

# External Audit Contract

For Audit and Governance Committee 14 March 2023

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## Summary

**Lead Member:** All

**Lead Director:** Lee Colyer, Director of Finance, Policy and Development

**Head of Service:** Jane Fineman, Head of Finance and Procurement

**Report Author:** Lee Colyer, Director of Finance, Policy and Development

**Classification:** Public document (non-exempt)

**Wards Affected:** All

Approval Timetable	Date
Management Board	20 February 2023
Audit and Governance Committee	14 March 2023

## Recommendations

Officer / Committee recommendations as supported by the Portfolio Holder and the Audit and Governance Committee:

1. That the Audit and Governance Committee notes the appointment of Grant Thornton UK LLP as external auditor for five years from 2023/24 to 2027/28.

# 1. Purpose of Report and Executive Summary

- 1.1 On 15 December 2021 Full Council decided to opt into the national framework for the procurement of external audit as supported by the Local Government Association (LGA).
- 1.2 Public Sector Audit Appointments Ltd (PSAA), the body nominated by the Government to run the national arrangements for appointing external auditors from 2023/24, has awarded the contract to Grant Thornton UK LLP. Grant Thornton are the largest supplier of local government audit and also audit across the National Health Service.

# 2. Introduction and Background

- 2.1 The process of retendering for external audit in local authorities in England, for contracts due to start from 2023/24, has been completed. PSAA notified the Chairman of the Audit & Governance Committee on 17 October 2022 of the proposed appointment and following this consultation PSAA confirmed the appointment on 19 December 2022 under regulation 13 of the Local Audit (Appointing Person) regulations 2015.
- 2.2 Contracts were awarded after a competitive tender which weighted quality at 80 per cent and price at 20 per cent. The tender evaluation process also assessed firms on their ability to deliver the contract.
- 2.3 The 2023/24 budget for external audit fees is £200,000.
- 2.4 The nature and scope of the audit is determined by statutory regulation, codes of practice and guidance with the regulation of the audit market undertaken by the Financial Reporting Council.

# 3. Options Considered

- 3.1 This report is for noting the outcome of the national procurement process approved by Full Council.

# 4. Preferred Option and Reason

- 4.1 This report is for noting.

## 5. Consultation on Options

5.1 The report is for noting.

## 6. Appendices and Background Documents

Appendices:

- None

Background Papers:

- None

## 7. Cross Cutting Issues

### A. Legal (including the Human Rights Act)

The Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 require the appoint external auditors from the Local Audit Register.  
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### B. Finance and Other Resources

The production of the statutory Annual Financial Report consumes significant amounts of officer time especially by the qualified Accountants. The budget from 2023/24 assumes that audit fees will remain around the current level.

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### C. Staffing

None identified at this stage.

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### D. Risk Management

None identified at this stage.

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## **E. Environment and Sustainability**

None identified at this stage.

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## **F. Community Safety**

None identified at this stage.

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## **G. Equalities**

None identified at this stage.

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## **H. Data Protection**

None identified at this stage.

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## **I. Health and Safety**

None identified at this stage.

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## **J. Health and Wellbeing**

None identified at this stage.

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