

9C. REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 15 DECEMBER 2021 – APPOINTMENT OF EXTERNAL AUDITORS

RECOMMENDED TO COUNCIL: That the Council opts in to the appointing person arrangements made by the Public Sector Audit Appointments Ltd (PSAA) for the appointment of external auditors, for a period of five years from the 2023/24 audit.

REASON FOR RECOMMENDATION: The Council is required to appoint an External Auditor, and an appointment through PSAA offers the only realistically viable option.

The Service Director – Resources presented the report entitled Appointment of External Auditors for 2023/24 to 2027/28 and highlighted points including:

- Under the relevant regulations it was for Council to make a decision on the appointment of external auditors, but the views of this Committee were important in relation to these recommendations:
- The Council had been with Public Sector Audit Appointments Ltd for five years (ending with the audits for 2023/24, noting that the years of work in which those audits are conducted would be different).
- PSAA Ltd was in his view the only viable option;
- In the current market procuring an audit board alone would be impossible and in terms of joint auditing arrangements in Hertfordshire and other neighbouring authorities there was none, and PSAA Ltd was used by most authorities nearby.
- PSAA Ltd provided a negotiating service with external auditors which allowed for feedback as well as independence and managed the process for requests for fee variances.
- There was an error in the report at paragraph 7.6 – following new information it was likely that the estimate for the increase in fees in 2020/21 would be higher, in the region of £20,000 in additional fees;
- The report covered the introduction of a pot of funding announced to cover the increase in base audit fee that would balance out increased costs in the medium term, though this would not cover the increase in audit fees resulting from additional risks arising out of COVID and similar risks in the period.

On the vote it was:

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REASON FOR RECOMMENDATION: The Council is required to appoint an External Auditor, and an appointment through PSAA offers the only realistically viable option.

NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 15 December 2021 can be viewed at Minute 29 here:

[Agenda for Finance, Audit and Risk Committee on Wednesday, 15th December, 2021, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)