

BOROUGH OF KETTERING

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Report Originator	Mark Dickenson Head of Resources	<i>Fwd Plan Ref no.</i> C14/013	
Wards Affected	All	12 th September 2017	
Title	EXTERNAL AUDITOR APPOINTMENT		

1. PURPOSE OF REPORT

- 1.1 This Report provides an update on the appointment of the Council's external auditors from 2018/19.

2. BACKGROUND

- 2.1. The Government moved the responsibility for the external audit contracts to Public Sector Audit Appointments (PSAA), following the disbandment of the Audit Commission This meant that authorities would have to either undertake their own procurement or to opt in to a national procurement process known as the appointed person regime.
- 2.2. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the appointing person regime or to establish an auditor panel and conduct their own procurement exercise. This was reported to the Full Council meeting on 14th December 2016 and it was agreed that the Council opt in to the appointing person arrangements made by PSAA for the appointment of external auditors from 2018/19.
- 2.3. The Council following PSAA's national procurement process were formally notified on 14th August 2017 that the Council's appointed external auditors, subject to consultation, are Ernst & Young LLP who will audit the accounts of Kettering Borough Council for five years from 2018/19. The appointment will start on 1 April 2018.
- 2.4. The PSAA consultation process closes on Friday 22nd September 2017.
- 2.5. Representations on the appointment can include matters that might be an impediment to the proposed firm's independence, were they the appointed auditor. The following may represent acceptable reasons:
- There is an independence issue in relation to the firm proposed as the auditor, which had not previously been notified to PSAA;
 - There are formal and joint working arrangements relevant to the auditor's responsibilities, which had not previously been notified to PSAA; or
 - There is another valid reason, for example you can demonstrate a history of inadequate service from the proposed firm.

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- 2.6. The Council has no representations to make to PSAA about the proposed auditor appointment.
- 2.7. The PSAA Board will consider all proposed auditor appointments at its meeting scheduled for 14th December 2017 and will write to all bodies to confirm the Board's final decision on the appointment of the auditor before 21st December 2017.

3. RECOMMENDATIONS

That the Committee Note the proposed change in external auditors from KPMG to Ernst and Young LLP who will audit the Council's accounts for five years from 2018/19.

Background Papers:

Previous Reports/Minutes:

Title of Document:
Process for External Auditor
Appointment (Council 14/12/2016)
Contact Officers M Dickenson