

AUDIT COMMITTEE – 7 DECEMBER 2021

PART I – DELEGATED

APPOINTMENT OF EXTERNAL AUDITORS (DoF)

1 Summary

- 1.1 This report sets out the process for the appointment of external auditors from April 2023.

2 Details

- 2.1 [The Local Audit and Accountability Act \(2014\)](#) set out the framework for the audit, including the general powers and duties of auditors, and the process for the appointment of auditors of local government accounts following the abolition of the audit commission. The Act made provision for the Secretary of State to legislate in order to be able to specify an 'appointing person' who would be able to act to appoint auditors for bodies covered by the Act.
- 2.2 [The Local Audit \(Appointing Person\) Regulations 2015](#) made provision about the persons that may be specified as an appointing person.
- 2.3 The Public Sector Audit Appointments Ltd (PSAA) is an appointing person under the Local Audit Regulations. As an 'appointing person' the PSAA is responsible for the procurement and appointment of external auditors and for setting the fee scale.
- 2.4 The PSAA operate a national scheme for the appointment of auditors. Auditors are appointed on a five year basis. Watford opted into the scheme for appointments covering the financial years 2018/19 to 2022/23 which resulted in the appointment of the Council's current auditors, Ernst Young.
- 2.5 The invitation to opt into the PSAA national scheme for the five year period beginning in 2023/24 is at appendix 1. This sets out the timeline for opting into the national scheme, the benefits of opting into the scheme and the expected procurement timeline.
- 2.6 The PSAA expects to commence the procurement of audit services in early February 2022. All opted-in bodies will have the opportunity to view the procurement documentation.
- 2.7 The invitation to opt into the national scheme must be confirmed by 11 March 2022. The decision to opt into the scheme must be taken by full Council. A recommendation to opt into the scheme will be considered by Council in February.

3 Policy/Budget Reference and Implications

- 2.8 The recommendations in this report are within the Council's agreed policy and budgets.

4 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

- 4.1 None specific.

5 Recommendation

- 5.1 The Committee is asked to note the recommendation to Council in January 2022 to opt into the national scheme for auditor appointments from April 2023.

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Data Quality

Data sources: None used in the preparation of the report

Background Papers

None

APPENDICES / ATTACHMENTS

Appendix 1 – Invitation to opt into the national scheme for auditor appointments from April 2023