

**Report to** Cabinet  
16 November 2016  
**Report of** Chief finance officer / Chief internal auditor, LGSS  
**Subject** External audit appointment

**Item**

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**Purpose**

To consider the process for the appointment of a new external auditor.

**Recommendations**

To recommend council to progress the Sector Led Appointment of external auditors from 2018-19.

**Corporate and service priorities**

The report helps to meet the corporate priority “Value for money services”.

**Financial implications**

None directly

**Ward/s:** All wards

**Cabinet member:** Councillor Stonard – Resources and business liaison

**Contact officers**

Justine Hartley, chief finance officer 01603 212440

Duncan Wilkinson, chief internal auditor (LGSS) 01223 715317

Jonathan Tully, principal audit manager 01603 212575

**Background documents**

None

# Report

## Background

1. The Local Audit and Accountability Act 2014 closed the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for councils.
2. On 5 October 2015 the Secretary of State for Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017-18.
3. The council's current external auditor is Ernst & Young LLP (EY). Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the Local Government Association (LGA) with delegated authority from the Secretary of State CLG.
4. When the current transitional arrangements come to an end on 31 March 2018 the council will be able to move to local appointment of the auditor. There are a number of routes by which this can be achieved.
5. The Act requires that a relevant authority, i.e. Norwich City Council, '...consult and take in to account advice from its audit panel when selecting and appointing a local auditor', i.e. the external auditor.
6. An audit panel established under the Act must be appointed by the council, or by the council and one or more other relevant authorities. This includes the option for appointment by a sector led body.
7. The Act also requires that the audit panel must consist of a majority of independent members, or wholly of independent members, including the Chair. An existing committee, or sub-committee, or panel, can be appointed to act as an audit panel if they comply with the above requirements of the Act. However, the requirement for a majority of independent members means that existing committees are unlikely to meet the requirements for councils. Alternatively, Public Sector Audit Appointments Ltd (PSAA) has now been specified as the sector-led appointing body under the Local Audit (Appointing Person) Regulations 2015.
8. Current audit fees are based on discounted rates offered by the firms in return for substantial market share. When the contracts were last negotiated nationally, by the Audit Commission, they covered NHS and local government bodies and offered maximum economies of scale.
9. The scope of the audit will continue to be specified nationally. The National Audit Office (NAO) is responsible for writing the Code of Audit Practice, which all firms appointed to carry out the council's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process has not yet commenced and so the number of firms is not known but it is reasonable to expect that the list of eligible firms may include the top 10 or 12 firms in the

country, including our current auditor. It is unlikely that small local independent firms will meet the eligibility criteria.

## **Options**

10. Essentially there are 3 options for the future appointment of external auditors permitted under the 2014 Act:

- Option 1 – to make a stand-alone appointment
- Option 2 – joint appointment via joint audit panel
- Option 3 – opt-in to a 'sector led' appointment body (Recommended)

## **Option 1 – Stand Alone**

11. In order to make a stand-alone appointment the council would need to set up an Auditor Panel which must consist of at least a majority of independent members, and must be chaired by an independent member.

12. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends.

13. The panel is created in order to facilitate the appointment of the external auditor, and also:

- advises the council on maintaining an independent relationship with its auditor
- must publish its advice to the council
- must be provided any information held by the authority that is of relevance to the auditor panel's work upon request
- should be served by a member or officer of the council and can require members / officers to attend to provide information / answer questions.

14. The council must consult its auditor panel and take its views into account when selecting and appointing an auditor.

15. For local authorities operating executive arrangements the appointment of the auditor must be undertaken by full council and not the executive.

16. The council must publish a notice within 28 days of making the appointment that: states it has made the appointment; the term of that appointment; who the appointed auditor is; sets out the auditor panel's advice; and if that advice has not been followed, the relevant authority's reasons for not following it.

17. The constitution of an audit panel means that councillors will not have the majority input to assessing bids and choosing which firm of accountants to award a contract for the council's external audit.

## **Advantages**

18. Setting up an auditor panel allows the council to take maximum advantage of the new local appointment regime and have local input to the decision.

## **Disadvantages**

19. Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus ongoing expenses and allowances.
20. The council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts. Albeit possible that individual procurement may result in a reduced fee it is considered more likely that fees would be higher through this route.

