
Decision Maker: **GENERAL PURPOSES AND LICENSING COMMITTEE COUNCIL**

Date: 7 December 2016
12 December 2016

Decision Type: Urgent Non-Executive Non-Key

Title: **APPOINTMENT OF EXTERNAL AUDITORS**

Contact Officer: Graham Walton, Democratic Services Manager
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Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

- 1.1 At its meeting on 29th November 2016 the Audit Sub-Committee was advised of the options for procuring External Auditors for the Council for the financial year 2018/19 onwards.

2. **RECOMMENDATION**

That Council be recommended to approve the proposal to become an 'opted in' authority with Public Sector Audit Appointments Ltd for the appointment of External Auditors.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Internal audit
 4. Total current budget for this head: £469k including £164k Fraud Partnership costs
 5. Source of funding: General Fund, Admin Subsidy, Admin Penalties, Legal cost recoveries.
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Personnel

1. Number of staff (current and additional): 5.5fte
 2. If from existing staff resources, number of staff hours: Not applicable
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable: This report does not involve an executive decision.
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Procurement

1. Summary of Procurement Implications: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 The following update was included in the Internal Audit Progress Report considered by the Audit Sub-Committee on 29th November 2016 -

3.86 Appointment of External Auditors

3.87 We had previously reported that there is currently a requirement that from the financial year 2018/19 the appointment process under the Local Audit and Accountability Act 2014 will be operational. The Act provides for two principal routes:

- The Authority leads the appointment process, either independently or in collaboration with other authorities. For this they need to appoint an auditor panel to advise on the process.
- The Act provides for the approval of a sector-led body to act as 'appointing person' and to undertake a procurement exercise and appointment on behalf of the authority. Public Sector Audit Appointments Ltd (PSAA) have attained accreditation to be an appointing person under the requirements of the Local Audit (Appointing Person) Regulations 2015 (the Regulations) from the Secretary of State. PSAA is the company managing the current external audit contracts since the Audit Commission closed. PSAA have offered local authorities including LB Bromley to become an opted in authority by 9th March 2017. It is believed that the majority of London Boroughs including Bromley will sign up although this is subject to an ongoing survey. The decision to go through PSAA requires full council approval by January 2017. Members of this Committee are asked to approve this course of action.

- 3.2 The Sub-Committee decided to recommend that the Council should opt in to the procurement service offered by PSAA.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/Financial/Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	None