

WELWYN HATFIELD BOROUGH COUNCIL
AUDIT COMMITTEE – 16 JANUARY 2017
REPORT OF THE HEAD OF RESOURCES

EXTERNAL AUDITOR APPOINTMENTS

1 Executive Summary

- 1.1 The Local Audit & Accountability Act 2014 ('the Act') abolished the Audit Commission, and required principal local authorities to appoint their own external auditors for the audit of the 2017/18 accounts by 31 December 2017.
- 1.2 Following the report to this committee in October 2016 about the new arrangements and the proposed approach, this report informs the Committee of the content of the proposed report for the meeting of Full Council on the 6 February and provides opportunity for further discussion.

2 Recommendations

- 2.1 That the Committee note the recommendation to Full Council to accept the invitation from the Public Sector Audit Appointments Limited and to agree to opt into the national scheme for auditor appointments for each of the five financial years beginning 1 April 2018 and to be an 'opted-in' authority for the purposes of the Regulations.

3 Explanation

- 3.1 The options available to the authority were explained in the previous report to this Committee when, after discussion, Members were minded to support the proposal to opt into the national scheme and for the appointment of external auditors to remain a Council function.
- 3.2 The proposed Council report is provided as an appendix to this report for any further comment before it is finalised for the Council meeting on the 6 February.

Implications

4 Legal Implications

- 4.1 The failure to appoint an auditor must be reported to the Secretary of State, who may direct an authority to appoint a named auditor or appoint an auditor on that authority's behalf.

5 Financial Implications

- 5.1 Please see implications in the attached Council report.

6 Risk Management Implications

- 6.1 There is a risk that quotes for the provision of an audit service through a procurement process are in excess of the budget available. Mitigation of this may be achieved through a collective procurement which achieves economies of scale.
- 6.2 Not appointing an external auditor risks the Secretary of State appointing an auditor on the authority's behalf, causing reputational and potentially financial issues. Mitigation is by following the outlined timetable to appoint an external auditor in good time and before the deadline.

7 Security & Terrorism Implication(s)

- 7.1 There are no security or terrorism implications.

8 Procurement Implication(s)

- 8.1 The Council's procurement rules will be followed in the appointment of the external auditor, regardless of the method selected.

9 Climate Change Implications

- 9.1 There are no direct climate change implications to consider.

10 Link to Corporate Priorities

- 10.1 The subject of this report is linked to the Council's Corporate Priority of engaging with our communities and provide value for money and specifically with regard to delivering value for money.

11 Equalities and Diversities

- 11.1 Officers will seek assurance that appropriate equalities considerations are part of any procurement process, regardless of the method selected.

Author: Tim Neill, ext: 2425
Title: Head of Resources
Date: December 2016

Appendix

Appendix A Full Council report