## **Option 2 - Set up a Joint Auditor Panel**

21. The Act enables the council to join with other authorities to establish a joint auditor panel. As with option (1) this will need to be constituted of wholly or a majority of independent appointees. Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the council would need to liaise with other local authorities to assess the appetite for such an arrangement.
22. Such joint arrangements could be progressed:
  - Through existing regional / geographic partnerships e.g. a Local Enterprise Partnership or Norfolk councils.
  - With LGSS partners (i.e. with Cambridgeshire County Council, Northamptonshire County Council and Milton Keynes Council) and subsidiary arrangements.
  - Any other joint arrangement.
23. This option could be complicated where an individual council creates an 'independence issue' with one specific bidder. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the council. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards.
24. There is a tension between obtaining economy of scale pricing from larger contracts under joint arrangements that also:
  - increase the risk of procurements being complicated by independence issues for individual councils, and,
  - may deter bids if providers evaluate the risk of preventing profitable consultancy work across a wide area.

## **Advantages**

- 25. The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.
- 26. There is greater opportunity for negotiating economies of scale by being able to offer a larger combined contract value to the firms.
- 27. The panel will be more independent of individual council partners.

## **Disadvantages**

- 28. The decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used.
- 29. The appointment will need to manage any complications arising from independence issues or arrangements operating across several councils.

## **Option 3 - Opt-in to a sector led body**

- 30. The Local Government Association (LGA) successfully lobbied for councils to be able to 'opt-in' to a Sector Led Body (SLB) appointed by the Secretary of State under the Act. An SLB would have the ability to negotiate contracts with external audit firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.
- 31. The LGA have already asked for indications from councils whether they would consider opting into such arrangements and the council was one of many local authorities who expressed an interest in this arrangement. Subsequently Public Sector Audit Appointments Ltd (PSAA) has now been specified as the sector-led appointing body under the Local Audit (Appointing Person) Regulations 2015.
- 32. LGA analysis indicates that using PSAA would be far cheaper for councils than every council procuring their external auditor separately. It would avoid the need for hundreds of separate procurement exercises and has the advantage for councils of saving the time and costs that would otherwise have been associated with establishing independent panels. Discussion between Norfolk chief finance officers has supported the use of PSAA as the recommended option going forwards in preference to a Norfolk wide panel.

## **Advantages**

- 33. The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities
- 34. By offering large contract values the external audit firms would be expected to offer better rates and lower fees than are likely to result from local negotiation
- 35. Any conflicts at individual authorities would be managed by the SLB who would have a number of contracted firms to call upon.

36. The appointment process would not be ceded to locally appointed independent members. Instead a separate body set up to act in the collective interests of the 'opt-in' authorities.

### **Disadvantages**

37. Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and/or stakeholder representative groups.
38. In order for the SLB to be viable and to be placed in the strongest possible negotiating position the SLB will need councils to confirm their intention to opt-in before final contract prices are known.

### **Additional considerations**

39. Early consideration by the council of its preferred approach will enable detailed planning to take place to achieve successful transition to the new arrangement in a timely and efficient manner.
40. The cost of establishing a local or joint auditor panel outlined in options 1 and 2 above would need to be estimated and included in the council's budget for 2016/17 and 2017/18. This would include the cost of recruiting independent appointees (members), servicing the Panel, running a bidding and tender evaluation process, letting a contract and paying members fees and allowances.
41. Opting-in to a national SLB provides opportunity to limit increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel.
42. Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor.
43. Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
44. Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

## Consultation

45. Audit committee met on 20 September 2016 and considered the three options. During discussion members considered that an opt-in to a sector led body would be the most cost effective and efficient option. The chair said that the advantages of being part of a wider collective outweighed the disadvantages of elected members having less opportunity for direct involvement in the appointment process other than through the Local Government Association and/or stakeholder representative groups.
46. The committee resolved, unanimously, to recommend to cabinet that option 3 – opt-in to a sector led body be progressed.
47. Cabinet should consider the options and recommend to Council their preferred option should be progressed.

