

Title of Report	FUTURE EXTERNAL AUDIT ARRANGEMENTS	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	None	Public Report: Yes
Financial Implications	There are no direct financial implications from a decision to opt into the PSAA sector led appointment of external auditors.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Section 7 of the Local Audit and Accountability Act 2014 requires the Council to appoint an external auditor at least every 5 years. The Council must appoint the auditor no later than 31 December in the year preceding the financial year to which the appointment will commence. It is therefore important that the Council makes arrangements to appoint an external auditor within the required timescales.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct implications	
	Signed off by the Deputy Head of Paid Service: Yes	
Purpose of Report	This report sets out proposals for appointing North West Leicestershire District Council's external auditor for the five-year period commencing financial year 2023/24.	
Recommendations	THAT COUNCIL 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	

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 Full 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. 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.

1.5 On the 20 April 2022 the Audit & Governance Committee endorsed the decision made by the Chief Executive and recommended the decision to Council.

Policies and other considerations, as appropriate	
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
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