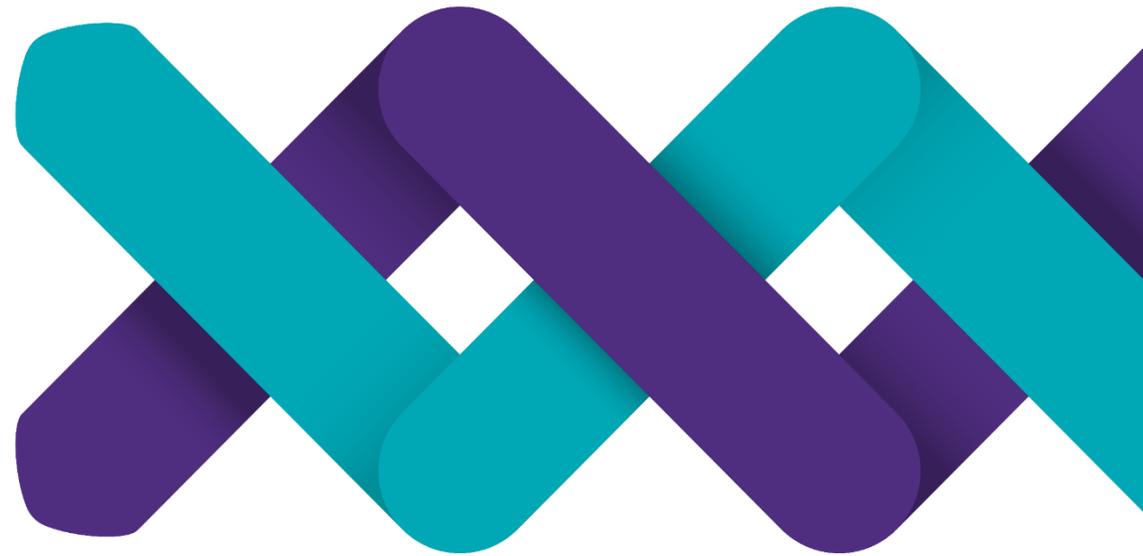


# Audit Progress Report

Police and Crime Commissioner for the West Midlands  
and Chief Constable for the West Midlands

Year ending 31 March 2019

June 2019



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# Introduction



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

The paper also includes:

- A summary of the emerging national issues and developments that may be relevant to you
- Includes a number of challenging questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes).

Members of the Joint Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications.

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.

# Progress report (to date)

## Financial Statements Audit

We carried out the following interim audit fieldwork in the early part of 2019:

- Documented our review of the control environment
- Documented our understanding of financial systems
- Reviewed Internal Audit reports on core financial systems
- Undertook early work on emerging accounting issues
- Undertook early substantive testing
- Substantive testing for months 1 to 9 at least and in some cases, month 11.

The final accounts audit began on 3rd June 2019. There are no significant findings to bring to your attention at the point of finalising this report for the Joint Audit Committee.

We have met with the new Deputy s151 Officer and are building the relationship, ensuring that we work closely with her so she is fully briefed on progress and potential risks to year end delivery should they arise.

The most significant issue which is emerging nationally is the impact of the McCloud case on the estimations and contingent liabilities disclosed within the financial statements. We continue to discuss this with the Deputy s151 Officer.

We will share our Audit Findings Report (ISA 260) in July with the Joint Audit Committee prior to presenting to the Police and Crime Commissioner and the Chief Constable as 'those charged with governance'.

## Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "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".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties.

We have undertaken our risk assessment and identified that the key risks to delivering value for money are:

- Devolution;
- Financial strategy and long term sustainability; and
- Risk management.

We have detailed this within the Audit Plan and have started our detailed work.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion by the 31 July deadline.

## Other areas

### Meetings

We continue to meet with Finance Officers throughout the financial year and supplement this with e-mails where information crops up which we share.

We continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. A significant focus for 2018/19 has been on project planning to ensure timely delivery of your opinion and the other elements of your year end audit. This has gone well to date.

We also support the Members of the Joint Audit Committee and facilitated a discussion with Members in March to identify areas where support or on-going training and development was required.

### Events

Our free to attend accounts workshop has now taken place and we look forward to inviting you to future events taking place throughout the year

We also held a session for Joint Audit Committee Chairs in the Autumn where West Midlands was represented. We will keep you informed of future dates as they arise.

# Audit Deliverables

2018/19 Deliverables	Planned Date	Status
<b>Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Trust's 2018/19 financial statements.	March 2019	Completed
<b>Interim Audit Findings</b> We will report to you the significant findings from our interim audit within our Progress Report.	March 2019	Completed
<b>Audit Findings Report</b> The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
<b>Auditor's Report</b> This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
<b>Annual Audit Letter</b> This letter communicates the key issues arising from our work.	September 2019	Not yet due

# Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from sector specialists](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

[Public Sector](#)

[Police](#)

# Police Foundation publications

## Data-driven policing and public value

The Police Foundation has issued their latest report which examines the relationship between data-driven policing initiatives and the ability of the police to deliver public value.

Data driven policing means the current use of a wide variety of digitised data sources to inform decision making, improve processes and increase actionable intelligence for all personnel within a police service, whether they be operating at the front-line or in positions of strategic leadership.

Public value was defined as the full value that a police force contributes to society across a number of measurable dimensions, including outcomes (e.g. crime rates and crime detection rates in a given area); efficiency gains (for example cost savings, better management of demand, improved productivity); impact on citizen satisfaction with the police (e.g. in survey data); and impact on public trust in, and perceived legitimacy of, the police.

