

WELWYN HATFIELD BOROUGH COUNCIL  
SPECIAL COUNCIL - 22 FEBRUARY 2022

Recommendation from Audit Committee on 31 January 2022:-

10. APPOINTMENT OF EXTERNAL AUDITORS 2023/24 TO 2026/27

Report of the Head of Resources on the appointment of external auditors for the period of 2023/24 to 2026/27.

Councils were required under the legislation to appoint their own external auditors and the legislation set out two options for the Council:

- The Council could run its own procurement exercise.
- The Council could utilise the Public Sector Audit Appointments (PSAA), under the appointing persons regime (Local Audit (Appointing Person) Regulations 2015).

PSAA wrote to Councils in September 2021 to invite them to be part of the next procurement exercise which would seek to grant 5-year framework contracts. The Council needed to provide a response by 11 March 2022. The Council recognised that the current audit system was not ideal, with only 9% of local audits having been completed by the end of September. The areas raised in review were being considered as part of the national exercise including trying to widen the pool of potential firms that could bid for the work. Direct procurement had been considered but given the local government audit market it was unlikely that this would be the best means of securing an external auditor. Direct procurement would be resource intensive to administer and would see the Council looking to draw from the same pool of auditors that would be bidding for work under the national scheme.

The following points were highlighted and noted:

- Members thought it was a good, organised scheme.
- Members asked why would the Council not go with the scheme and was it value for money? Officers stated that some Councils had considered moving away from the national scheme given some issues that had arisen. The national market for audit had come under scrutiny recently with a number of Councils failing to have their accounts audited by the deadline as set out in the statutory guidance. Also, there were some Councils that are blaming the issue on the auditors undertaking the work and felt a more direct procurement approach may provide them with better contract management controls. The Council recognised that regardless of whether they opted for direct procurement or joined with the national scheme, the Council would attract the same pool of auditors. Officers advised that joining the national scheme would provide better value for money and offer a higher quality of service with the controls in place to manage contracts.

RESOLVED:  
**(Unanimous)**

That Audit Committee recommended to Council that the Council opts into the appointing arrangements made by Public Sector Audit Appointments for the appointment of its external auditors for the years 2023/24 to 2026/27.

Audit Committee Document Link – [Monday 31 January 2022](#)