



14th November 2022

Tony Crawley, Chief Executive,
Public Sector Auditor Appointment (PSAA)
ap2@psaa.co.uk

Dear Mr Crawley,

**Subject: Consultation response on Auditor appointment from 2023/24 –
Warwickshire Police and Crime Commissioner.**

Thank you for your recent email dated 17th October 2022, which provided information on the proposal to appoint Azets Audit Services, as the auditor for the Police and Crime Commissioner for Warwickshire, for a five year period from 2023/24, in line with regulation 13 of the Appointing Persons Regulations.

There are a number of questions outlined below, which I seek answers to regarding the proposed auditor appointment. I would be grateful if answers can be provided on these as soon as possible to provide assurances on the process and subsequent auditor allocation. Until this information is received, I would like to reserve the right to communicate our satisfaction or dissatisfaction with you, on our allocation of Azets Audit Services from 2023/24 onwards.

Our Audit and Standards Committee have written to the PCC with a number of concerns they share, and which they too, are seeking assurance on. These are all included in the points outlined below. However, despite any assurances that are gained, they have asked that I make you aware, and that you recognise the unique position in Warwickshire and that this is taken into account as part of the consultation process. Essentially, Warwickshire Police Finance Department is one of the smallest in the country. Over the last 3 years it has been through significant change, disruption, and development with the termination of the Strategic Alliance with West Mercia Police, and the establishment of a stand-alone department. The belief is that the additional workload created by a change in auditor at this stage, will have a disruptive and

Office of the Police and Crime Commissioner, 3 Northgate Street, Warwick, CV34 4SP

✉ opcc@warwickshire.police.uk ☎ 01926 733523

🌐 www.warwickshire-pcc.gov.uk 🐦 @WarwickshirePCC 📘 WarwickshirePCC

disproportionate effect on the small Warwickshire finance team. The Audit and Standards committee therefore request that PSAA share their view and recommendation, that a 'period of continuity, consistency, knowledge retention and understanding' is required, and that Grant Thornton should be re-appointed as the external auditor for Warwickshire PCC and Warwickshire Police. I would welcome your views on this, as part of the consultation process and auditor appointment, which will enable a response to the Committee on this specific point.

Other questions upon which answers and assurances are sought:

1. Technical and financial rigour of the PSAA contract and evaluation process:
 - The first 5-year contracts with PSAA have seen considerable delays nationally in audit completion and additional fee demands, with an acknowledgement that some, but not all has been caused by covid or new audit requirements. Please provide details on what changes have been made to the procurement and evaluation process by PSAA this time around to give assurance, regarding the technical ability and financial submissions of Azets, that the contract will be fulfilled successfully and within budget?
 - What was the basis for evaluation and what expertise did evaluators have?
2. Price increases
 - PCC's and forces do not have the financial resources available to finance anticipated increases in audit costs of 150%. Further support for bodies will be required to enable them to meet these costs from 2023/24 onwards. What upwards reporting and lobbying of Government has been undertaken by PSAA on this issue and what responses have been received?
3. Allocation of Azets to Warwickshire
 - What is the rationale for the decision to allocate Azets to Warwickshire?
 - Do Azets have a local link with Warwickshire?
4. Capacity of Azets to deliver the audit contract in a timely and effective way
 - What assurances have been gained through the procurement process and can therefore be provided, that Azets have demonstrated that they are sufficiently resourced technically and, in their staffing, to deliver multiple clients to the same audit completion deadline?
5. Capability of Azets to deliver the audit contract
 - What assurances have been obtained through the procurement and evaluation process to confirm that the local Azets team have demonstrated sufficient expertise and experience to undertake police audits?
 - What technical support will PSSA be providing to Azets over the first 2 years of the contract?
 - What assurances have been sought through the procurement process that adequate technical expertise and staff will be available at Azets to support the bedding in and training of their own staff to support them in completing police audits?
6. Contingency arrangements in the event of poor performance

- What assurances can be provided in the event of the external audit contract not being satisfactorily delivered and what contingency arrangements are included in the contract with PSAA?
- In the event of significant poor performance, what arrangements are in place to terminate the contract and for alternative provision?

I look forward to receiving a response to each of the above questions as soon as possible, and hope that your response will provide assurance on the proposed auditor appointment from 2023/24 onwards.

Yours sincerely,

Sara Ansell
Treasurer

Email: sara.ansell@warwickshire.police.uk