

Police and Crime Commissioner for Surrey – Decision Making Record

Report Title External Auditor Appointment for 2023/24 to 2028/29
Decision number: 2022/002
Author and Job Role: Kelvin Menon
Protective Marking: OFFICIAL

Executive Summary:

The current contract for External Audit expires with the completion of the 2021/22 audit. The PCC is asked to opt in to the national scheme for Auditor Appointments managed by the PSAA as the "Appointing Person" rather than seek to appoint individually using the process set out in statute. A collective procurement is considered the most efficient method of procurement and the one most likely to deliver best value

Background

The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The PCC (which includes the CC) opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23 or The council decided to appoint its own external auditor covering the accounts for 2018/19 to 2022/23].

PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

The report presented to the Joint Audit Committee on the 26th January 2022 concluded that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Commissioner than a procurement undertaken locally because:

- collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements.
- if it does not use the national appointment arrangements, the Commissioner will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract.
- it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be

drawing from the same limited supply of auditor resources as PSAA's national procurement; and

- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.

The Commissioner can decide on her own whether to take advantage of the national auditor appointment arrangements. However, she has consulted with the JAC and CFO and they agree with the decision to opt-in. To do this the attached letter must be completed and submitted by the 11th March 2022.

Recommendation

It is RECOMMENDED that the Police and Crime Commissioner for Surrey accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023 and authorises the Treasurer to complete the necessary paperwork

Police and Crime Commissioner Approval

I approve the recommendation(s):

Signature: 
Date: 27/1/22

All decisions must be added to the decision register.

Areas of consideration

Consultation

Consulted with JAC, CC and CFO and Colleagues in Sussex due to joint working

Financial implications

A joint procurement has the best chance of delivering best value

Legal

The PSAA is an Appointing Body under the legislation

Risks

Given the state of the market there is a risk that the Commissioner will be unable to appoint an auditor if they do not join the PSAA arrangements.

Equality and diversity

None

Risks to human rights

None.

Office of the Police and Crime
Commissioner for Surrey

**Appointing Period 2023/24 to 2027/28
Form of notice of acceptance of the invitation to opt in**

Email to: ap2@psaa.co.uk

<p>Subject: Police and Crime Commissioner for Surrey</p> <p>Notice of acceptance of the invitation to become an opted-in authority</p>
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This email is notice of the acceptance of your invitation dated 22 September 2021 to become an opted-in authority for the audit years 2023/2024 to 2027/2028 for the purposes of the appointment of our auditor under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

I confirm that **Police and Crime Commissioner for Surrey** has made the decision to accept your invitation to become an opted-in authority in accordance with the decision making requirements of the Regulations, and that I am authorised to sign this notice of acceptance on behalf of the authority.

Given Surrey works collaboratively with Sussex in a large number of areas I would request that, as part of the procurement, Surrey and Sussex are placed in the same lot and therefore have the same auditor appointed. This is the current arrangement and would therefore continue to deliver the best value and efficiency for both Forces.

Name: Kelvin Menon

Title: Treasurer for OPCC Surrey and Section 151 Officer (authorised officer)

For and on behalf of: **Police and Crime Commissioner for Surrey**

Date: 27th January 2022