

<b>Board/Committee:</b>	POLICY AND ORGANISATION BOARD
<b>Date of meeting:</b>	27 January 2022
<b>Title:</b>	National Scheme for Auditor Appointments
<b>Author:</b>	Gary Morris
<b>Status:</b>	FOR RECOMMENDATION TO FULL COUNCIL

### **Purpose**

This report sets out the opportunity to opt into the National Scheme for Auditor Appointments.

### **Recommendation**

That the Board recommends to Full Council to Opt into the National Scheme for Auditor Appointments Managed by Public Sector Audit Appointments (PSAA) as the Appointing Person

## **1.0 Background**

**1.1** The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. 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.

**1.2** 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 important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA. The initial five year was successful and in line with Gosport CPRs Gosport BC now has the opportunity to remain within this framework for another three years.

## **2.0 Report**

**2.1** If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at Full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council/Authority needs to return completed opt-in documents to PSAA by 11 March 2022.

- 2.2** The sector-wide procurement conducted by PSAA is expected to provide better outcomes and be less burdensome for the Council than a procurement undertaken locally. The main considerations are:
- 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 will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and perform 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.

### **3.0 Risk Assessment**

**3.1** There is no risk to the Council through opting in to the PSAA but if the deadline is missed the opportunity to opt in will be lost.

### **4.0 Conclusion**

That the Policy and Organisation Board 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. That this report is then subsequently approved by the Full Council as required under local audit regulations.

<b>Financial Services comments:</b>	<b><i>Contained within the report</i></b>
<b>Legal Services comments:</b>	Contained within the report
<b>Equality and Diversity:</b>	No comment
<b>Climate Change implications:</b>	No comment
<b>Crime and Disorder:</b>	No comment
<b>Service Improvement Plan implications:</b>	No comment
<b>Corporate Plan:</b>	No Comment
<b>Risk Assessment:</b>	No comment
<b>Background Papers:</b>	No comment
<b>Appendices:</b>	No comment
<b>Report Author/Lead Officer:</b>	<i>Gary Morris/ Chris Ward</i>

