

The Charter Trustees for Harrogate

Annual Meeting

30 May 2024

Appointment of External Auditor

Report of the Responsible Financial Officer

1.0 PURPOSE OF REPORT

- 1.1 To seek approval to the appointment of the external auditor of the Charter Trustees through the national framework overseen by the Small Authorities' Auditor Appointments body.

2.0 SUMMARY

- 2.1 The Charter Trustees are advised that they are required to appoint an external auditor to undertake a limited assurance review. The use of the Smaller Authorities' Auditor Appointments (SAAA) national framework for this appointment, provides a compliant and appropriate approach commensurate with the necessary governance and oversight arrangements required.

3.0 BACKGROUND

- 3.1 The Smaller Authorities' Audit Appointments was formally appointed in January 2016 by the Minister for Local Government as "a person specified to appoint local auditors" to:

- procure and appoint external auditors to smaller authorities in England;
- perform the functions set out in the relevant legislation; and
- monitor delivery of the ongoing audit contracts.

- 3.2 The Charter Trustees are advised that all smaller authorities, (those with income/ expenditure under £6.5 million), require an external auditor to be appointed to undertake a 'limited assurance review' at the conclusion of the financial year and in case an objection is received from a local elector. Smaller authorities mainly comprise of Town and Parish Councils although Charter Trustees are also included within the definition of a smaller authority.

- 3.3 The current 5-year national contract runs from the financial years 2022/23 to 2026/27.

4.0 PROPOSALS

- 4.1 It is proposed that the Charter Trustees use this national procurement and appointment framework. If newly created authorities opted out of this approach they would be required to procure and appoint their own external auditors.

- 4.2 Auditors are appointed by area – for North Yorkshire, the auditor to be appointed under the current framework is PKF Littlejohn.

5.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 5.1 No consultation has been undertaken.

6.0 ALTERNATIVE OPTIONS CONSIDERED

6.1 The Charter Trustees may appoint an external auditor independently, but an appropriate procurement exercise would be required, and on-going additional oversight would be needed. Given the requirements for smaller bodies, this is not recommended.

7.0 FINANCIAL IMPLICATIONS

7.1 There is a fee charged for external audit work which is governed by the national framework. The published scale fee for an authority with income or expenditure in the bracket £0 - £25,000, is £210. This fee may be subject to review during the life of the contract and will be confirmed on formal notification of appointment.

8.0 LEGAL IMPLICATIONS

8.1 SAAA is specified as the sector led body with powers to procure and appoint auditors and set audit fees for smaller authorities in compliance with the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, and the Local Audit (Smaller Authority) Regulations 2015.

9.0 EQUALITIES IMPLICATIONS

9.1 There are no equalities implications.

10.0 CLIMATE CHANGE IMPLICATIONS

10.1 There are no climate change implications.

11.0 REASONS FOR RECOMMENDATIONS

11.1 To ensure that the Charter Trustees comply with their legislative obligations in a way which is proportionate and sustainable.

12.0 RECOMMENDATIONS

- i) That the Charter Trustees for Harrogate agree the use of the Smaller Authorities' Auditor Appointments framework for the appointment of the external auditor.

APPENDICES: None

BACKGROUND DOCUMENTS: None

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30 May 2024

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