

JOINT INDEPENDENT AUDIT COMMITTEE
23 March 2016

SUBJECT		APPOINTMENT OF EXTERNAL AUDITORS FOR 2018/19 AUDIT
REPORT BY		DEPUTY CHIEF FINANCE OFFICER OPCC/FORCE
CONTACT OFFICERS		GILLIAN HOLDER, DEPUTY CHIEF FINANCE OFFICER TEL: 01522 558187
SUMMARY AND PURPOSE OF REPORT		To provide the committee with an outline plan for appointing the external auditor by 31 December 2017 for the 2018/19 financial year audit.
RECOMMENDATION		That the Committee note the plan.

A. Supporting Information

1. Introduction

The purpose of this report is to set out the timetable and required considerations in order to have external auditors 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 contract with KPMG is 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 External Auditor 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. Options to be considered during 2016

3.1 Re-appoint the existing external auditor, KPMG.

3.2 Regional procurement exercise.

3.3 Use an existing government or public sector framework.

3.4 Sector led procurement. It is understood that the Local Government Association is investigating the feasibility of a national sector led body. Opting into a sector led body would mean the body would make the appointment on behalf of the PCC, and there would be no requirement for Lincolnshire to have an Audit Panel.

3.5 The Police & Crime Commissioners Treasurers' Society are also looking into the possibility of a sector led procurement.

3.6 Stand-alone tender, where Lincolnshire would carry out their own procurement process.

4. Key Tasks and Dates

4.1 Decision made on the preferred option, December 2016.

4.2 If 4.1 above does not involve a sector led body, a PCC decision will be needed to determine that the JIAC will be the Audit Panel. December 2016.

4.3 If a stand-alone procurement is chosen it will need to commence in December 2016 if the value is above the EU threshold (currently £164,176), and in March 2017 if the value is below the EU threshold. (The length of contract being proposed will determine whether the EU threshold is met).

4.4 If an option requiring an audit panel is chosen, the final proposal will be presented to the panel in October 2017.

4.5 If 4.1 above does not involve a sector led body, the PCC will need to appoint the external auditor in December 2017.

4.6 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. The Audit Panel (if required) will be consulted with and their advice taken on the selection and appointment of a local auditor.

F. Risk Management

The advance planning is currently 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.