



**Advantages and Disadvantages of the Auditor Panel Approach**

Option	Possible Advantages	Possible Disadvantages
<p><b>Set up own separate and individual panel to oversee separate and individual procurement</b></p>	<p>Full ownership of the process</p> <p>Fully bespoke contract with the auditor</p> <p>Tendering process more based on local circumstances (within EU procurement rules)</p>	<p>May experience difficulties in appointing majority independent panel members and independent panel chair as per the regulations</p> <p>Will need to ensure that panel members are suitably qualified to understand and participate in the panel's functions</p> <p>Will have to cover panel expenses</p> <p>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</p> <p>Would not achieve the desired outcome of a single external auditor across LGSS partners</p>
<p><b>Set up a panel jointly with other authority/ authorities as part of a procurement exercise for a joint contract covering more than one authority or multiple separate contracts</b></p>	<p>Less administration than a sole auditor panel</p> <p>Will be able to share the administration expenses</p> <p>May be easier to attract suitable panel members from a broader area</p> <p>If procuring a joint audit contract it will still be a locally tailored process and would also achieve some economies of scale</p> <p>If procuring separate audit contracts there would be an opportunity for fully bespoke contracts with the auditor if the group of authorities can agree</p> <p>Would achieve the desired outcome of a single external auditor across LGSS partners</p>	<p>May need to be an element of compromise for a joint audit contract</p> <p>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. However this is not a disadvantage when compared to the PSAA sector-led approach where the auditors are simply notified.</p> <p>Need to agree appointment of members across multiple authorities and set up an appropriate joint decision-making process</p>

Option	Possible Advantages	Possible Disadvantages
<p><b>Use existing committee or sub-committee</b></p>	<p>Existing administrative structure in place</p> <p>Existing (sub)committee should already have a better basic understanding of the authority's objectives and requirements</p>	<p>Possible need to appoint new (sub) committee members to comply with independence regulations</p> <p>May not be appropriate where there is more than one authority due to the embedded context in the organisation within which the Committee already operates.</p>
<p><b>Use another authority's panel</b></p>	<p>Will not have to set up an auditor panel</p> <p>Arguably most independent option for the authority using the host authority's panel</p>	<p>The panel may not understand the specific needs and context of the authority</p> <p>May need to enter into a formal arrangement with other authorities</p> <p>May be difficult to find an authority willing to enter into such an arrangement</p> <p>May be more difficult to ensure adequate liaison with the authority's own audit committee</p> <p>Loss of control / input into the process and arrangements</p>