



**Police and Crime Commissioner for West  
Midlands Police**

**Chief Constable for West Midlands Police**

**External Audit Key Performance Indicators**

**2016/17 Outcomes**

Theme	Key performance indicator	Self-assessment
Quality and tailoring	<ul style="list-style-type: none"> <li>• Work completed in line with International Standards on Auditing (ISA) (UK and Ireland), Ethical Standards and any relevant guidance issued by regulators.</li> <li>• Audit plan reflects and addresses the clients' key risks in relation to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>• The external audit work completed in 2016/17 complies with all applicable standards and guidance issued by regulators.</li> <li>• The audit plan issued in March 2017 clearly set out the risks identified from our 2016/17 planning, considering all areas of the accounts and VFM arrangements work. It also set out clearly how our detailed audit work would address these risks.</li> <li>• Through our continual review of your business and the risks you face, we identified further risks for our VFM conclusion in relation to the procurement of Operating Policing Solutions (OpPolSol) and the Data Driven Insights (DDI) Projects. This work has been undertaken and additional fee will be discussed and agreed with Management prior to being submitted to PSAA for approval.</li> </ul>
Staffing and inputs	<ul style="list-style-type: none"> <li>• The fee is in line with that proposed in the audit fee letter unless there are clear reasons for an additional fee which have been agreed with management and Audit Committee.</li> <li>• Experienced and knowledgeable audit staff are used on the audit and show an understanding of the clients' issues and priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• We propose to request additional fee for work undertaken in two areas: <ul style="list-style-type: none"> <li>• substantive testing of member data following identification that management's controls were not operating sufficiently to provide the assurance we required</li> <li>• review of arrangements for the procurement of the Operating Policing Solutions (OpPolSol) and the Data Driven Insights (DDI) Projects.</li> </ul> </li> <li>• Additional work has been agreed with Management and once completed will determine the fee to be charged. This will then be agreed with PSAA prior to invoicing.</li> <li>• There have been no changes to the core team.</li> <li>• The Engagement Lead for the audit is the firm's Head of Police.</li> <li>• The Senior Manager is highly experienced in auditing public sector clients, knows the local area and continues to bring strong links with West Midlands Fire and Rescue, which aligns with the blue-light collaboration national agenda.</li> <li>• There is continuity in the team from Assistant Manager, Laurelin Griffiths who has previous experience of the Police Sector in the Midlands and nationally.</li> <li>• The VFM specialist is highly experienced in police transformation programmes working with the largest Police bodies in the Country.</li> <li>• The team has been able to demonstrate their detailed understanding of the clients and their issues during the conduct of the audit and their</li> </ul>

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Milestones and timing	<ul style="list-style-type: none"> <li>• All statutory deadlines have been met (e.g. for submission of the audited accounts, Annual Report and WGA).</li> <li>• Work is completed within timescales agreed with management.</li> <li>• Regular meetings held with management, Chief Constable, PCC and Audit Committee.</li> <li>• Requests for technical views on accounting transactions are addressed promptly and effectively.</li> <li>• Issues requiring further action by the client are</li> </ul>	<p>engagement with key officers. This includes direct meetings with the Engagement Lead and Manager, with the Chief Finance Officers, Chief Executive, Chief Constable, PCC and Head of Internal Audit.</p> <ul style="list-style-type: none"> <li>• All statutory deadlines for completion of the audit of the accounts, annual report, Whole of Government Accounts and Annual Governance Statement are on target to be met. Audit findings were reported to the Joint Audit Committee as well as to the PCC and Chief Constable in line with agreed timescales.</li> <li>• We completed all work ahead of the national deadlines. The majority of work was completed in line with the ambitious deadlines set to move reporting towards the earlier deadlines in 2017/18.</li> <li>• We have also met the internal timescales agreed with management during the course of the audit, except for resolution on the Police Pension Member Data where Management provided information as it was available.</li> <li>• We have worked closely and continuously with management to support the move to early close.</li> <li>• Every audit committee was attended by at least one, and often more than one, member of the senior management team (Engagement Lead, Senior Manager, VFM Lead). There were no meetings where the firm did not ensure the attendance of core team members.</li> <li>• Regular meetings have been held with key PCC and Force management during the year, and discussions were not just restricted to matters impacting on the accounts and vfm audit bringing our wider insight from the sector. Additional meetings were held with Joint Audit Committee members as part of our planning and on-going assessment of risks.</li> <li>• External audit also attended private meetings with the Joint Audit Committee chair throughout the year. We also provided relevant publications which we provide to the Sector.</li> <li>• The Engagement Lead, Senior Manager and VFM specialist met the PCC and Chief Constable at key stages of the audit (planning and reporting), and regularly meet with the Force CFO and the OPCC Chief Executive and CFO.</li> <li>• We provided prompt responses to requests for specific technical views during the year and we continue to make ourselves available to support these types of query where needed.</li> <li>• Regular meetings were held with the CFO and members of his team during the audit process to</li> </ul>

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Reporting	<p>communicated promptly and at the right level.</p> <ul style="list-style-type: none"> <li>• Regular liaison with internal audit so the clients' risks are addressed and work programmes complement each other.</li> <li>• Matters arising from work are reported promptly and accurately with clear and practical recommendations for improvement.</li> <li>• Reports are agreed with management on a sufficiently timely basis to meet the deadlines for Joint Audit Committee papers</li> </ul>	<p>ensure issues could be considered and cleared as required.</p> <ul style="list-style-type: none"> <li>• This included communication of actions to continually enhance the financial closedown process, in support of faster close, and communication of any potential 'show stopper' issues early in the process or as soon as identified by the team.</li> <li>• We held regular discussions during the year with members of staff from Internal Audit to ensure we gained a clear understanding of any risks identified by Internal Audit from the work performed.</li> <li>• Our Audit Findings Report (AFR) contains the findings from our work and agreed recommendations for improvement.</li> <li>• Recommendations arising from our VFM work were clear and agreed.</li> <li>• The Audit Plan was issued in line with the agreed timescales following agreement with Management. Our audit progress update reports have also been issued throughout the year in accordance with management requirements and agreed timescales for audit committee submission. These include a specific section providing information relevant to the sector.</li> <li>• Meetings were held with Management to discuss preliminary findings for our VFM work and then to discuss the Audit Findings Report prior to it being issued.</li> <li>• This Report was issued in prior to the September Joint Audit Committee meeting to allow members to undertake sufficient scrutiny of this in advance of the meeting, and to enable timely reporting to the PCC and Chief Constable.</li> </ul>
Wider sector issues	<ul style="list-style-type: none"> <li>• Draw management and Audit Committee's attention to developments and reports which are of interest and relevant to the client.</li> <li>• Identify and share good practice from other organisations which are relevant to the client.</li> </ul>	<ul style="list-style-type: none"> <li>• We issued several Audit Committee Updates during the year, which provide wider sector insights and information including details of the reports prepared and issued by Grant Thornton and other bodies which are relevant to the client.</li> <li>• We have shared good practice from other clients where applicable, and shared examples of arrangements elsewhere, for example in governance, internal audit and management of risk.</li> <li>• We made available significant thought leadership and insight reports on the police and related sectors and shared these with the client and members.</li> </ul>