

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Shared Services Joint Committee	9 March 2009

Report template revised June 2008



<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Appointment of External Auditor to the Joint Committee	N/A	G Barclay	6

## SUMMARY AND LINK TO CORPORATE PRIORITIES

The purpose of this report is to bring the Committee’s attention to the attached letter from the Audit Commission advising of the proposed external audit arrangements for the Joint Committee.

The Shared Services Partnership is seen as a key project by both Chorley and South Ribble Councils and makes a direct and extensive contribution to the following strategic objectives:

“Ensuring that **Chorley** Council is a consistently top performing organisation”. And that “**South Ribble** Council is an efficient, effective and exceptional council”.

## RECOMMENDATIONS

That the Committee:

1. notes the contents of the attached letter;
2. confirms that the proposed Audit Commission appointment is acceptable; and
3. notes that consultations with the Audit Commission are ongoing to clarify the exact nature of their external audit remit together with the audit fee implications.

## DETAILS AND REASONING

As the attached letter explains, under section 3 of the Audit Commission Act 1998, the Audit Commission is required to appoint an auditor to audit the accounts of the Joint Committee.

Given that Chorley Council is the lead financial authority for the Joint Committee the Audit Commission’s proposal is to appoint Chorley Council’s auditor – which also happens to be the external auditor for South Ribble Borough Council - to cover the period up to and including 2009/10, in line with the current external audit appointment at Chorley Council.

As the Joint Committee’s annual expenditure will be in excess of £1 million, the audit must be carried out under the Commission’s Code of Audit Practice. We have asked the Commission to clarify how this will apply to the audit of the Joint Committee on the basis that their input should reflect the size of the operation.

These consultations are still ongoing and the Committee will be advised of the outcome and the respective audit fee implications in due course.

## WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the following issues;

<b>FINANCIAL</b>	The Audit Commission is will ultimately expected to charge a fee for the audit of the Joint Committee's accounts, which will be shared equally between both councils. The scope of the audit and, therefore, any audit fee has still to be confirmed. Further information will be presented to the Joint Committee as and when it becomes available.
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<b>LEGAL</b>	That the Committee is mindful of its legal obligations with specific reference to section 3 of the Audit Commission Act 1998.
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<b>RISK</b>	That the level of audit external audit input is commensurate with the size of the operation involved and does not impose an unreasonable regulatory or financial burden on the partnership which could impact upon its performance.
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<b>OTHER (see below)</b>	
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>