

23 June 2014

Mr Tom Riordan
Chief Executive
Leeds City Council
Civic Hall
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Leeds
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LS1 1UR

Direct line

0303 444 8273

Email

auditor-
appointments@audit-
commission.gsi.gov.uk

Dear Mr Riordan

Leeds City Council - consultation on auditor appointment from 2015/16

I am writing to consult you on the re-appointment of KPMG LLP to audit the accounts of Leeds City Council from 2015/16 for two years. The appointment will start on 1 April 2015.

Background to the proposed appointment

The Audit Commission announced in 2013 that it would retender the audit contracts awarded to audit firms in 2006 and 2007, representing approximately 30 per cent of the local public audit market. The procurement was completed in April 2014 and the Commission is now making auditor appointments under the new contracts. The contracts are in addition to those let in 2012 covering the remaining 70 per cent of the local public bodies to which the Commission appoints the auditor.

Under the provisions of the Local Audit and Accountability Act 2014, the Commission will close at the end of March 2015. A transitional body will be established from 1 April 2015 to oversee the Commission's audit contracts and will have responsibility for the existing statutory functions relating to auditor appointments.

The transitional body will manage the contracts until their expiry in 2017 (or 2020 if the Department for Communities and Local Government opts to extend some or all of the contracts). This is the point at which local public bodies will be required to have their own auditors in place or to have agreed to participate in any collective procurement arrangements that are established.

The consultation process

The Audit Commission has a statutory duty to appoint external auditors to local public bodies under Section 3 of the Audit Commission Act 1998. This duty requires the Commission to consult local government bodies on the auditor appointment. We also consult NHS bodies.

Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF
T 0303 444 8300 www.audit-commission.gov.uk

The consultation on the proposed auditor appointment will close on 25 July 2014.

Process for objecting to the proposed auditor appointment

If you wish to make representations to the Commission about the proposed auditor appointment please send them by email to auditor-appointments@audit-commission.gsi.gov.uk by **Friday 25 July 2014**. Your email should set out the reasons why you think the proposed appointment should not be made.

We will consider carefully all representations and will respond by **Monday 15 September**. If your representations are accepted, we will consult you on an alternative appointment. If your representations are not accepted, they will also be considered by a subcommittee of the Commission Board (the Board's Appointments Panel).

The Commission Board will consider all proposed appointments at its meeting scheduled for 4 December. We aim to write to all bodies to confirm the Commission's decision on the appointment of the auditor by 31 December 2014.

If you have any questions about the proposed auditor appointment or the consultation process please email us at auditor-appointments@audit-commission.gsi.gov.uk or call on 0303 444 8273.

Yours sincerely



Jon Hayes
Associate Controller of Audit (Compliance)

cc Mr Gay, Director of Corporate Services, Leeds City Council