 March 2022 deadline. The committee is asked to endorse the decision to opt-in ahead of consideration by Full Council on 10 May 2022. It is worth noting that 470 out of 475 public sector bodies including all but one district opted-in to the arrangements for the next period.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	No direct implications. The recommended opt-in is considered the best means for establishing value for money in respect of the external audit arrangements.
Policy Considerations:	No direct policy considerations.
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	None
Officer Contact	Mark Walker Head of Finance (Section 151 Officer) and Customer Services <a href="mailto:mark.walker@nwleicestershire.gov.uk">mark.walker@nwleicestershire.gov.uk</a>