## Summary

48. The council has until December 2017 to make an appointment. In practical terms this means one of the options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017.
49. The LGA have developed a Sector Led Body (SLB) known as Public Sector Audit Appointments (PSAA). Greatest economies of scale will come from the maximum number of councils acting collectively and opting-in to a SLB. In order to strengthen the LGA's negotiating position, and enable it to more accurately evaluate the offering, the council responded positively when asked to consider whether it was interested in the option of opting in to a SLB. The response was made without obligation and did not form a binding commitment. PSAA have now issued a formal invitation letter (Appendix 2) and an Opt in form (Appendix 1). The formal decision to opt-in will be required by 9th March 2017.
50. The disadvantages of options (1) and (2) are considered sufficient to recommend option (3) to the council. Whilst a decision is not needed imminently the creation of a Norwich audit panel or the development of a joint audit panel with other councils would require the investment of officer time and costs.
  - A local Audit Panel would require a minimum lead in period of 6-12 months to recruit additional independent members and undertake the necessary procurement exercise.
  - A joint Audit Panel would require an additional 6 months to discuss and agree the terms of a joint panel. Thus work towards a joint panel would need to commence now.
51. Given all the issues set out in this report including the fact that any appointed auditor must comply with the national code as determined by NAO, Option (3) is recommended.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

Committee:	Cabinet
Committee date:	16 November 20126
Head of service:	Chief finance officer
Report subject:	External audit appointment
Date assessed:	
Description:	This report presents options for appointment for external auditors



	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The option appraisal sets out alternatives for procurement. The greatest efficiency is expected to be made through collaborative procurement using a sector led body
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is no current risk. However, if the organisation fails to appoint an external auditor the Secretary of State will appoint on our behalf which will lead to reputational risk. Also, failure to start the process on time will limit the options of the Council, and will make the options difficult to implement as they are time critical.

**Recommendations from impact assessment**

**Positive**

**Negative**

**Neutral**

**Issues**

## Appendix 1 – Opt in form

### Form of notice of acceptance of the invitation to opt in

(Please use the details and text below to submit to PSAA your authority's formal notice of acceptance of the invitation to opt into the appointing person arrangements)

To: [appointingperson@psaa.co.uk](mailto:appointingperson@psaa.co.uk)

Subject: [Name of authority]

#### **Notice of acceptance of the invitation to become an opted-in authority**

This email is notice of the acceptance of your invitation dated 27 October 2016 to become an opted-in authority for the purposes of the appointment of our auditor under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

I confirm that [name of authority] has made the decision to accept your invitation to become an opted-in authority in accordance with the decision making requirements of the Regulations and that I am authorised to sign this notice of acceptance on behalf of the authority.

Name: [Name of signatory]

Title: [Role title] (authorised officer)

For and on behalf of: [Name of authority]

Date:

27 October 2016

Email: [appointingperson@psaa.co.uk](mailto:appointingperson@psaa.co.uk)

Laura McGillivray  
Norwich City Council  
City Hall  
St Peter Street  
Norwich NR2 1NH

Copied to: Justine Hartley, S151 Officer, Norwich City Council  
Victoria McNeill, Norwich County Council's Head of Law and Monitoring  
Officer, Norwich City Council

Dear Ms McGillivray

### Invitation to opt into the national scheme for auditor appointments

As you know the external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. That may seem a long way away, but as there is now a choice about how to make that appointment, a decision on your authority's approach will be needed soon.

We are pleased that the Secretary of State has expressed his confidence in us by giving us the role of appointing local auditors under a national scheme. This is one choice open to your authority. We issued a prospectus about the scheme in July 2016, available to download on the [appointing person](#) page of our website, with other information you may find helpful.

The timetable we have outlined for appointing auditors under the scheme means we now need to issue a formal invitation to opt into these arrangements. The covering email provides the formal invitation, along with a form of acceptance of our invitation for you to use if your authority decides to join the national scheme. We believe the case for doing so is compelling. To help with your decision we have prepared the additional information attached to this letter.

I need to highlight two things:

- we need to receive your formal acceptance of this invitation by 9 March 2017; and
- the relevant regulations require that, except for a body that is a corporation sole (a police and crime commissioner), the decision to accept the invitation and to opt in needs to be made by the members of the authority meeting as a whole. We appreciate this will need to be built into your decision making timetable.

If you have any other questions not covered by our information, do not hesitate to contact us by email at [appointingperson@psaa.co.uk](mailto:appointingperson@psaa.co.uk).

Yours sincerely



Jon Hayes, Chief Officer

## Appointing an external auditor

### Information on the national scheme

#### Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit company established by the Local Government Association (LGA). We administer the current audit contracts, let by the Audit Commission before it closed.

We have the support of the LGA, which has worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national procurement body. We have established an advisory panel, drawn from representative groups of local government and police bodies, to give access to your views on the design and operation of the scheme.

#### The national scheme for appointing local auditors

We have been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies. This means that we will make auditor appointments to principal local government bodies that choose to opt into the national appointment arrangements we will operate for audits of the accounts from 2018/19. These arrangements are sometimes described as the 'sector-led body' option, and our thinking for this scheme was set out in a prospectus circulated to you in July. The prospectus is available on the [appointing person](#) page of our website.

