

# POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE *DECISION RECORD*

## DECISION OF POLICE AND CRIME COMMISSIONER

**Date:** 20 August 2013  
**Officers present:** Peter Lewis, Chief Finance Officer

**Received in OPCC Date:** 20 August  
2013

**OPCC Ref:** EXE 0022/13

**Title:** Extension of Internal Audit Contract to 31 March 2015

### Summary of Issue:

The Offices of the Police and Crime Commissioners and of the Chief Constables for Leicestershire, Derbyshire, Lincolnshire, Nottinghamshire and Northamptonshire (the East Midlands Region) plus Bedfordshire have in place a collaborative contract for the provision of internal audit services. That contract is with RSM Tenon.

The contract with RSM Tenon expires on 31 March 2014 for all of the above OPCCs and OCCs except for Lincolnshire, who joined the arrangement one year later than the others. Hence, the expiry date for their contract is 31 March 2015.

It is now requested that authority be given to extend the contract between RSM Tenon and the Leicestershire OPCC and OCC for one year to 31 March 2015; other OPCCs and OCCs in the Region are also pursuing this course of action where appropriate.

The benefits of this extension are principally twofold:

1. Alignment with the termination date of the Lincolnshire audit contract will enable the East Midlands region to tender for audit services together during 2014/15 in readiness for commencement of a new contract on 1 April 2015.
2. The accounts for 2013/14 (audited in 2014/15) will be prepared on the same basis as those for 2012/13 (those for years beyond 2013/14 will be different due to the completion of Stage 2 transfers with effect from 1 April 2014). Given that RSM Tenon supported the external audit of the accounts, it will assist smooth completion of the accounts if the same auditor can be maintained for the second year of Stage 1.

The Leicestershire Police Procurement Team has confirmed that it is appropriate to extend the contract in this way. The original arrangement was created through the ESPO Framework and it is available for the extension. The framework was let in full compliance with E.U. Procurement Law. It is not necessary to seek a single tender dispensation as there are competitive quotations under the Framework.

The Procurement Team has stated that we can make a direct award to any of the following companies on the framework if we are satisfied that such a direct award

offers value for money:-

- EC Harris
- Ernst and Young
- Deloitte
- Grant Thornton
- PKF (UK)
- RSM Tenon

In order to test value for money, the resources planned to be used to carry out the 2013/14 audit plan were used as a benchmark. These are 27 days of junior consultant time, 29 days of consultant, and 71 days of senior consultant and 18 days of managing consultant. When this time commitment was applied across the day rates set out in the ESPO framework, it showed that RSM Tenon offered the best value for money at £57,520 with the next lowest cost being Deloitte at £63,200.

During the period of the current contract, RSM Tenon have delivered a good quality service, proving themselves to be thorough, accurate, robust and challenging in their reviews. Their approach to setting the audit plan also shows a good understanding of the OPCC and OCC, with audit resources focused on the highest risk to both offices.

**Recommendation(s) presented:**

It is recommended that the contract between Leicestershire OPCC and OCC and RSM Tenon be extended by one year, to conclude on 31 March 2015 on the grounds that the contract continues to offer good value for money, it allows consistency of approach to the accounts during the final year of Stage 1, it offers good quality outputs and to enable a Regional contract to be tendered during 2014/15.

**Key discussion points**

The logic of the extension based on accounting consistency for the financial year 2013/14, audited in 2014/15.

The quality of work delivered by RSM Tenon.

The desirability of a Regional tender for a contract commencing 1 April 2015.

The value for money of this proposed extension.

**OFFICE OF PCC APPROVAL**

**Chief Finance Officer:**

I have been consulted about the proposal and confirm that appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner

**Signature:**



**Title: Chief Finance Officer**

**Name: Peter Lewis**

**Date: 21 August 2013**

**Publication Scheme**

**Decision of Monitoring Officer:**

As Monitoring Officer for the Office of Police and Crime Commissioner for Leicestershire I have determined that:

It is appropriate to publish this record of decision made by the Police and Crime Commissioner : Yes / ~~Part Redacted~~ / No

It is appropriate to publish the contents of the report proposing this course of action prepared by either of the senior post holders in the Office of the Police and Crime Commissioner for Leicestershire (i.e. either the Chief Executive or Chief Finance Officer) : Yes / ~~Part Redacted~~ / No

It is appropriate to publish details of the decision by the Police and Crime Commissioner for Leicestershire : Yes / ~~Part Redacted~~ / No

Reasons for any non Publication (referencing appropriate legislation):

Signature: Paul Stock  
Monitoring Officer

Name: PAUL STOCK Date: 22/8/13

**Police and Crime Commissioner for Leicestershire**

Having received the advice set out above and reviewed relevant documentation my decision in regard of this matter is:

**APPROVED / ~~NOT APPROVED~~**

Signature: Clive Loader  
Sir Clive Loader

Date: 22/8/13

