

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

Agenda Item No

meeting date: 22 AUGUST 2012
title: CONFIRMATION OF AUDITOR APPOINTMENT
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

1.1 To inform members of the confirmed appointment of the Council's external auditor.

1.2 Relevance to the Council's ambition and priorities

- Community Objectives – none identified
- Corporate Priorities – to continue to be a well-managed Council, providing efficient services based on customer need and meets the objective within this priority of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money
- Other Consideration – none identified

2 BACKGROUND

2.1 As members will be aware from previous progress reports, on 28 July 2011, the Audit Commission announced that it had agreed to transfer the work of its in-house audit practice to the private sector, by outsourcing through a procurement exercise. This followed the Department for Communities and Local Government (DCLG) announcement in August 2010 of the intention to disband the Audit Commission.

2.2 The DCLG asked the Audit Commission to seek bids for the work currently undertaken by the in-house audit practice. The Audit Commission wrote to all audited bodies on 3 August 2011 setting out the implications for auditor appointments and the intention that auditor appointments for 2012/13 will start on 1 September 2012.

2.3 The procurement process is now complete and the contract for the North West has been awarded to Grant Thornton UK LLP, with significant savings. An introductory meeting was held with all North West audited bodies on 1 May in Manchester and was attended by the Director of Resources.

3 LATEST POSITION

3.1 We have now been formally notified of the appointment of Grant Thornton UK LLP as the Council's external auditor from 1 September 2012, and a copy of the letter received is attached at Annex 1.

3.2 The firm is appointed for five years from 2012/13 and will also complete any outstanding works from prior financial years that remains outstanding at 31 October 2012.

3.3 At this stage it is not envisaged that the council will see any substantial changes to the working relationship with its external auditors, particularly as the existing team from the Audit Commission will TUPE transfer to Grant Thornton UK LLP and will therefore continue the excellent working relationship that has been established over the past years.

31 July 2012

Mr Marshal Scott
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Dear Mr Scott

Ribble Valley Borough Council - Appointment of external auditor

I wrote on 16 April to consult you about my proposal for the appointment of an external auditor to Ribble Valley Borough Council from 1 September 2012.

Auditor appointment

This letter confirms the appointment of Grant Thornton UK LLP as external auditor to audit the accounts of Ribble Valley Borough Council for five years from 2012/13. This appointment is made under section 3 of the Audit Commission Act 1998 and was approved by the Audit Commission Board at its meeting on 26 July.

The firm is also appointed to complete any work relating to the 2011/12 and prior years' audits that remains outstanding at 31 October 2012.

Audit quality and regulation

The Audit Commission will continue to regulate the local public audit market and monitor the performance of the firms providing audit services until the government implements a new local public audit regime. This will ensure that local public bodies receive high-quality and effective audit services which provide value for money to the local taxpayer. We will:

- assess each year auditors' compliance with their statutory terms of appointment;
- assess each year the quality of the audit work the firms carry out;
- consider and, if appropriate, approve auditors' requests for variations to the scale audit fee where they have had to carry out more (or less) work;

- consider and, where we are satisfied that the work does not create a threat to the auditor's independence, approve auditors' proposals to provide non-audit services to audited bodies; and
- monitor audited bodies' satisfaction with the audit services provided by the firms.

We will continue to report publicly on the results of our quality review programme each year. This provides you with assurance that the firms have put in place systems and processes to deliver audit work of an appropriate quality.

We are currently updating auditors' statutory terms of appointment, which specify the Commission's regulatory requirements. I will write to you again in early September with more information on these terms of appointment. I will also provide details of the standards of performance that auditors will be expected to meet.

Next steps

I have passed the contact details for Ribble Valley Borough Council to the appointed firm and it will contact you about the arrangements for the audit in due course. In the meantime, if you have any questions about the appointment, please contact us via email at auditor-appointments@audit-commission.gov.uk.

Yours sincerely



Marcine Waterman
Director, Audit Policy and Regulation

cc Grant Thornton UK LLP