

# Joint Audit Committee Update for the West Midlands Police and Crime Commissioner and the Chief Constable of the West Midlands

## Progress Report and Update Year ended 31 March 2017

June 2017

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# Introduction

This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditors.



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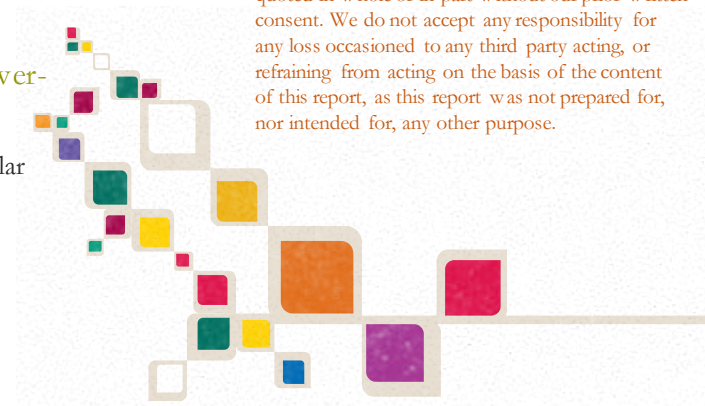
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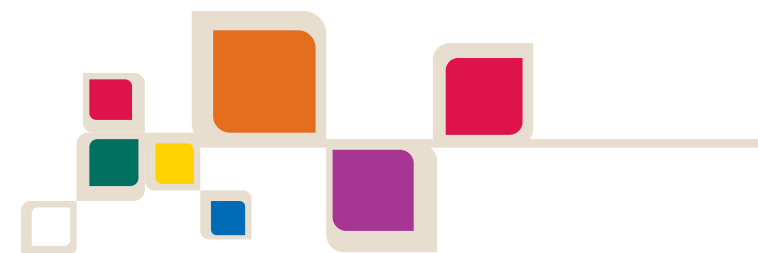
- **Power check: Building on successes for PCPs** (October 2016)  
<http://www.pcps-direct.net/pdfs/PCP-Conference-Report-2016-final.pdf>
- **Power check: Reviewing the effectiveness of Police accountability** (June 2016)  
<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2016/power-check-pcc-and-pcp-police-report.pdf>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

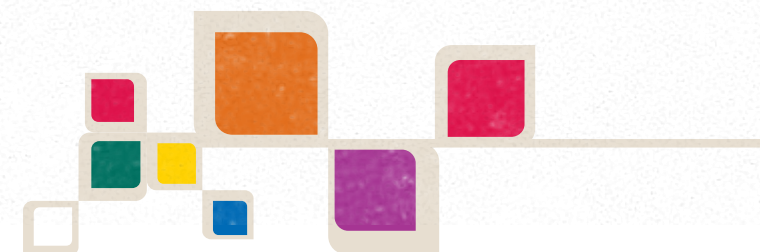


# Progress to date



2016/17 work	Planned Date	Complete?	Comments
<b>Fee Letter</b>			
We are required to issue a 'Planned fee letter' for 2016/17 to both the Police and Crime Commissioner and the Chief Constable by the end of April 2016.	April 2016	Yes	The 2016/17 fee letters were issued in April 2016
<b>Accounts Audit Plan</b>			
We are required to issue a detailed accounts joint audit plan covering the audit for the Police and Crime Commissioner and the Chief Constable setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner's group financial statements, including the statements of the Chief Constable in 2016/17.	March 2017	Yes	<p>We continue to assess the risks facing you and meet with Senior Officers to ensure that these risks are fully understood and our audit work is appropriate.</p> <p>If there are any changes to our plan between our initial risk assessment and the delivery of our opinion we will discuss this with the appropriate Senior Officers and agree with the Police and Crime Commissioner and Chief Constable.</p>
<b>Interim accounts audit</b>			
<p>Our interim fieldwork visits covers work on both the Police and Crime Commissioner and the Chief Constable arrangements, including:</p> <ul style="list-style-type: none"> <li>• updating our review of the control environments</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion work.</li> </ul>	January – April 2017	Yes	<p>We have:</p> <ul style="list-style-type: none"> <li>• engaged with the finance teams to streamline and improve the audit approach for 2016/17 where possible</li> <li>• Discussed any technical issues early, including the restatement of the CIES</li> <li>• Undertaken as much early testing as possible.</li> </ul> <p>We continue to work closely with Internal Audit in relation to risk, work on the financial statements and fraud.</p>
<b>Final accounts audit</b>			
<p>Covering the Police and Crime Commissioner's group financial statements, including the statements of the Chief Constable, we will:</p> <ul style="list-style-type: none"> <li>• audit the 2016/17 financial statements</li> <li>• issue opinions on the 2016/17 financial statements</li> </ul>	June – September 2017	Imminent	<p>We will undertake work on your draft financial statements to provide an opinion by the statutory deadline which is 30 September 2017. We are planning to issue our opinions ahead of this, following the completion of our work and meetings with the Police and Crime Commissioner and Chief Constable. We will report our findings to the Joint Audit Committee. Our focus is on delivering work earlier as part of the transition to the earlier closedown and audit cycle from 2017/18.</p>

# Progress to date



2016/17 work	Planned Date	Complete?	Comments
<p><b>Whole of Government Accounts (WGA)</b></p> <p>Work on the WGA will commence alongside the final accounts audit, with a view to complete this before the audited 2016/17 financial statements are signed in July.</p>	August 2017	Not started	We will provide the necessary assurance to support your WGA submission by the required deadline.
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work to inform the 2016/17 VfM Conclusion requires conclusions on whether:</p> <p><i>"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</i></p> <p>This change of guidance was issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties</li> </ul>	February – July 2017	In progress	<p>We have completed our initial risk assessment which has identified five significant risks. These are included within the Audit Plan and cover:</p> <ul style="list-style-type: none"> <li>• Police and Crime Plan</li> <li>• WMP 2020</li> <li>• Portfolio management arrangements</li> <li>• Benefits realisation of major change programmes</li> <li>• Medium term financial strategy</li> </ul> <p>Our work on the VfM Conclusion will include attending meeting with key Senior Officers (which are diarised) and key document reviews. We are aiming to deliver this work ahead of the national timescales as a move towards the faster close from 2017/18.</p>
<p><b>Annual Audit Letter</b></p> <p>We will summarise all the work completed as part of our 2016/17 audit within one letter which will be issued after the opinion.</p>	October 2017	Not started	We summarise all audit work undertaken in 2016/17 and present this in a letter, agreed with management and submit in line with the PSAA deadline.
<p><b>Engagement with you since the last Joint Audit Committee meeting</b></p>			<ul style="list-style-type: none"> <li>• Meetings with key Senior Officers to update on your business and significant risks facing the Police and Crime Commissioner and the Chief Constable</li> <li>• Meeting with the Joint Audit Committee Chair to discuss risk assessments and coverage of work</li> <li>• Progression of assurance regarding IT controls</li> </ul>



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