

Appendix 2

CIPFA Guide to Auditor Panels extract

Possible Advantages	Possible Disadvantages
Setting up own separate panel	
<ul style="list-style-type: none"> - Full ownership of the process - Fully bespoke contract with the auditor - Tendering process more based on local circumstances (within EU procurement rules) 	<ul style="list-style-type: none"> - May experience difficulties in appointing majority independent panel members and independent panel chair as per the regulations - Will need to ensure that panel members are suitably qualified to understand and participate in the panel's functions - Will have to cover panel expenses completely - May not be able to procure at a lower cost, for example, depending on authority location, where there will be a risk of limited provider choice and a single authority contract may be less attractive to some providers - Will not achieve economies of scale
Setting up a joint panel with other authority(ies) as part of joint procurement	
<ul style="list-style-type: none"> - Less administration than sole auditor panel - Will be able to share the administration expenses - May be easier to attract suitable panel members <p><i>If procuring a joint audit contract:</i></p> <ul style="list-style-type: none"> - May still be a relatively locally tailored process - May be able to achieve some economies of scale <p><i>If procuring separate audit contracts:</i></p> <ul style="list-style-type: none"> - An opportunity for fully bespoke contracts with the auditor if the group of authorities can agree 	<p><i>If procuring a joint audit contract:</i></p> <ul style="list-style-type: none"> - May need to compromise on the arrangements or auditor contract - May not end up with first choice of auditor, compared to an individual auditor panel. If a large group of authorities work together and decide to appoint one joint audit contract across all the authorities, a joint panel may be more likely to advise appointment of an auditor it considers suitable for all authorities taken together - Need to agree appointment of members across multiple authorities and set up an appropriate joint decision-making process
Using another authority's panel	
<ul style="list-style-type: none"> - Will not have to set up an auditor panel - Arguably most independent option for the authority using the host authority's panel 	<ul style="list-style-type: none"> - The panel may not understand the specific needs of the authority - May need to enter into a formal arrangement with the other authority - May be difficult to find an authority willing to enter into such an arrangement - May be more difficult to ensure adequate liaison with authority's own audit committee (if one exists)

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