

County Council Meeting – 8 February 2022

## REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

David Lewis (Chairman)  
Victor Lewanski (Vice-Chairman)  
Stephen Cooksey  
Rebecca Paul  
Joanne Sexton  
Richard Tear

### External Audit Procurement

1. On 29 November 2021, the Audit and Governance Committee considered a report that set out proposals for appointing the external auditor to Surrey Council for the accounts for the five-year period from 2023/24 (Annex A).
2. The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. Surrey County Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
3. PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.
4. During discussions it was confirmed that there was no break clause and that, although the council were signing up to a five-year contract, the PSAA had said that they would consult with authorities on auditor appointments so the council would have an opportunity to influence the auditor appointments in some way. The council would have some control on the recruitment process but the tender process that will be managed by PSAA.

### Recommendation

The Audit and Governance Committee **RECOMMEND** that Council approve the decision to opt into the PSAA sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

**David Lewis (Cobham)**  
**Chairman of the Audit and Governance Committee**  
**29 November 2021**

**Paul Evans**  
**Director of Law and Governance**  
**29 November 2021**