JOINT INDEPENDENT AUDIT COMMITTEE
9 JUNE 2015

SUBJECT	**EXTERNAL AUDIT: ANNUAL AUDIT LETTER AND GUIDANCE ON APPOINTING EXTERNAL AUDITORS**
REPORT BY	**CHIEF FINANCE OFFICER AND FORCE CHIEF FINANCE OFFICER**
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SUMMARY AND PURPOSE OF REPORT To receive the External Audit Annual Audit Letter 2014/15 for the PCC and Chief Constable, and guidance published by KPMG on appointing External Auditors.	
RECOMMENDATIONS	**That:** **1. the Annual Audit Letter at Appendix A be noted;** **2. guidance on Appointing External Auditors at Appendix B be noted.**

A. SUPPORTING INFORMATION

1. Members will be aware that KPMG LLP was appointed as the External Auditors for the Police and Crime Commissioner and the Chief Constable with effect from 2012/13 for a five year period.

2. At Appendix A to this report is the Annual Audit Letter, which summarises the key findings from the 2014/15 audit of the Police and Crime Commissioner for Lincolnshire and Chief Constable for Lincolnshire.

3. At Appendix B to this report is a copy of guidance published by KPMG on the appointment of External Auditors.

4. Andrew Cardoza, Director, Public Sector Audit at KPMG will be in attendance to present the report.

B. FINANCIAL CONSIDERATIONS

The External Audit fee for the financial year 2014/15 is £59,055

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The statutory responsibilities and powers of the External Auditor are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

(including any impact or issues relating to Children and Young People.)

None.

E. REVIEW ARRANGEMENTS

None planned.

F. RISK MANAGEMENT

Receiving regular audit reports helps reduce risk to the Police and Crime Commissioner and Chief Constable.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.