Appendix B

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	COMMUNITY SAFETY AND PROTECTION COMMITTEE		
DATE:	5 SEPTEMBER 2017	REPORT NO:	CFO/062/17
PRESENTING OFFICER	IAN CUMMINS		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	SMG		
TITLE OF REPORT:	APPOINTMENT OF EXTERNAL AUDITOR		

APPENDICES:	APPENDIX A:	ARRANGEMENTS FOR APPOINTING EXTERNAL AUDITORS
	APPENDIX B:	PSAA NOTIFICATION ON AUDITOR APPOINTMENT

Purpose of Report

1. The current arrangements for the Authority's external auditor will end in 2017/18. Members approved the use of the LGA's Public Sector Auditor Appointment Limited (PSAA) as the Authority's 'appointing person' for external audit services for 2018/19 and future years (CFO/009/17). This report advises Members of the outcome of the PSAA procurement exercise and proposal to appoint Grant Thornton (existing Auditor) as MFRA auditor for five years from 2018/19.

Recommendation

2. That Members approve the appointment of Grant Thornton UK LLP ('Grant Thornton') as Auditor for MFRA for 2018/19 to 2022/23 and respond accordingly to the PSAA consultation (deadline 22nd September 2017).

Introduction and Background

3. Report CFO/071/16 sought approval from Members on the preferred option for the appointment of the external auditor from 2018/19 as the existing arrangements (Grant Thornton) would conclude at the end of 2017/18. CFO/071/16 is attached as Appendix A for Members information. Members approved using the LGA's Public Sector Auditor Appointment Limited (PSAA) as the Authority's 'appointing person' for external audit services for 2018/19 and future years.

4. PSAA have now completed their procurement exercise and the outcome is that Grant Thornton have been nominated as the Auditor for MFRA, subject to the Authority confirming it is satisfied with the outcome and responding to PSAA by 22nd September 2017. The email from PSAA on advising the Authority on the outcome of the procurement exercise is attached as Appendix B.

5. Members are asked to approve the appointment of Grant Thornton as Auditor for MFRA for 2018/19 to 2022/23 and instruct the Treasurer to respond accordingly.

Equality and Diversity Implications

6. None contained within this report.

Staff Implications

7. None contained within this report.

Legal Implications

8. The Local Audit and Accountability Act 2014 abolished the Audit Commission and established transitional arrangements for the appointment of external auditors. Additional regulations, the Local Audit (Appointing Person) Regulations 2015 and the Accounts and Audit Regulations 2015 require the Authority to meet various requirements when determining the appointment of the external auditor and the Authority has met such requirements.

9. This report is seeking Authority approval, however this Committee in its Terms of Reference has delegated powers to approve reports that would otherwise need Authority approval but cannot await its next meeting. (Article 12.1 (m). As this Consultation closes on 22nd September 2017 it is necessary to seek approval from this Committee.

Financial Implications & Value for Money

10. The cost of the current external audit function is £32,424. PSAA have indicated that on average the fee may be up to 18% lower. Therefore no increase in cost is expected and the contract price should at a minimum be within the current budget.

Risk Management, Health & Safety, and Environmental Implications

11. None contained within this report.

Contribution to Our Mission: Safer Stronger Communities – Safe Effective Firefighters

12. External audit help ensure the Authority's internal controls and financial management are robust and therefore funds earmarked for fire and rescue operational activities remain intact.

BACKGROUND PAPERS

CFO/009/17 "Arrangements for appointing external auditors" Authority 23rd February 2017.

GLOSSARY OF TERMS

LGA	Local Government Association
MFRA	Merseyside Fire and Rescue Authority is the physical and legal entity. When writing reports MFRA is the “object”.
PSAA	Public Sector Auditor Appointment Limited

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