JOINT INDEPENDENT AUDIT COMMITTEE
25 APRIL 2022

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SUBJECT	APPOINTMENT OF EXTERNAL AUDITOR FROM 2023/24 AUDIT
REPORT BY	DEPUTY CHIEF FINANCE OFFICER (PCC & CC)
CONTACT OFFICERS	GILLIAN HOLDER, DEPUTY CHIEF FINANCE OFFICER TEL: 01522 947467
SUMMARY AND PURPOSE OF REPORT To provide the committee with an update on progress with appointing an external auditor for 2023/24 onwards.	
RECOMMENDATION	That the Committee note the update.

A. Supporting Information

1. Introduction

The purpose of this report is to provide members with an update since the last meeting in March 2022.

2. Background

2.1 The Local Audit & Accountability Act 2014 abolished the previous audit regime, and the Audit Commission closed on 31 March 2015.

2.2 The current External Auditor is Ernst & Young LLP up to and including the audit of the 2022/23 financial year.

2.3 The Police & Crime Commissioner (PCC) for Lincolnshire is required to appoint their own, and the Chief Constable's, External Auditor by 31 December 2022, for the 2023/24 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. Progress

3.1 The recommended option was to 'opt in' to the PSAA as the appointing person.

3.2 A PCC decision to 'opt in' was approved on 9 March 2022. (https://lincolnshire-pcc.gov.uk/media/3255/15-2022-external-auditor-procurement.pdf)

3.3 Formal responses to PSAA for both the PCC and Chief Constable were submitted 9 March 2022, followed up with specific information set out below:

- Requesting the same auditor as other East Midlands PCC/CCs due to regional collaborations.
- Mazars being the current internal auditor to 31 March 2023. It is unclear if we will know who the internal auditor will be from 1 April 2023 by the time PSAA consult on a proposed external audit provider.
- The need to highlight vetting requirements in the specification.
- The need to highlight that the use of any portal would require clearance from the Force Information Management Unit.

3.4 The Chair and the DCFO attended a PSAA webinar on 'Understanding Contract Management Arrangements' where there was some assurance that they have made changes for the future based on their learning from past years.

4. Key Dates

4.1 The following is an extract from the PSAA website setting out the timeline.

Following the completion of the procurement of audit services (which we envisage will be around August 2022), we will start the auditor appointment process. We expect to:

- publish the process for making individual auditor appointments for opted-in bodies from 2023/24 during spring/summer 2022;
- consult with opted-in bodies on proposed auditor appointments during the late summer/autumn 2022; and
- confirm all auditor appointments by 31 December 2022.

B. Financial Considerations

None at this stage. Financial considerations will be part of the procurement process in the future. The fees for 2021/22 are £22,554 for the PCC and £11,550 for the CC. Fees for 2022/23 have not yet been set.

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

Timely decision taken has mitigated the risk of missing the opportunity to 'opt in' to the PSAA as the appointing person by 11 March 2022. It has also mitigated the risk of failing to appoint the External Auditor by 31 December 2022.

All opportunities to engage with the PSAA, to ensure the second round of appointments address the issues experienced in round one, will be maximised.

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.