

 <b>Brent</b>	<b>Audit and Standards Advisory Committee</b> 7 <sup>th</sup> February 2023
	<b>Report from Corporate Director Finance and Resources</b>
<b>External Audit Appointment for 2023/24 to 2028/29: Outcome</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Minesh Patel, Corporate Director of Finance 020 8937 4043 minesh.patel@brent.gov.uk  Ben Ainsworth, Head of Finance 020 8937 1731 Benjamin.ainsworth@brent.gov.uk

## 1.0 Summary

- 1.1. At the January 2022 Audit and Standards Advisory Committee it was proposed to use Public Sector Audit Appointments (PSAA) to appoint an auditor for the council from 2023/24 to 2028/29. This approach was accepted, and subsequently agreed by full council.
- 1.2. PSAA has now concluded its process and announced that Grant Thornton will be the London Borough of Brent's auditor from 2023/24 to 2028/29.

## 2.0 Recommendation

- 2.1 The committee notes the appointment of Grant Thornton as the council's auditor from 2023/24 to 2028/29.

## 3.0 Background

- 3.1 Local authority audits have been under considerable pressure for a number of years, this partly reflects challenges in the wider audit sector, and also a number of challenges specific to local authority audit. The council decided that given these challenges the best approach was to appoint PSAA to manage the audit appointment process.

- 3.2 This approach has been successful, and PSAA has announced Grant Thornton will be the council's auditor from 2023/24 to 2028/29.
- 3.3 Sir Tony Redmond reviewed the local authority audit sector on behalf of central government, one of the key issues he identified was that auditor remuneration was insufficient to reflect the work necessary for a high quality audit.
- 3.4 The extent of the problems in local authority audit has if anything been growing, from the audit of the 2019/20 audits less than half of local authority audit opinions were delivered on time, and for the past two years, only about one in ten audit opinions have been published on time.

Year of Account	Publishing Date	Opinions given at the publishing date
2021/22	30 November 2022	12%
2020/21	30 September 2021	9%
2019/20	30 November 2020	45%
2018/19	31 July 2019	57%

- 3.5 PSAA is yet to announce the fees under the new appointment, but it has announced that local authorities should expect a 150% fee increase in 2023/24 from the 2022/23 levels.

#### **4.0 Financial Implications**

- 4.1 There are no direct financial implications from noting this report.

#### **5.0 Legal Implications**

- 5.1 There are no direct legal implications from noting this report.

#### **6.0 Equality Implications**

- 6.1 There are no direct equality implications in agreeing the report.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and  
Resources