



To: Business Coordination Board

From: Interim Chief Finance Officer

Date: 6 February 2017

PUBLIC SECTOR AUDITOR APPOINTMENTS

1. Purpose

1.1 The purpose of this report is to seek the Police and Crime Commissioners approval to allow Public Service Auditor Appointments (PSAA) to act on the Commissioner's behalf in selecting and appointing its external auditor.

2. Recommendation

2.1 The Commissioner is asked to approve that the PSAA will conduct a procurement process and appoint an external auditor.

3. Risk Assessment

3.1 **Economic/Legal** – the Commissioner is required to appoint an external auditor to undertake the end of year audit of the Commissioner's statutory accounts. The Commissioner is obliged to commence this piece of work immediately and it would be subject to a full European Union (EU) procurement process. There will be a significant resource burden on the BCH Procurement function if the timetable to appoint is to be achieved.

4. Background

4.1 Public Sector Audit Appointments Limited (PSAA) is an independent company limited by guarantee incorporated by the Local Government Association in August 2014.

4.2 The Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to PSAA, on a transitional basis, by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014. Under these transitional arrangements the company is currently responsible for appointing auditors to local government, police and local

NHS bodies, for setting audit fees and for making arrangements for the certification of housing benefit subsidy claims.

- 4.3 From 2017/18, the transitional arrangements will end for local NHS bodies and smaller authorities and PSAA will no longer be responsible for appointing their auditors.
- 4.4 The transitional arrangements have been extended by one year for local government and police bodies, so PSAA will continue to be responsible for appointing their auditors for the audit of accounts for 2017/18.
- 4.5 In July 2016, the Secretary of State for Communities and Local Government specified PSAA as an appointing person under Regulation 3 of the Local Audit (Appointing Person) Regulations 2015. This means that PSAA can make auditor appointments for audits of the accounts from 2018/19 of principal authorities that choose to opt in to its arrangements.

5. Update on Progress and timescales

- 5.1 To date, 46% of authorities have opted in to the procurement process that the PSAA will oversee. The PSAA has prepared documentation for the process that includes;
- a contract notice,
 - a selection questionnaire stage,
 - an invitation to tender stage.
- 5.2 The key characteristics of the procurement strategy are that;
- it will be an Official Journal of the European Union (OJEU) restricted procedure,
 - the contract length will be five years with the option to extend by two years,
 - it will have a single contract area with six lots.
- 5.3 The objectives of the process are to secure high quality, independent audit services at the most competitive price.
- 5.4 The proposed timescales for the process are detailed below:

Activity	Target Date
OJEU contract notice published	16/2/17
Completed selection questionnaire	21/3/17
Evaluation of questionnaire	22/3/17 – 03/04/17
Invitation to tender	06/04/17
Briefing session for potential suppliers	12/04/17
Deadline for questions on procurement documentation	03/05/17
Deadline for submission of completed tenders	10/05/17
Tender evaluation	11/05/17 – 01/06/17
Contract award decision	13/06/17
Standstill period	19/06/17 – 29/06/17
Contract award	01/07/17
Auditor appointment process	07/17 – 12/17
Fee setting process	07/17 – 03/18

BIBLIOGRAPHY

Source Documents	
Contact Officer	Matthew Warren – Interim Chief Finance Officer, Cambridgeshire Office of the Police and Crime Commissioner