

DECISION-MAKER:	AUDIT COMMITTEE
SUBJECT:	FUTURE OF LOCAL PUBLIC AUDIT - UPDATE
DATE OF DECISION:	22 SEPTEMBER 2011
REPORT OF:	CHIEF INTERNAL AUDITOR
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

The purpose of this paper is to provide the Audit Committee with an update of the Department for Communities and Local Government (DCLG) proposals for transferring the work of the Audit Commission's in-house audit practice to the private sector.

The DCLG has asked the Audit Commission to seek bids for the work currently undertaken by its in-house audit practice. New contracts will be awarded for three or five years, commencing from the audit of the accounts for 2012/13.

It is intended that the Audit Commission will award contracts in spring 2012 to allow new auditor appointments to be in place by 1 September 2012.

As contracts will not be awarded until spring 2012 auditors will not be appointed until after the start of the 2012/13 financial year. Because an auditor needs to be in place at the start of the financial year, an interim auditor appointment will be made to cover the period 1 April 2012 to 31 August 2012.

It is intended that the Council's current external audit provider would be retained to cover this interim period, although formal consultation will be undertaken by the end of this year.

The 'interim' role will be limited to a 'watching brief', with any costs incurred during this period, met by the Audit Commission.

Following the procurement exercise the Audit Commission will appoint the Council's new auditor, to audit the 2012/13 and future years' accounts, with effect from 1 September 2012.

The Council will be consulted on this appointment following the award of contracts in spring 2012.

The proposed timetable for transition is detailed at Appendix 1

RECOMMENDATIONS:

- (i) That the Audit Committee note pending changes to the provision of external audit to the Council.

REASONS FOR REPORT RECOMMENDATIONS

1. To ensure Members are fully briefed in respect of government changes to the future of external audit provision

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None

DETAIL (Including consultation carried out)

3. None

RESOURCE IMPLICATIONS

Capital/Revenue

4. None

Property/Other

5. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

6. None

Other Legal Implications:

7. None

POLICY FRAMEWORK IMPLICATIONS

8. None

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KEY DECISION? Yes/No No

WARDS/COMMUNITIES AFFECTED:	N/A
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Department for Communities and Local Government – Transition timetable
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Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. None	

1.	None	
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