

**Annual Audit Letter – year ended 31 March 2013**  
**Chief Constable for North Yorkshire**  
**October 2013**



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# 01

## Key messages

This letter summarises the findings from our 2012/13 audit of the Chief Constable for North Yorkshire

# Key messages

Our 2012/13 audit of the Chief Constable for North Yorkshire (the Chief Constable) was made up of two elements:

- our audit of the financial statements; and
- our assessment of arrangements for achieving value for money in your use of resources.

We summarise below the key conclusions for each element.

## **Audit opinion and financial statements**

We issued an audit report including an unqualified opinion on the Chief Constable's financial statements on 25 September 2013. Our audit progressed smoothly, and identified only a small number of errors. Section 2 of this letter sets out the detailed findings in relation to our audit of the financial statements.

## **Value for money**

We undertook work in line with Audit Commission guidance, including specific work on transition from the former North Yorkshire Police Authority. We concluded that the Chief Constable had proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources.

We issued our certificate, closing the 2012/13 audit, on 25 September 2013.

## **Forward look**

This letter represents the completion of our first year as the Chief Constable's appointed auditor. We look forward to continuing the effective relationship we have developed since our appointment and working with you as you meet the challenges you face in the short and medium term.

These challenges will be primarily associated with managing risk in an environment of potentially significant reductions in central government funding for the period 2014 to 2017. However we are also aware of local challenges such as delivering the move to a new headquarters for the force.

We focus our audit on the risks that these challenges present to the Chief Constable's financial statements and ability to maintain proper arrangements for securing value for money. We will continue to share with the Chief Constable and staff relevant insights that we have as a national and international accounting and advisory firm with experience of working with other public sector and commercial service providers.

# 02

## Findings and conclusions

The Chief Constable produced good quality accounts. This supported an efficient audit and we issued an unqualified opinion before the deadline

# Findings and conclusions

## Financial statements

The financial statements are an important way for the Chief Constable to communicate how they have used public money. We issued an audit report including an unqualified opinion on the financial statements on 25 September 2013. Our audit progressed smoothly, and identified only a small number of errors.

The draft financial statements were of a high quality overall; as were the supporting working papers. We identified no significant issues in the course of our audit, and no material errors were identified. The Chief Constable's finance team were very cooperative whilst we undertook our work, helping us to complete our audit work efficiently.

## Audit findings

Our detailed findings were reported in our Audit Completion Report to the Chief Constable and presented to the Joint Independent Audit Committee meeting on 23 September 2013.

We did not identify any significant deficiencies in the accounting and internal controls systems during the course of the audit. Our audit identified only a small number of adjustments in relation to disclosure in the draft financial statements and the accompanying notes. Given the absence of clear definitive guidance issued to police bodies in this year of transition to new structures, it was perhaps unsurprising that our audit identified amendments relating to disclosures in the financial statements. Having discussed the issues arising due to this issue the Chief Constable has made all of the suggested amendments we agreed.

# 03

## Value for money

Our work did not identify any issues to report in relation to maintaining proper arrangements for securing the 3 Es in use of resources during 2012/13

# Value for money

In line with the guidance issued by the Audit Commission, our work in this area drew upon:

- our audit work on the Chief Constable's Annual Governance Statement as part of the audit of the financial statements;
- reviewing the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- any risk-based work we determine appropriate.

Our work in these areas allowed us to satisfy ourselves that the Chief Constable maintained proper arrangements for securing value for money in its use of resources during 2012/13.

## **Annual Governance Statement**

There were no issues arising from our review of the Chief Constable's Annual Governance Statement that led us to consider the Chief Constable did not have proper arrangements for securing economy, efficiency and effectiveness.

## **Reviewing the work of other regulators**

We considered the reports issued by HMIC, and did not identify any matters which led us to consider the Chief Constable did not have proper arrangements for securing economy, efficiency and effectiveness.

## **Other risk based work**

We undertook work to review the transition from the former North Yorkshire Police Authority, and did not identify any matters which led us to consider the Chief Constable did not have proper arrangements for securing economy, efficiency and effectiveness. Our work provided assurance that governance and decision making arrangements were updated after transition, and it is evident that further work is underway to ensure that arrangements remain fit for purpose as North Yorkshire moves toward stage two transition.



# 04

## Added value

We have continued to seek ways to add value to the Chief Constable as external auditors

# Added value

As a major firm of accountants and advisors with a commitment to improving public services we are well placed to support the Chief Constable as they face their challenges in future years.

We do this within the ethical standards applicable to external auditors and with the agreement of the Chief Constable.

## **Additional services**

We have not provided the Chief Constable with any additional fee-based services since our appointment as your auditor. As part of our commitment to the sector as a whole and to you as our client, we provide you with relevant, practical insights from our knowledge of the emergency services, local government, and NHS sectors and experience of other public and private sector organisations.

During the year, through our regular meetings with the Chief Constable, officers and through our attendance at Joint Independent Audit Committee meetings we have provided on-going information relevant to your sector.

In February 2013 members of your finance team attended a workshop aimed at supporting our clients to prepare their 2012/13 financial statements and to provide an early insight into future developments in financial reporting that may be relevant to the local government and police sector. We plan on holding similar events in early 2014.

# 05

## Fees and closing remarks

Effective working with the Chief Constable has ensured our fees are in line with those agreed with you at the start of this year's audit

# Fees and closing remarks

Our audit fees for the year are in line with those communicated to you in our Audit Strategy Memorandum dated June 2013, being £20,000 (plus VAT). As outlined in section 4 of this letter, we did not undertake any non-audit services for the Chief Constable in 2012/13.

We have discussed and agreed this letter with the Chief Constable's Chief Finance Officer, and will provide copies to the Chief Constable and Joint Independent Audit Committee members. Further detailed findings and conclusions in the areas covered by our audit are included in the reports issued to the Chief Constable during the year.

| Report   | Date issued    |
|--|----------------|
| 2012/13 Fee Letter   | February 2013  |
| Audit Strategy Memo  | June 2013      |
| Audit Completion Report  | September 2013 |
| Auditor's report on the financial statements and value for money | September 2013 |
| Annual Audit Letter  | October 2013   |

The Chief Constable and staff have taken a positive and constructive approach to our audit and we wish to thank them for their support and co-operation during our first year as the Chief Constable's external auditor.

**Cameron Waddell**  
*Director*

October 2013