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Dear Peter

#### **The future of local public audit**

Thank you for your letter of 8 February following a recent meeting of the LGA Improvement Board.

We have relayed your views on timing to the Commission as part of the Government's view on whether the contracts should be three or five years in duration. As you know, it is, ultimately, for the Commission to award the contracts, and I expect they will announce their decisions on 6 March.

The need for an independent element in the appointment of auditors is a long-standing principle of audit (in both the public and private sectors). The proposals for independent auditor appointment panels are designed to balance this principle of independence with giving local authorities the power to appoint their own auditor, which I am glad to hear is a power you welcome. However, I do not wish to impose any unnecessary bureaucracy. The requirements for these panels will therefore be drafted to allow maximum flexibility for local authorities to adapt them to local circumstances. My officials are considering how this can be best be done, taking into account the issues raised by local authorities in the workshops we held in January, and they would welcome further input from LGA officers before we publish a Draft Audit Bill later this Spring.

Yours ever  
Eric

**THE RT HON ERIC PICKLES MP**