



**Meeting:** Full Council  
**Date:** 21 February 2022  
**Subject:** Arrangements for Appointing External Auditors  
**Report of:** Chief Finance Officer

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The Council is asked to consider the minute and resolution of the Audit and Standards Committee meeting held on 17 January 2022 as set out below.

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**The Council is recommended to: -**

**Accept Public Sector Audit Appointments' (PSAA's) invitation to opt into the sector-led option for the appointment of external auditors from 1<sup>st</sup> April 2023.**

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#### **Minute extract**

#### **Audit and Standards Committee – 17 January 2022**

#### **44. Arrangements for Appointing External Auditors**

The Committee considered the report which outlined the timeline and options available to the Council in appointing an External Auditor when the current arrangements reach their end.

The Deputy Chief Finance Officer (DCFO) presented the report and its findings, explaining in detail the three options that were available and associated risks in respect of the Council appointing its External Auditor for the five financial years from 2023/24.

The DCFO highlighted that Council officers could write (if the Committee decided) to the Secretary of State to express concerns in relation to the appointment process of External Auditors by the PSAA (Public Sector Audit Authority), following previous communications by senior officers with the Local Government Association (LGA) and the PSAA.

The DCFO further highlighted the 2021 independent review by Sir Tony Redmond into the effectiveness of external audit and transparency of financial reporting in local authorities. In response to the review, the DCFO explained that from 1 April 2023, the only role the PSAA would have in future was the auditor procurement and monitoring contracts, as all other responsibilities would now be undertaken by the Government's newly formed Audit Reporting Governance Authority (ARGA).

Following the presentation of the report by the DCFO, the Chair thanked officers for their continued efforts and hard work, including arranging additional briefing sessions for

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Members in respect of the PSAA arrangements. The Chair also thanked members of the Committee for their diligence and continued engagement in what had been a lengthy and challenging process.

It was requested that if Option 3 was recommended by this Committee and agreed by Full Council, the members of the Committee had the opportunity to review the officers' letter to the Secretary of State prior to its official submission. In addition, it asked that assurance be given by the PSAA that it had noted the Councils' request for a different auditor and would continue to monitor the completion of the outstanding audits. The DCFO agreed.

The Committee queried if Deloitte, the Council's External Auditor, had begun the 2019/20 audit. The DCFO explained that Deloitte had not yet begun the Council's 2019/20 audit, and that he would request that Deloitte attend the Committee's next meeting on 14 March 2022 to provide an update and an audit plan.

The Committee asked whether the Council should submit a press release in respect of its discussions surrounding the appointment of its External Auditor. The DCFO confirmed he could liaise with the Council's Press Officer after the Council decision, and could circulate a copy in draft to members of the Committee.

The Committee agreed to recommend option 3, to join the PSAA's sector led national scheme, as members of the Committee felt that there were no other viable options due to the possible unacceptable risks and potential costs to the Council.

**Resolved:**

That Full Council be recommended to approve the Committee's decision to accept Public Sector Audit Appointments' (PSAA's) invitation to opt into the sector-led option for the appointment of external auditors from 1 April 2023, as set out in Option 3 in paragraph 3.3 of the report.

For a copy of the report please contact Democratic Services.

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E-mail: [committees@lewes-eastbourne.gov.uk](mailto:committees@lewes-eastbourne.gov.uk)

A copy may be downloaded on the Council's website by following the link below:

<https://democracy.lewes-eastbourne.gov.uk/ieListDocuments.aspx?CId=423&MId=3453&Ver=4>

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