

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	28 September 2017
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	
Agenda Item:	13

APPOINTMENT OF EXTERNAL AUDITORS 2018

1. Purpose of the Report

- 1.1 To update members on the appointment process for External Auditors 2018.

2. Recommendations

- 2.1 Members are recommended to consider the appointment of Ernst & Young LLP and identify if there are any unconsidered reasons for not supporting this appointment.

3. Reasons for Recommendations

- 3.1 This complies with good governance and meets regulatory requirements.

4. Summary of Key Points

- 4.1 The PSAA has consulted us on the appointment of Ernst & Young LLP as our External Auditors from 1 April 2018.
- 4.2 Ernst & Young LLP (EY) is a multinational professional services firm with 231,000 employees based in over 150 countries worldwide. They provide assurance, tax, consulting and advisory services, and are one of the "Big Four" accounting firms. EY employs around 13,000 people in the UK. There are 240 staff including 14 Key Audit Partners who currently work full-time in the Government and Public Sector assurance service team, who are also able to draw from an extensive pool of specialists.
- 4.3 In developing this appointment proposal, the following principles have been applied by the PSAA, balancing competing demands as much as possible, based on the information provided to them by audited bodies and audit firms:
- ensuring auditor independence, as required by the Regulations;
 - meeting commitments to the firms under the audit contracts;
 - accommodating joint/shared working arrangements where these are relevant to the auditor's responsibilities;
 - ensuring a balanced mix of authority types for each firm;
 - taking account of each firm's principal locations; and

- providing continuity of audit firm if possible, but avoiding long appointments.

4.4 If there are reasons for objection they must meet the following definitions:

- there is an independence issue in relation to the firm proposed as the auditor, which had not previously been notified to PSAA;
- there are formal and joint working arrangements relevant to the auditor's responsibilities, which had not previously been notified to PSAA; or
- there is another valid reason, for example you can demonstrate a history of inadequate service from the proposed firm.

4.5 Objections will be considered by the PSAA and will be responded to by 16 October 2017. If accepted there will be a further consultation on an alternative auditor appointment.

4.6 We do not consider there to be any reason for objection.

5. Financial Implications and Budget Provision

5.1 None as a direct result of this report.

6. Human Resources Implications

6.1 None as a direct result of this report.

7. Equality Implications

7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 This is part of the consultation process.

12. Appendices

None