



**Audit and Risk Management Committee
Monday, 25 September 2017**

REPORT TITLE:	LOCAL AUDIT ACCOUNTABILITY ACT
REPORT OF:	ASSISTANT DIRECTOR FINANCE (S151)

REPORT SUMMARY

This report further updates Members on the requirements of the Local Audit Accountability Act 2014 regarding public sector external audit appointments as detailed in the report to this Committee in September and November 2016.

Council on 19th December 2016 agreed to being part of the Local Government Association's national sector led body approach, Public Sector Audit Appointments Ltd (PSAA). PSAA have now undertaken a formal tendering exercise and appointments made for the providers of this service to local public bodies

PSAA have notified the Council that Grant Thornton (UK) LLP have been appointed as providers of external audit services to Wirral Council from 2018/19 for a period of 5 years.

RECOMMENDATION

Members are requested to note the appointment of Grant Thornton (UK) LLP from April 2018/19 for a period of 5 years.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

Following endorsement of the Local Government Associations national sector led approach by Council on 19 December 2016 correspondence has been received from the body set up by them to administer this, Public Sector Audit Appointments Ltd (PSAA), advising that following a detailed tendering exercise appointments have now been made to provide public bodies with external audit services.

2.0 OPTIONS CONSIDERED

All options evaluated in report to this Committee in September 2016.

3.0 BACKGROUND INFORMATION

- 3.1 Under Section 13 of the Regulations the PSAA is required to appoint an external auditor to the opted in public body and consult with that body regarding the appointment.
- 3.2 Correspondence has now been received from PSAA advising Wirral Council of the decision to appoint Grant Thornton (UK) LLP as the provider of external audit services from 2018/19 for a period of 5 years.
- 3.3 Wirral Council has developed a very effective working relationship with Grant Thornton (UK) LLP over many years, benefitting greatly from the performance of work undertaken and the ongoing support provided and therefore welcomes this appointment.

4.0 FINANCIAL IMPLICATIONS

- 4.1 PSAA advise that consultation on scale fees for 2018/19 will take place in due course and confirmed scale fees for 2018/19 for opted-in bodies will be published on their website in March 2018. They inform us that that the results of the audit procurement indicate a reduction in scale fees in the region of approximately 18% for 2018/19, based on the individual scale fees applicable for 2016/17.

5.0 LEGAL IMPLICATIONS

- 5.1 Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements;
- 5.2 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 5.3 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are none for this report.

7.0 RELEVANT RISKS

- 7.1 There is no immediate risk to the Council.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Members of this Committee have been consulted regarding this process.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none for this report.

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SUBJECT HISTORY

Council Meeting	Date
Audit and Risk Management Committee	Sept and Nov 2016 ,
Council	Dec 2016

