



Reference No: 2022-0007801

## THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

### DECISION RECORD FORM

**REQUEST:** For Police and Crime Commissioner Approval.

**Title:** Invitation to opt into the national scheme for auditor appointments from April 2023

PSAA (Public Sector Audit Appointments Ltd) has issued its formal invitation to the PCC, and Chief Constable to opt into the national scheme to appoint external auditors. This will provide external audit arrangements for five years commencing 1 April 2023.

In relation to appointing its external auditors, the PCC and Chief Constable have the option to arrange its own procurement should it not wish to join the national collective scheme administered by PSAA.

PSAA's first appointing period ran for five years from 1 April 2018. The procurement exercise to appoint firms to deliver audits over this period attracted very competitive bids.

However, soon after this process was completed, a series of financial crises and failures in the private sector gave rise to questions about the role of auditors and the focus and value of their work. At the same time, audit firms were experiencing growing recruitment and retention challenges which have led to delays in the publication of audited financial statements.

PSAA has stated that one of its key aims for the next procurement exercise is to encourage market sustainability. Firms will be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders.

The responsibility for the decision about appointing an auditor for the Chief Constable is reserved to the PCC and therefore it is expected that the PCC will consider the options in conjunction with the Chief Constable.

A PCC who decides to opt into the scheme is required to submit a notice of acceptance of the invitation which also covers the Chief Constable. If the notice does not do this the PSAA are required to make contact to confirm the position. The PSAA will then make separate auditor appointments (of the same audit firm) to the opted in PCC and Chief Constable.

**Decision:**  
In summary, given the current challenging market conditions, it appears that opting into the

PSAA's sector-led scheme provides the best chance to receive the best external audit service in future years.

It is therefore recommended that the PCC:

Agrees to opt into the national scheme for appointing an external auditor for both the PCC and Chief Constable.

**OPCC Lead Officer: Michael Porter**, Chief Finance Officer

**Contractor Details (if applicable):**

**Implications:**

Has consideration been taken of the following:	Yes	No	
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**(If yes please provide further details below)**

**Decision Required – Supporting Information**

Financial Implications: (Must include comments of the PCC's Chief Finance Officer where the decision has financial implications)

There are no financial implications from this decision however the proposed procurement route is likely to deliver better value for money than a separate procurement option

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

There are no legal implications arising from this report.

Equality and Diversity Implications

There are no diversity and equality implications arising from this report.

Human Rights Implications

There are no Human Rights Act implications arising from this report.

Sustainability Implications

There is on-going consideration about the sustainability of the Audit market within the Public sector at a National level and the ability for the current firms to deliver all of the required audits with the resources that they have.

Risk Management Implications

There is a significant risk that the PCC and CC would be unable to procure a service to provide the required level of External Audit to their organisations if they were to choose not to be part of this national procurement exercise.

**OFFICER APPROVAL**

**Monitoring Officer**

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed R. Kipling (DMO) Date 23/02/2022

**Police and Crime Commissioner:**

The above request HAS my approval.

Signed [Signature] Date 23/2/22

