

# Report

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Report to:	<b>Risk and Audit Scrutiny Forum</b>
Date of Meeting:	<b>20 September 2016</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Appointment of New External Auditors 2016 to 2021</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ inform the Risk and Audit Scrutiny Forum of the newly appointed external auditor.

## 2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that the details of the Council's new external auditor, be noted.

## 3. Background

- 3.1. The Council's Annual Accounts are subject to audit each year. For the past five years this audit work has been carried out by PricewaterhouseCoopers LLP.
- 3.2. The appointed auditors rotate their clients every five years. The current five year cycle ends after the audit of the 2015/16 Accounts (late September 2016).

## 4. Audit Appointment 2016-21

- 4.1. Following a recent tender process, Audit Scotland are the newly appointed auditors for the Council for the next five years (2016/17 to 2020/21). By way of an introduction they have provided a report to the Chief Executive and the Executive Director (Finance and Corporate Resources). A copy is attached for the Forum's information (Appendix 1).
- 4.2. The report covers background information about Audit Scotland, the principles that guide their work as well as the management team responsible for carrying out the audit.
- 4.3. In addition, the report provides information on how they report any findings and the Code of Practice that they work to. The final section details their new approach to audit best value.
- 4.4. Audit Scotland have advised that introductory meetings will be arranged in the coming weeks.

## 5. Employee Implications

5.1 None

## **6. Financial Implications**

- 6.1 An indicative fee range will be provided by Audit Scotland towards the end of the calendar year. Discussions will then take place with the Executive Director (Finance and Corporate Resources) and a plan and fee agreed for the following audit year. The audit fee paid to the previous external auditor in 2015/2016 was £0.529m.

## **7 Other Implications**

- 7.1 There are no implications for risk or sustainability in terms of the information contained in this report.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

31 August 2016

### **Link(s) to Council Values/Objectives**

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Executive Committee, 7 September 2016

### **List of Background Papers**

- ◆ Local government audits - Introduction to Audit Scotland

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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