



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 9

## Retender of External Audit Contracts

To: Audit and Governance Committee

Meeting Date: 17 December 2021

From: Jon Alsop, Head of Finance and S73 Officer

Key decision: Not a key decision

Forward Plan ref: n/a

Recommendations: The Audit and Governance Committee is recommended to:

- a) Recommend to the Combined Authority to opt in to the National scheme for auditor appointments for the period 2023/2024 to 2027/2028

Voting arrangements: Note only item, no vote required.

# 1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
- (a) Consider the recommendation to opt into the national scheme for auditor appointments for the period 2023/2024 to 2027/2028
  - (b) Make a recommendation to the Combined Authority Board on that basis.

# 2. Background

- 2.1. On September 22nd September 2021, the Combined Authority received an invitation from Public Sector Audit Appointments limited (PSAA) to opt into the national scheme for audit appointments from April 2023.
- 2.2. The letter from PSAA highlights the following points for consideration:
- a) The external auditor for the 2023/24 financial statements has to be appointed before the end of December 2022
  - b) PSAA has been confirmed in the role of the appointing person for eligible principle bodies for the period commencing April 2023
  - c) The five consecutive years beginning 1 April 2023 have been specified as the compulsory appointing period for the purposes of the regulations which govern the national scheme.
  - d) There is a challenging local audit market. PSAA believe that eligible bodies will be best served by opting to join the scheme.
  - e) If the Authority decides to join the scheme, formal acceptance needs to be provided by 11 March 2022.
  - f) The relevant regulations require that the decision to opt in must be made by members of the authority meeting as a whole e.g. Full Council or equivalent.
- 2.3. Members may consider that in a suppliers' market, councils acting together may have the best chance of influencing the market and for nationally coordinated efforts to improve the supply side of the market.
- 2.4. The contract price that would be negotiated by the Combined Authority, if it were to remain outside of the national scheme, is likely to be significantly higher than that available through a body acting on behalf of the sector.
- 2.5. The appendix to the letter from PSAA provides further detail of why accepting the national scheme opt-in invitation is the best solution.

# 3. Financial Implications

- 3.1. The decision whether to opt in will determine future external audit fees.

## 4. Legal Implications

- 4.1. No legal implications have been identified.

## 5. Other Significant Implications

- 5.1. Appointment of auditors are under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

## 6. Appendices

- 6.1. Appendix 1 – PSAA invitation to opt in to the national scheme for auditor appointments

## 7. Background Papers

None