

AUDIT PANEL MINUTES

24 February 2023, 15:00 on Microsoft Teams

Attendees:

Jonathan Swan (JS)	Panel Member (Chair)
Kashyap Pandya (KP)	Panel Member
Sonya Edwards (SE)	Panel Member
Janet Perry (JPe)	Chief Financial Officer and Strategic Head of Performance and Resources, PFCC
Darren Horsman (DH)	Deputy Monitoring Officer and Strategic Head of Policy and Public Engagement, PFCC
Jeremy White (JW)	Finance Manager, PFCC
Annette Chan (AC)	Chief Accountant, Essex Police
Neil Cross (NC)	Chief Financial Officer, ECFRS
Cheryl Barsdell (CB)	Senior Category Manager (Corporate & Operations) 7F Commercial Services

Apologies:

Simon Faraway (SF)	Panel Member
Pippa Brent Isherwood (PBI)	Chief Executive and Monitoring Officer, PFCC
Debbie Martin (DM)	Chief Finance Officer, Essex Police

1. External Audit Contract

- 1.1. At the previous meeting of the Panel, it was agreed that with no External Audit bids having been received, in respect of the 2023/24 financial year onwards, for the PFCC, Essex Police and Essex County Fire & Rescue Service (ECFRS), that Grant Thornton our current external auditors should be approached by one of the statutory officers to discuss a contract extension.
- 1.2. JPe reported that she had met with Paul Dossett and Parris Williams from Grant Thornton and following a very positive conversation, JPe was now in the position to put forward a proposal to the Panel.
- 1.3. Grant Thornton had provided JPe with an indicative fee proposal for the PFCC/Essex Police and ECFRS for 2023/24, as part of a two-year contract with a two-years roll on. JPe provided the information on the existing contract and the indicative fee proposed to the Panel as detailed below.

	Actual fee 2020/21	Audit Plan fee 2021/22	Proposed fee 2022/23	Indicative fee proposal 2023/24	2023/24 % Increase on 2021/22	2023/24 % Increase on 2022/23
Essex Fire	£45,000	£45,000	Not yet proposed	£91,000	102%	TBC
PFCC and Essex Police	£59,000	£59,000 (Overrun fee not included)	£85,000	£125,000	112%	47%
Total	£104,000	£104,000		£216,000	107%	

Note 1 The fee will increase each year in line with inflation.

Note 2 Changes to accounting standards, auditing standards, complexity or any other significant changes of scope will attract a fee variation to be agreed with management of both entities.

- 1.4. JPe and NC said the increase was better than they had expected, and that PSAA fees were reported to be increasing by 150%. They both considered the indicative fees to be value for money and were aware that we had previously been paying less than we would have done under PSAA, and the fee is more in line with the amount of work now required.
- 1.5. NC asked whether GT would support the Statement of Accounts deadlines. JPe said they would, but this would also be subject to our own capacity to meet our deadlines.
- 1.6. JPe confirmed the indicative fee included VfM, WGA, the financial statements audit opinion and the reflection of the fact Essex PFCC is a major local audit.
- 1.7. JPe informed the Panel that GT would require an improvement in vetting times, to be able to support the deadlines being more achievable.
- 1.8. JS asked the other members of the Panel whether they were supportive of the indicative proposal. JS summarised the reasons for going
 - We have a good professional relationship with GT.
 - We are content with GT's work
 - We recognise the changes in the external audit provision
 - We recognise that the market is currently very limited
 - Two years plus two years roll on is a good offer and provides a medium-term solution.
- 1.9. The Panel members agreed that this proposal should be recommended for the PFCC's approval
- 1.10. There being no further items of business the meeting closed at 15:23.

Additional Note

Since this Panel meeting JPe has received the indicative proposal in writing from GT and there is a change that needs approval by the Panel members as detailed below

GT have indicated they wish to align the contract with the PSAA contract length. Therefore, they now are offering a three- and two-year arrangement as with our original contract in 2018/19.

JS, KP and SF have since the meeting, confirmed their agreement to recommend the three and two year arrangement to the Commissioner