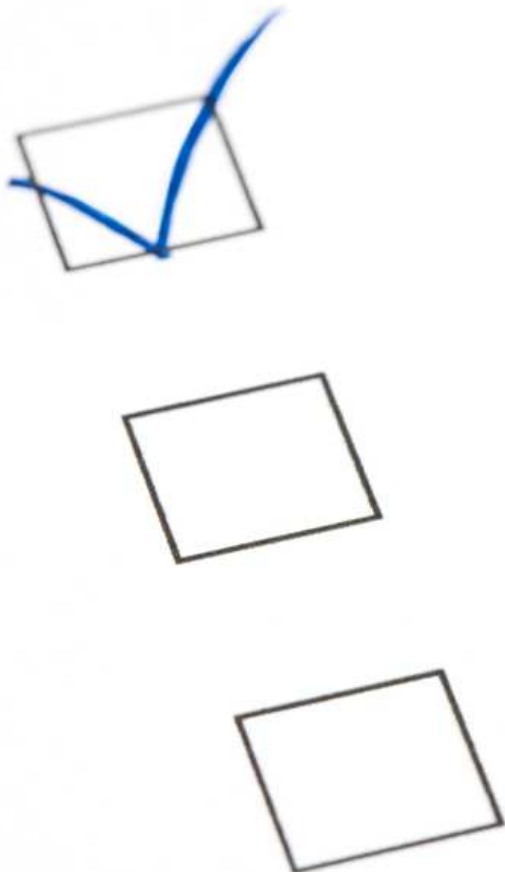


Joint Audit Committee North Yorkshire Police

Audit progress report and briefing

25 March 2013



01

Purpose of this paper

The purpose of this paper is to update the Audit Committee on progress in meeting our responsibilities as your external auditor. Also included in this paper are key emerging national issues and developments which may be of interest

If you find this update helpful, we will provide a similar progress report for each future Audit Committee.

Please contact your Director or Senior Manager using the contact details at the end of this update if you require any additional information.

Finally, please note the website address (www.mazars.co.uk) which sets out the range of work Mazars carries out across the UK public sector. It also details the full extent of services Mazars provides within the UK and abroad.

02

Progress on the 2012/13 audit

Following confirmation of our appointment as external auditor to both the PCC and Chief Constable, on 22 February 2013 we issued the 2012/13 fee planning letters to both clients.

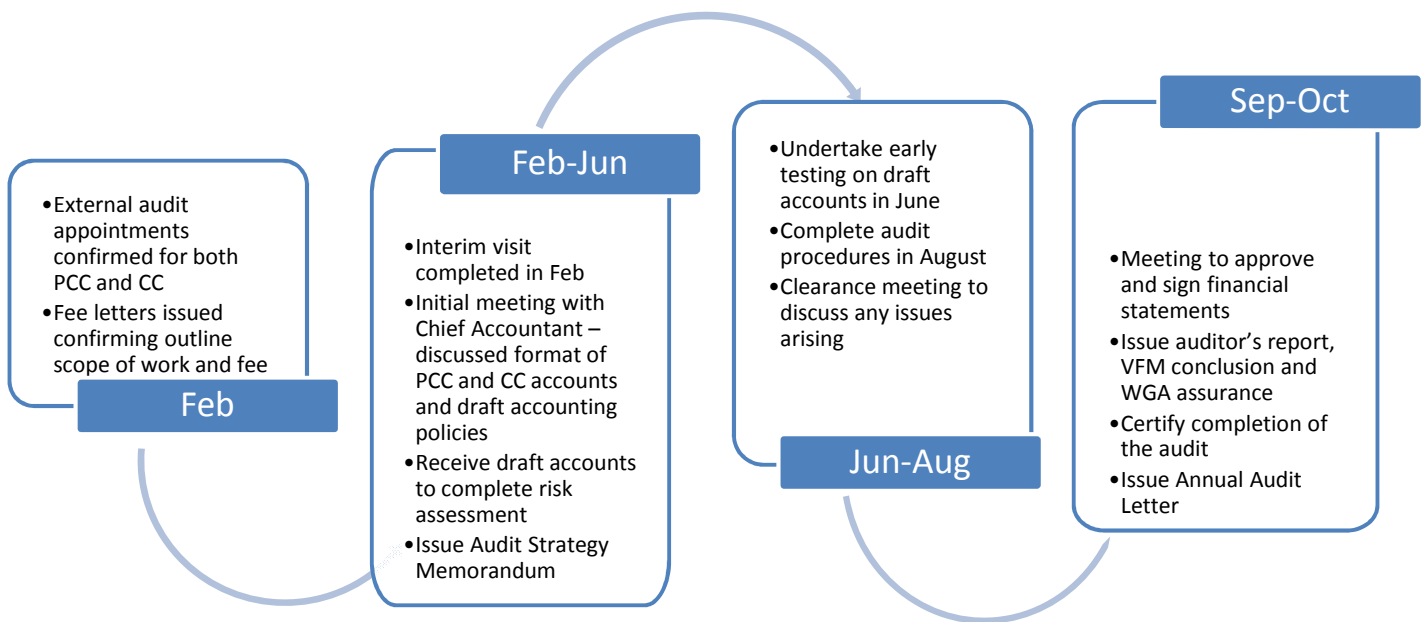
We held initial planning meetings for the 2012/13 audit year with the PCC and Chief Constable, enabling us to begin preparing our Audit Strategy Memorandum (ASM). We expect to issue this in June 2013, setting out our perception of the key risks of material misstatement in the 2012/13 accounts, and our approach to those identified.

