

**REPORT FOR: GOVERNANCE, AUDIT  
AND RISK  
MANAGEMENT  
COMMITTEE**

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**Date of Meeting:** 4 September 2012

**Subject:** Appointment of External Auditors  
**INFORMATION REPORT**

**Responsible Officer:** Tom Whiting, Assistant Chief Executive

**Exempt:** No

**Enclosures:** Appendix: Audit Commission Appointment Letter

## **Section 1 – Summary and Recommendations**

This report sets out the Audit Commission's confirmation of the Council's External Auditor from 2012/13 to 2016-17.

**Recommendations:**

The Committee is requested to note the appointment of Deloitte LLP as the Council's external auditors.

**Reason:**

The Council's external auditors provide independent assurance to the Committee as part of its core function as an Audit Committee.

**FOR INFORMATION**

## **Section 2 – Report**

### **Background**

- 2.1 One of the core Statutory functions of the Audit Commission is to appoint external auditors to the majority of public sector bodies, including Local Authorities.
- 2.2 In August 2010 the Secretary of State for Communities and Local Government announced plans to disband the Audit Commission and an intention to transfer the Commission's in-house Audit Practice to the private sector.
- 2.3 The Audit Commission provides some of the external auditing services to the public sector through its own audit practice, the remainder are appointed by the Commission from the private sector.
- 2.4 When the Audit Commission is wound up, public bodies will be required to appoint their own external auditors through a procurement exercise rather than having them appointed by the Commission.
- 2.5 In order to manage the transition towards this, the Commission consulted on a transition strategy in March 2011 and as part of the strategy the Commission stated that, where external auditors were already appointed from the private sector, they expected to re-appoint the current external auditors unless there were specific reasons why a change would be appropriate.
- 2.6 Deloitte's have been the Council's auditors since 2003/04 and a strong working relationship has been built over that time. Therefore the confirmation that Deloitte LLP will remain the council's external auditors will cause minimum disruption and will give the council ample time to prepare for the procurement of new arrangements from April 2017.

### **Section 3 – Further Information**

- 3.1 None.

### **Section 4 – Financial Implications**

- 4.1 The fees for external auditor work are budgeted for each year and the Committee has a role in monitoring value for money.

## **Section 5 – Corporate Priorities**

- 5.1 A sound financial control environment is a platform for delivering all corporate priorities.

Name: Julie Alderson



Chief Financial Officer

Date: 22 August 2012

## **Section 6 - Contact Details and Background Papers**

**Contact: David Ward Tel: 020 8424 1781**  
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**Background Papers: None**