



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

**Chief Constable for West Midlands Police**

**External Audit Key Performance Indicators**

**2017/18 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 2017/18 complies with all applicable standards and guidance issued by regulators. Grant Thornton's approach and documentation standards are regularly scrutinised and individually, team members have been assessed and passed even though the West Midlands Police audit has not been sampled.</li> <li>• The audit plan issued in March 2018 clearly set out the risks identified from our 2017/18 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> </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 the additional work undertaken to deliver your opinions. This was primarily driven by a difficulty in obtaining and testing the information being extracted from the general ledger following the transfer of data.</li> <li>• Additional work has been agreed with Management and we are in the process of determining the fee to be charged. This will then be agreed with PSAA prior to invoicing.</li> <li>• There has been no change to the Engagement Lead and Senior Manager. The previous Team Leader has been promoted internally, and retained an input into the audit to ensure continuity whilst the new, qualified and experienced Team Leader developed his knowledge of your business.</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>• The team has been able to demonstrate their detailed understanding of the clients and their issues during the conduct of the audit and their 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.</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 communicated promptly and at the right level.</li> </ul>	<ul style="list-style-type: none"> <li>• The statutory deadlines for delivering the opinions was not met, but this was communicated to Senior Management, Those Charged with Governance and the Joint Audit Committee at an early stage with clear information on the reasons for this. The opinions were delivered at the earliest opportunity once appropriate assurance had been obtained.</li> <li>• We have worked closely and continuously with management to support the move to early close. The reasons for the missed deadline were due to specific issues with a limited number of balances stemming from valuation of assets, rather than across all areas of the financial statements.</li> <li>• The assurance statement for the Whole of Government Accounts submission met the deadline.</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). 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 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 and Senior Manager 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 and where information is provided by Management.</li> <li>• Regular meetings were held with the Force CFO and Deputy and members of his team during the audit process to ensure issues could be considered and cleared as required.</li> <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</li> </ul>

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Reporting	<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>the team. This was also reported to Those Charged with Governance and the Joint Audit Committee.</p> <ul style="list-style-type: none"> <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 AFR included a follow up of recommendations made in the prior audit year for both financial opinion and value for money work.</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>• The AFR was issued in draft to the July 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. This was finalised following the completion of the work undertaken to the 6<sup>th</sup> August sign off, and is brought back to the September meeting for completeness.</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 Joint 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>