

### 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>Additional costs to undertake the procurement, service the Auditor Panel and to cover 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>Additional costs to undertake the procurement, service the Auditor Panel and to cover expenses</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>

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