We will appoint an auditor for all opted-in authorities for each of the five financial years beginning from 1 April 2018, unless the Secretary of State chooses to terminate our role as the appointing person beforehand. He or she may only do so after first consulting opted-in authorities and the LGA.

#### What the appointing person scheme will offer

We are committed to making sure the national scheme will be an excellent option for auditor appointments for you.

We intend to run the scheme in a way that will save time and resources for local government bodies. We think that a collective procurement, which we will carry out on behalf of all opted-in authorities, will enable us to secure the best prices, keeping the cost of audit as low as possible for the bodies who choose to opt in, without compromising on audit quality.

Our current role means we have a unique experience and understanding of auditor procurement and the local public audit market.

Using the scheme will avoid the need for you to:

- establish an audit panel with independent members;
- manage your own auditor procurement and cover its costs;
- monitor the independence of your appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor if required; and
- manage the contract with your auditor.

Our scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration or joint working initiatives, if you consider that a common auditor will enhance efficiency and value for money.

We will also try to be flexible about changing your auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

Securing a high level of acceptances to the opt-in invitation will provide the best opportunity for us to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities. We ultimately hope to achieve participation from the vast majority of eligible authorities.

## **High quality audits**

The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

We will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in our contract terms and in the quality criteria in our tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in your feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

We will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

## **Procurement strategy**

In developing our procurement strategy for the contracts with audit firms, we will have input from the advisory panel we have established. The panel will assist PSAA in developing arrangements for the national scheme, provide feedback to us on proposals as they develop, and helping us maintain effective channels of communication. We think it is particularly important to understand your preferences and priorities, to ensure we develop a strategy that reflects your needs within the constraints set out in legislation and in professional requirements.

In order to secure the best prices we are minded to let audit contracts:

- for 5 years;
- in 2 large contract areas nationally, with 3 or 4 contract lots per area, depending on the number of bodies that opt in; and
- to a number of firms in each contract area to help us manage independence issues.

The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, we will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

## **Auditor appointments and independence**

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence.

We plan to take great care to ensure that every auditor appointment passes this test. We will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments.

We will consult you on the appointment of your auditor, most likely from September 2017. To make the most effective allocation of appointments, it will help us to know about:

- any potential constraints on the appointment of your auditor because of a lack of independence, for example as a result of consultancy work awarded to a particular firm;
- any joint working or collaboration arrangements that you think should influence the appointment; and
- other local factors you think are relevant to making the appointment.

We will ask you for this information after you have opted in.

Auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

## **Fee scales**

We will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising our own costs. Any surplus funds will be returned to scheme members under our articles of association and our memorandum of understanding with the Department for Communities and Local Government and the LGA.

Our costs for setting up and managing the scheme will need to be covered by audit fees. We expect our annual operating costs will be lower than our current costs because we expect to employ a smaller team to manage the scheme. We are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of our current deferred income. We think this is appropriate because the new scheme will be available to all relevant principal local government bodies.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.

Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.



## Opting in

The closing date for opting in is 9 March 2017. We have allowed more than the minimum eight week notice period required, because the formal approval process for most eligible bodies, except police and crime commissioners, is a decision made by the members of an authority meeting as a whole.

We will confirm receipt of all opt-in notices. A full list of authorities who opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters that would prevent us appointing a particular firm.

If you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2018. The earliest an auditor appointment can be made for authorities that opt in after the closing date is therefore for the audit of the accounts for 2019/20. We are required to consider such requests, and agree to them unless there are reasonable grounds for their refusal.

## Timetable

In summary, we expect the timetable for the new arrangements to be:

- |   |                         |
|---|-------------------------|
| • Invitation to opt in issued                   | 27 October 2016         |
| • Closing date for receipt of notices to opt in | 9 March 2017            |
| • Contract notice published                     | 20 February 2017        |
| • Award audit contracts                         | By end of June 2017     |
| • Consult on and make auditor appointments      | By end of December 2017 |
| • Consult on and publish scale fees             | By end of March 2018    |

## Enquiries

We publish frequently asked questions on our [website](#). We are keen to receive feedback from local bodies on our plans. Please email your feedback or questions to: [appointingperson@psaa.co.uk](mailto:appointingperson@psaa.co.uk).

If you would like to discuss a particular issue with us, please send an email to the above address, and we will make arrangements either to telephone or meet you.