

PUBLIC SECTOR AUDIT APPOINTMENTS**REPORT OF THE JOINT CHIEF FINANCE OFFICER**

1. Purpose of the Report

- 1.1 To advise the Committee of new arrangements to appoint local external auditors, the options available to comply and the deadline for appointment.

2. Background

- 2.1 The Local Audit & Accountability Act 2014 (the Act) abolished the Audit Commission. The Act established new arrangements for the audit and accountability of relevant authorities including policing bodies.

- 2.2 It requires Chief Constables and Police and Crime Commissioners to appoint local auditors by 31 December 2017 in order for the auditors to begin their engagement on 1 April 2018. The appointments will be made by an auditor panel with the following options available:

1. set up our own separate and individual auditor panel.
2. set up a panel with one or more other authorities.
3. use an existing committee or sub-committee to act as the auditor panel (provided that it complies with the other provisions and regulations relating to auditor panels).
4. ask another authority's auditor panel to carry out the functions of the authority in question.

- 2.3 Once the panel is established there are then three options available for appointing an auditor as follows:

1. undertake an individual auditor procurement and appointment exercise;
2. undertake a joint audit procurement and appointing exercise with other bodies, those in the same locality for example; or
3. join a 'sector led body' arrangement where specified appointing person status has been achieved under the relevant Regulations.

- 2.4 Guidance issued by CIPFA advises that authorities begin to consider the method of appointment as soon as possible to allow themselves to

have the necessary arrangements in place to undertake this process sooner rather than later.

- 2.5 The Police and Crime Commissioners Treasurers Society (PACCTS) has already started to review the requirements on behalf of its members and they have recently canvassed members including Northumbria to see if they would be interested in Option 3 'join a 'sector led body' arrangement where specified appointing person status has been achieved under the relevant Regulations'. We will assess the benefits of each option.
- 2.6 A report will be brought to a future meeting with an options appraisal and preferred approach.

3. Equal Opportunities Implications

- 3.1 It is considered that there are no equal opportunities implications arising from the report.

4. Human Rights Implications

- 4.1 It is considered that there are no human rights implications arising from the report.

5. Risk Management Implications

- 5.1 There are no additional risk management implications arising directly from this report. The implementation of the recommended actions should enhance the internal control environment of both the PCC and Chief Constable.

6. Financial Implications

- 6.1 There are no financial implications arising from this report at this time.

7. Recommendations

- 7.1 To note the report.