

**AUDIT AND GOVERNANCE COMMITTEE**

**25 November 2011**

**LOCAL PUBLIC AUDIT – UPDATE ON PROCUREMENT PROCESS**

**Report of the Executive Director of Commercial and Corporate Services**

**1. Purpose of Report**

- 1.1 To provide an update on the procurement process regarding the provision of local public audit over the next three to five years.

**2. Background**

- 2.1 At the last meeting of the Committee, Members were given an update on the arrangements being put in place to provide local public audit in the future. The update explained that interim arrangements would be put in place whereby the Audit Commission would procure and appoint external auditors for public sector bodies for the next three or five years. Following this period public sector bodies would be free to procure their own external auditors.

**3. Update on the Procurement Process**

- 3.1 The Commission has formally launched the process for outsourcing the work of its Audit Practice. In line with the timetable for the procurements of audit services, shown overleaf, the Audit Commission have issued Contract Notices in the Official Journal of the European Union.
- 3.2 The Audit Commission has confirmed that Invitations to Tender have now been issued to 13 providers who have met the pre qualification requirements. A list of the providers is attached at Appendix 1. Bidders have until 16<sup>th</sup> December to submit their tender response.

**4. Timetable for the Outsourcing Process**

- 4.1 The table overleaf provides the key milestones currently planned for the key stages of the procurement. This is intended as a guide and while the Commission does not intend to depart from the timetable it reserves the right to do so at any stage.

## Timetable

<b>Key milestone</b>	<b>Principal bodies' procurement</b>
Deadline for submission of tenders	16 December 2011
Approval of contract awards	w/c 20 February 2012
Consultation with audited bodies on appointments	23 April - 13 July 2012
Approval of auditor appointments	w/c 23 July 2012
Appointments for 2012/13 commence	1 September 2012
Staff transfer to firms awarded contracts	31 October 2012

## **5. Recommendations**

5.1 Members are asked to note the report.

## **Background Papers**

Consultation on Local Public Audit – Audit and Governance Committee 30<sup>th</sup> June 2011

## **Appendix 1**

### **List of firms issued with an Invitation to Tender**

BDO LLP

DA Partnership Limited

Deloitte LLP

Ernst & Young LLP

Grant Thornton (UK) LLP

Consortium led by Haines Watts

KPMG LLP

Menzies LLP

Consortium led by MHA Audit LLP

Consortium led by Moore Stephens LLP

PKF (UK) LLP

PWC LLP

RSM Tenon Audit Ltd

