

## PCC Decision Report

**Report reference number:** PCC/0072/2017

**Classification:** Not protectively marked

**Title of report:** External Audit Contract

**Area of County/Stakeholders affected:** All

**Report by :** Treasurer to the PCC

**Date of report:** 5<sup>th</sup> July 2017

**Enquiries to:** Charles Garbett: 01245 291612

### 1. Purpose of report

- 1.1 To appoint an external auditor commencing with the financial year of account 2018-19.

### 2. Recommendations

- 2.1 The PCC is recommended by the Auditor Panel to appoint Grant Thornton as external auditor commencing with the financial year 2018-19.

### 3. Benefits of Proposal

- 2.1 The competitive tendering procedure ensures that the successful supplier provides the best external audit services for a competitive price.

### 4. Background and proposal

- 4.1 In compliance with the Local Audit and Accountability Act 2014 (the Act) it is the role of the auditor panel to advise the PCC and Chief Constable on the selection and appointment of the external auditor. In fulfilling this responsibility the auditor panel must:

- i) Agree and overseeing a robust process for selecting the external auditor in line with the PCC's normal procurement rules

[NOT PROTECTIVELY MARKED]

- ii) Base the selection of external auditor on effectiveness and cost
- iii) Excluding any proposed external auditor firms that include non-audit services in their offering
- iv) Ensuring that any conflicts of interest are dealt with effectively

4.2 The above requirements were met and the Chairman of the Auditor Panel was closely involved in the evaluation of tenders and presentations from firms making proposals.

4.3 The PCC and Chief Constable for Essex decided to directly appoint their external auditor rather than opt in to Public Sector Audit Appointments (PSAA) Ltd, an independent company incorporated by the Local Government Association to appoint external auditors for public bodies.

## **5. Police and Crime Plan**

5.1 An efficient and effective external audit supports the PCC's seven policing priorities through an independent assessment of the PCC's and Chief Constable's statutory financial statements and management arrangements in place for achieving value for money.

## **6. Police Operational Implications**

6.1 None.

## **7. Financial Implications**

7.1 The outcome from the competitive tendering of external audit services will result in savings in excess of the 18% savings achieved by PSAA Ltd on behalf of their police clients.

## **8. Legal Implications**

8.1 The contract term is three years commencing with the Statement of Accounts 2018-19 extendable by one year and then by a further year giving a potential total contract period of five years.

## **9. Staffing and other resource implications**

9.1 None

## **10. Equality and Diversity implications**

10.1 None

## **11. Background papers**

11.1 None.

**Report Approval**

The report will be signed off by the OPCC Chief Executive and Treasurer, prior to review and sign off by the PCC / DPCC .

Chief Executive/M.O

Sign: *[Signature]*

Print: S. HANCOCK

Chief Financial Officer/Treasurer

Sign: *[Signature]*

Print: CHARLES A. GARNETT

**Publication**

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (state 'None' if applicable)

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

**Redaction**

If the report is for publication, is redaction required:

*Not to be published*

1. Of Decision Sheet YES

2. Of Appendix YES

NO

NO

If 'YES', please provide details of required redaction:

*Appendix not for publication as commercially sensitive*

Date redaction carried out: .....

**Treasurer / Chief Executive Sign Off – for Redactions only**

If redaction is required, Treasurer or Chief Executive are to sign off that redaction has been completed.

Sign: *[Signature]*

Print: S. HANCOCK

Chief Executive/Treasurer

Date signed: 10/7/17

**Decision and Final Sign Off**

I agree the recommendations to this report;

Sign: ..... 

Print: ..... *R. C. Hester*

**PCC/Deputy PCC**

Date signed: ..... *11/7/17* .....

I do not agree the recommendations to this report because;

.....  
.....  
.....

Sign: .....

Print: .....

**PCC/Deputy PCC**

Date signed: .....