

AUDIT AND GOVERNANCE COMMITTEE

3 November 2021

Minute Extract

47/21 Late Item - Public Sector Audit Appointments Limited (PSAA)

The Committee received a report of the Strategic Director of Corporate Resources on Late Item - Public Sector Audit Appointments Limited (PSAA).

Members noted that on 27 October 2016, the Council received an invitation from Public Sector Audit Appointments Limited (PSAA) to become an opt-in local authority for the purposes of appointment of an external audit from 1st April 2018. The compulsory appointment period was 5 consecutive financial years from 1st April 2018.

It was noted that PSAA duly confirmed that the Council's then current auditor – Ernst and Young – would continue in the role for a further period of 5 years ending 31 March 2023.

It was noted that on 22 September 2021, the Council received an invitation from PSAA to retain its status as an opt-in local authority for a period of 5 years commencing 1 April 2023.

It was reported that, in summary, the benefits of this would be, the PSAA would continue to, on the Council's behalf:

- Undertake all procurement requirements in respect of the appointment including contract management and securing the best price;
- Monitor independence of the appointed auditor throughout the duration of the appointment and;
- Arrange the replacement of an auditor during the appointed period if so required.

The Committee noted that it was a statutory requirement that the acceptance for PSAA to act is taken by Full Council by 9 March 2022.

A councillor questioned whether there were benefits with the same auditor carrying out audits for local authorities and their subsidiary companies. EY informed the Committee that there were pros and cons to this approach. The Strategic Director of Corporate Resources commented that they would be happy for the Committee Chair to discuss this with the Chair of the Derby Homes Audit Committee and the Finance Director and Company Secretary at Derby Homes.

Resolved to recommend to Full Council that the Council becomes an opt-in local authority for Public Sector Audit Appointments Limited to make all arrangements for the appointment of its external auditor from 1st April 2023, for a compulsory appointment time period of five financial years.