



Northumberland County Council

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Date: 18 December 2019

Dear Sirs

The Local Audit (Auditor Resignation and Removal) Regulations 2014

In accordance with regulation 3(5) of The Local Audit (Auditor Resignation and Removal) Regulations 2014 I write now in response to your letter of the 27th November 2019 within which you gave notice to the Council of your resignation as local auditor.

This letter again acknowledges your resignation as local auditor and the reasons stated for the same in your letter referred to above.

While the Council notes the reasons given for your resignation it cannot agree that in all the circumstances pertaining to the additional procedures which you found it necessary to carry out in response to allegations received regarding senior management and others within the Council – which you, of course, found to be entirely unfounded - including the significant delay in drawing these matters to the authority's attention, that there is any reasonable justification for their presentation as the basis for your resignation.

The Council would contend that any disagreement with regards to the way in which these additional procedures were carried out arose solely out of the manner in which you approached the work which you considered necessary and that any concerns expressed by the senior management of the Council in this regard were entirely reasonable, proportionate and consistent with the good governance ordinarily expected in such matters and that the observations and conclusions which you made and arrived at as a consequence of your work, especially given the manner in which you approached it, were, and are, fundamentally flawed.

The actions taken by the Council to remove you as local auditor - which pre-dated your resignation as local auditor - and to seek a replacement appointment through the offices of Public Sector Audit Appointments Limited were intended only to bring the authority into line with the practice adopted in this regard by the overwhelming majority of principal local authorities in the country, was not consequential

Daljit Lally, Chief Executive, Northumberland County Council

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upon your actions in relation to the additional procedures work you have carried out and furthermore should not, in any sense, be considered to have been a "threat".

The Council is aware of its statutory obligations under the 2014 regulations, of which this response forms one, and will now progress matters in accordance with those regulations. To that end, while your letter of the 27th November 2019 to me is marked as "Private and Confidential", I will take it that, notwithstanding that marking, you can have no objection to its publication in accordance with regulation 3(5)(b) of the 2014 regulations

Yours sincerely



Mrs Daljit Lally
Chief Executive
Northumberland County Council

Copies to:

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Ms Janet Dawson, Partner (by email jdawson1@uk.ey.com)

All members of the Independent Auditor Panel:
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