**JOINT INDEPENDENT AUDIT COMMITTEE**
**5 APRIL 2017**

| SUBJECT | APPOINTMENT OF EXTERNAL AUDITORS FROM 2018/19 AUDIT |
|---|---|
| REPORT BY | DEPUTY CHIEF FINANCE OFFICER (PCC & CC) |
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| **SUMMARY AND PURPOSE OF REPORT**<br>To provide the committee with an update on progress. | |
| **RECOMMENDATION** | That the Committee note the update. |

## A. Supporting Information

### 1. Introduction

1.1 The purpose of this report is to provide an update on progress in order to have an external auditor appointed by 31 December 2017.

### 2. Background

2.1 The Local Audit & Accountability Act 2014 abolished the previous audit regime, and the Audit Commission closed on 31 March 2015. Since then Lincolnshire has had a contract with KPMG as the appointed External Auditor.

2.2 The current External Auditor is KPMG up to and including the audit of the 2017/18 financial year.

2.3 The Police & Crime Commissioner (PCC) for Lincolnshire is required to appoint their own and the Chief Constable's External Auditor. The appointment must be made by 31 December 2017, for the 2018/19 financial year onwards, and then make a further appointment of a local auditor at least once every 5 years.

2.4 The local auditor appointed must be eligible for appointment in accordance with the Local Audit & Accountability Act 2014.

### 3. Business Case

3.1 A business case was presented to the JIAC in February, and subsequently to the PCC in order to make the decision on the preferred procurement approach.

3.2 The PCC decision was taken on 15 February 2017, which was to proceed with the national 'appointing person' body operated by Public Sector Audit Appointments Ltd (PSAA).

## 4. Key Dates

4.1 The PSAA invitation to opt into the national appointing person arrangements expired on 9 March 2017. The PCC accepted the invitation for The Police & Crime Commissioner for Lincolnshire and on behalf of the Chief Constable of Lincolnshire Police on 28 February 2017. The acceptance included an opportunity to highlight any preference to have the same External Auditor as other PCCs/CCs; the four East Midlands Collaborative Forces were specified in Lincolnshire's response.

4.2 Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear.

4.3 PSAA expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

4.4 The PCC must publish specific information in accordance with The Local Audit & Accountability Act 2014 (Part 3), within 28 days of the appointment.

## B. Financial Considerations

None at this stage. Financial considerations will be part of the procurement process in the future.

## C. Legal and Human Rights Considerations

None

## D. Personnel, Equal Opportunities and Diversity Issues

*(Including any impact or issues relating to Children & Young People)*

None

## E. Review Arrangements

The JIAC will be kept up to date with progress.

## F. Risk Management

Opting in to the national appointing person arrangements is managing the risk of not meeting the deadline to appoint an external auditor.

## G. Public Access to Information

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