We have completed our walkthroughs of the key financial systems, and discussed with Internal Audit how their work programme has progressed. This updates our understanding of the system of internal control, feeding into the risk assessment undertaken to develop the ASM.

We have written to the PCC and Chief Constable, and to the Chair of the Audit Committee, to formally ascertain views on the arrangements to prevent and detect fraud, compliance with laws and regulations, and other audit and accounting matters

We facilitated an accounts workshop for police finance teams in January 2013, helping them to recognise the key risks and technical challenges in preparing the accounts for the PCC, the CC and the Group. This was well received by all attendees.

The diagram below sets out the timing of the key phases of our audit work. We will communicate with management throughout the audit process to facilitate a two way process of updates and identifying issues. We will continue to communicate outside of these dates to ensure that all parties understand developments and issues as they arise and to help in providing timely and appropriate solutions.



03

Emerging issues and developments

The following pages outline some significant emerging issues and developments.

Issue / development

LAAP Bulletin 95

In December 2012, CIPFA issued LAAP bulletin 95: *The Accounting Arrangements for the Transfer of Functions to the Police and Crime Commissioner*.

We have discussed proposed accounting arrangements with the Chief Accountant.

VFM profiles and financial ratio tools HMIC has updated its VFM profile and financial ratios tools for 2011/12 outturn data. The profiles are available by following the links at www.hmic.gov.uk. They enable key indicators for police services to be compared, and also form part of the work we undertake to arrive at the 2012/13 VFM conclusion.

Issue / development

2013/14 fees and work programme consultation

The Audit Commission is consulting on its proposed 2013/14 work programme and scales of fees. At the present time, the Commission does not plan to make any changes to the work programme for 2013/14, proposing that scale audit fees are set at the same level as 2012/13 and will publish the final work programme and scales of fees for 2013/14 by April 2013.

Localising Council Tax support

The Local Government Finance Act which gained Royal assent in October 2012, allows local councils in England to design their own council tax support schemes from April 2013.

Localisation of business rates publication (CLG, November 2012)

Following consultation DCLG published details of the localisation of business rates. Local government will retain a 50 per cent local share of business rates and then keep a 50 per cent share of any growth generated, subject to a levy – which will be a maximum of 50p in the pound. DCLG also confirm that the safety net for when councils experience unexpected drops in revenue will guarantee a real terms income from business rates of 92.5 per cent.

04

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