The project aimed to generate new insights into what data driven policing initiatives are being tried in the UK and around the world; who seems to be getting it right and having an impact on the indicators that matter most to police forces and their political masters; and what lessons might be learned and best practices adopted by others as a result of those findings.

The report includes 11 recommendations designed to put UK police forces in a stronger position to embrace data-driven policing, and also includes case studies of both UK police forces and Dutch police.

The report can be accessed by clicking the link below.



## Police workforce wellbeing and organisational development

This study, funded by the Police Mutual Foundation, looked at the evidence base in relation to Organisational Development. Senior leaders and experts within policing and the wider public sector were interviewed as part of this study.

The publication found that despite pressures on public sector workers such as austerity and high workloads, there was evidence that wellbeing could be significantly improved if employees had a direct say on the changes made within their organisation and how these are managed.

The research found many examples of successful change management across the whole public sector. While Organisational Development is much less developed in policing, it found some clear examples of good practice which are described within the document. A number of recommendations are also made for consideration by police leaders.

The report can be accessed by clicking the link below.



# HMICFRS news



## Time for police to choose how to tackle fraud

A report by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) has concluded that most victims of fraud are not receiving the level of service they deserve.

The report, 'Fraud: Time to Choose', sets out that leaders in government and the police service can either continue to respond to fraud in an inconsistent manner or they can act to ensure that there is a clearer strategy, less variation in service between forces and better communication with the public. The inspection took place between March and July 2018 and inspectors visited 11 police forces in England and Wales, all 9 regional organised crime units, the National Crime Agency, Action Fraud, the National Fraud Intelligence Bureau and Europol.

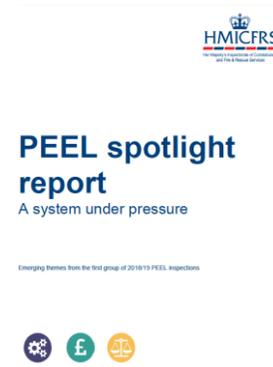
The report can be accessed through clicking the cover below.



## PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – group 1 force press releases

HMICFRS has published the findings for the first 14 forces inspected in the PEEL 2018/19 assessment. The individual and national press releases can be accessed [by clicking here](#). The remaining 29 forces in England and Wales are being inspected in the two subsequent groups and the findings will be released following these inspections.

The national report that accompanies the release of these findings states that Police forces in general are offering a good level of service, but are doing so under significant pressure. The release warns that given the current operational and financial context forces find themselves in, it is not clear for how long they will be able to maintain their current performance levels. For many of the forces inspected in this group, cracks in the system are widening. The national report can be accessed through the cover below.





## Joint review of forensics (2018) and Implementation plan

A 13-point action plan to improve police forensics was published alongside the findings of a Home Office commissioned review into the provision of forensic services in policing, such as DNA and fingerprint evidence. The Home Office carried out the review jointly with the Association of Police and Crime Commissioners (APCC) and the National Police Chiefs' Council (NPCC) and found that urgent action is required to make the current system sustainable.

Recommendations from the review include making providers adhere to the quality standards set by the Forensic Science Regulator and ensuring the market's commercial models are sustainable and open to investment. The government produced a 13-point implementation plan to set out how it would meet the recommendations.

Both the review and the implementation plan can be accessed [by clicking here](#).

## £51 million of funding allocated to police forces for increased action on knife crime

The Home Office has allocated surge funding for forces worst affected by knife from the £100 million serious violence fund announced in March 2019. It will be for chief constables to decide how to utilise the additional funding, though the money is intended to be used to support visible policing in hotspot areas and was designed to help fund increased patrols and weapon sweeps, equipment for officers and overtime. Funding is being allocated to 18 forces in England and Wales.

# Other policing news

## World Class Policing Awards 2019

The World Class Policing Awards recognise exceptional performance, effective collaboration, innovative and progressive policing, beneficial outcomes for the public, as well as initiatives that improve the welfare of officers and staff to empower them to greater achievement. The Awards celebrate and share World Class Policing knowledge and practice with the whole policing community.

The Awards will this year take place on Thursday, 14th November, at a distinguished Gala Dinner in central London, honouring the very best of policing by celebrating those often unsung police officers and staff along with their collaboration partners from other public sector agencies, commercial, third sector and academic organisations.

Nominations for the awards opened on 8 April 2019. The awards timetable can be found [here](#).



## Response to the Home Affairs Select Committee's report on policing for the future

The government has responded to the Home Affairs Select Committee "Policing for the future" inquiry report, outlining the actions it has taken or will take in response to each recommendation that is raised within the report.

The full response to the findings and recommendations can be accessed by [clicking here](#).

The original inquiry report can be accessed by [clicking here](#).

## IOPC Youth panel: Key Findings and Recommendations 2019

The IOPC Youth Panel was established in March 2018 as a response to the findings of the IPCC's 2014 survey into public confidence in the complaints system which demonstrated that young people and people from BAME (Black Asian and Minority Ethnic) communities in particular lack confidence in the complaints system. The Youth Panel provides a means for young adults aged 16-25 years to inform the work of the IOPC, and to help the IOPC to build trust and confidence among young people.

The report contains key findings organised into five themes, which outline what the IOPC Youth Panel has found in relation to the barriers and influences affecting young people's trust and confidence in the police complaints system. Each section features analysis of young people's responses supported by verbatim quotes.

The report also contains the key recommendations that have been put forward by the IOPC Youth Panel as a result of their findings. The Youth Panel has identified these recommendations in collaboration with IOPC staff members.

The report can be accessed by clicking the report cover below.



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.



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