

COUNCIL

Reappointment of External Auditors

Meeting: 11 February 2015

Status: decision

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Purpose

1. This paper presents the outcome of a brief review of the performance of the external auditors Hays Macintyre for the purposes of recommending their re-engagement for a further year.
2. Council is asked to:
 - 2.1 note that Audit and Risk Committee (ARC) has carried out a review of performance;
 - 2.2 note the recommendation of ARC that Council reappoint Hays Macintyre for a further year as external auditors; and
 - 2.3 reappoint Hays Macintyre for a further year.

Strategic Objective

3. The Council is required to produce audited financial statements, lay them before Parliament and file them with the Charity Commission for each financial period.

Background

4. Hays Macintyre were appointed as external auditors to GOC following a robust procurement process in line with the contracts and procurement policy.
5. They were appointed for a period of three years but their appointment is subject to annual review and annual reappointment.

Analysis

6. Hays Macintyre completed their first audit for the year ended 31 March 2014 and presented their audit findings report to ARC in October 2014. The Committee was satisfied with the report from Hays Macintyre and the Chair discussed the report separately with the auditors on 19 January 2015.
7. The auditors had previously presented their audit plan, carried out an initial fact finding visit in April 2014 and main fieldwork in June 2014.

8. The Director of Resources altered the timing for the audit to allow the organisation more time to finalise preparing the annual report ready for audit in June. This meant that the annual report presented for audit was more complete thus simplifying the audit and finalisation processes.
9. The finance team have found the auditors to be approachable and proactive in their engagement with us. The audit was robust, managed well and carried out within the budget agreed in the procurement.
10. In particular, assistance was provided in advance in respect of the way in which property asset was to be reflected in the financial statements as at 31 March 2014.
11. Support continued right up until signing off the accounts particularly in relation to any changes which might need to be reflected in the numbers or disclosures in respect of the property asset.
12. Assistance has continued mid-year in planning how the property asset will be dealt with as at 31 March 2015, which has been helpful.
13. Hays Macintyre were also engaged to provide tax advice on specific one-off transactions.
14. The ARC and the Executive are entirely satisfied with the standard of service provided and therefore have no hesitation in recommending reappointment of Hay Macintyre.
15. Identify any implications decisions by Council may have on:
 - 15.1 GOC's reserves – none;
 - 15.2 GOC budget – work carried out within existing budgets;
 - 15.3 Legislation – audited accounts are required to comply with legislation as indicated in the paper;
 - 15.4 Resources – work carried out within existing resources;
 - 15.5 Equality and Diversity – no implications; and
 - 15.6 Human Rights Act – no implications.

Devolved Nations

16. No implications/differences in relation to this area and the devolved nations.
17. The annual report is published in Welsh.

Communications

18. The annual report was signed by Council in November and laid before Parliament on 9 December 2014.

19. The annual return and accounts are were completed and filed with the Charity Commission by 30 January 2015. This work was undertaken by the Governance team.

Risks

20. No specific risks are identified in respect of this work.

Recommendations

21. Council is asked to:
 - 21.1 note that the ARC has carried out a review of performance;
 - 21.2 note the recommendation of ARC that Council reappoint Hays Macintyre for a further year as external auditors; and
 - 21.3 reappoint Hays Macintyre for a further year.

Timeline for future work

22. We expect Hays Macintyre to present their draft audit plan and fee to ARC in April 2015.
23. We would expect a pre year end meeting sometime between now and the end of March to highlight any key issues and to bring the auditors up to date.
24. We plan the main fieldwork to take place in June 2015 before we move. We would expect to sign off the accounts in about October 2015.