

LINDSEY PARISH COUNCIL

37 Queenscliffe Road

Ipswich

IP2 9AS

Tel: 07976 702246

e-mail: lindseypc@outlook.com

Paper prepared by: Clerk to the Parish Council for Parish Council Meeting: of 28th September 2022

Agenda Item 6i - Option to opt out of the SAAA central external auditor appointment arrangements – Council to consider whether it wishes to “opt-in” to the central procurement regime for the appointment of the external auditor noting that all authorities are required to appoint an external auditor.

Under the Local Audit (Smaller Authorities) Regulations 2015, SAAA is responsible for appointing external auditors to all applicable opted-in smaller authorities, for setting the terms of appointment for limited assurance reviews and for managing the contracts with the appointed audit firms. Smaller authorities are those whose gross annual income or expenditure is less than £6.5 million.

The next 5-year appointing period runs from 2022-23 until 2026-27 and SAAA has undertaken a procurement exercise to appoint auditors to each County area from 1 April 2022.

All authorities are required to appoint an external auditor even if the authority meets the criteria to qualify for exemption, as a Certificate of Exemption is required to be submitted to the external auditor and the auditor must be in place in case of objections from local electors.

During the previous 5-year period all smaller authorities were 'opted-in' to the central procurement regime managed by SAAA - no authority decided to 'opt-out' and follow the various complex procedures required under statute to appoint their own external auditor. If we wish to continue as part of the SAAA sector led auditor appointment regime then no action is required, we will remain part of central scheme.

However, all authorities must be given the option to opt-out of the central procurement and appointment scheme and appoint their own external auditor for the next 5-year period, although the process is onerous for smaller authorities.

We have now received communication to advise that whilst all smaller authorities are opted into the central procurement of external auditors by default, any authorities who do not wish to be part of the SAAA arrangements must formally notify SAAA that they wish to opt out within 8 weeks of this communication but no later than 28 October 2022; this decision must be communicated to SAAA via e mail to admin@saaa.co.uk.

Fees for 2022-23 to 2026-27: If a Certificate of Exemption is submitted then a fee for a limited assurance review will not be levied as it will not be required.

If notification of the decision to opt out is not received within this 8-week period, then Lindsey will be regarded as opted-in for the next five-year period beginning on 1 April 2022 and ending on 31 March 2027.

Opting out is a significant decision which requires careful consideration; to assist authorities considering opting out further guidance has been developed to clarify what opting out means in practice. This detailed information can be found at www.saaa.co.uk

Recommendation:

- 1. Council agrees to be regarded as opted-in for the next five-year period beginning on 1 April 2022 and ending on 31 March 2027 and notes that there is no further requirement to appoint an appropriate external auditor as Council will come under the central procurement and appointment scheme.**