

THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST: For PCC Approval

Title: Appointment of External Auditors

Executive Summary:

Following the closure of the Audit Commission on 31 March 2015 an independent company created by the Local Government Association, called Public Sector Audit Appointments Limited (PSAA) has been responsible for overseeing the Audit Commission's current external audit contracts with audit firms from 1 April 2015 until December 2017 or up to 2020. It manages the contracts and exercises statutory powers to appoint auditors and set and determine fees.

The PSAA has confirmed the extension of the Mazars LLP contract with the Chief Constable and PCC for one year to enable them to audit the accounts for 2017/18. At the conclusion of this audit the contract with Mazars will conclude.

External auditor appointments must be made for the 2018/19 audit of accounts by 31 December 2017, as required by section 7 of the Local Audit and Accountability Act 2014. Appointments may be made by the audited body itself, by groups of audited bodies, or by a specified appointing person.

Appointments may be made by the audited body itself, by groups of audited bodies, or by a specified appointing person. The relevant regulations require that the decision on which option to take is made by the corporation sole.

PSAA has been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies under the provisions of the 2014 Act. This means that PSAA will make auditor appointments to relevant principal local government bodies that choose to opt into the national appointment arrangements PSAA is developing.

PSAA is inviting the Chief Constable and PCC to opt in, along with all others, so that it can procure a number of contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council/Authority's auditor. The timetable it has outlined for appointing auditors under the scheme means it has now issued a formal invitation to opt into these arrangements.

Formal notification of 'opt in' needs to be received by PSAA by 9 March 2017.

The Audit Committee is responsible for advising the PCC and Chief Constable of Cleveland Police on the appointment of external auditors. A report went to their meeting in December 2016, for them to consider the changes to the arrangements for appointing external auditors, the options available and the PCC Chief Finance Officer and the Chief Constable's Chief Finance Officer joint recommendation to the Police and Crime Commissioner and Chief Constable in this respect.

The recommendation of the Committee is reflective of the decision that the PCC is being asked to make.

Decision:

The PCC is asked to agree that the Police and Crime Commissioner and Chief Constable 'opt in' to the Public Audit Appointments Limited (PSAA) sector led option for the appointment of external auditors for the five financial years commencing 1st April 2018 as recommended by the Chief Finance Officers and supported by the Joint Independent Audit Committee.

OPCC Lead Officer: Michael Porter

Contractor Details (if applicable):**Implications:**

Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(If yes please provide further details below)

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's Chief Finance Officer where the decision has financial implications)

The proposed fees for future years cannot be known until the procurement process has been completed. However, it is expected that the large-scale contracts procured through PSAA will bring economies of scale and attract keener prices from the market than a smaller scale competition.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Having read this report and having considered such information as has been provided at the time of being asked to express this view, the Chief Executive is satisfied that this report does not ask the PCC to make a decision which would (or would be likely to) give rise to a contravention of the law.

Equality and Diversity Implications

There are no diversity and equal opportunities issues arising from this proposal.

Human Rights Implications

There are no human rights issues arising from this proposal.

Sustainability Implications

Supporting the sector-led body will help to ensure there is a vibrant public audit market for the benefit of the whole sector going forward into the medium and long term.

Risk Management Implications

Opting in to a national scheme minimises the risk of not having effective audit arrangements in place.

OFFICER APPROVAL

Monitoring Officer

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed 

Date 11/1/17

Police and Crime Commissioner:

The above request HAS my approval.

Signed 

Date 11/1/17