

# Police and Crime Commissioner for North Yorkshire and Chief Constable for North Yorkshire

Progress report and briefing – 16 March 2015

2014/15



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Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Commissioner and Chief Constable and we take no responsibility to any member or officer in their individual capacity or to any third party.

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# 01

## Purpose of this document

The purpose of this paper is to provide the Joint Independent Audit Committee (the Committee) with a report on progress in delivering our responsibilities as external auditor of the Police and Crime Commissioner for North Yorkshire (the Commissioner) and the Chief Constable for North Yorkshire (the Chief Constable).

This paper also seeks to highlight key emerging national issues and developments which may be of interest to members of the Committee.

If you require any additional information regarding the issues included within this briefing, please contact any member of your engagement team.

Finally, please note our website address ([www.mazars.co.uk](http://www.mazars.co.uk)) which sets out the range of work Mazars carries out, both within the UK and abroad. It also details the existing work Mazars does in the public sector – including Academies, Universities, Sixth Form Colleges and Housing Associations (both Internal and External Audit).

# 02

## Progress on the audit

### Financial statements audit and value for money conclusion

Since the Committee last met we have:

- carried out our initial planning in respect of 2014/15, refreshing our understanding of the arrangements in place and what we consider are the significant risks of material misstatement in respect of the financial statements and also the Value for Money (VfM) conclusion in order to inform our testing strategy;
- updated our documentation and carry out a walkthrough test of each of the key financial systems;
- liaised with Internal Audit to reduce the risk of duplication. This includes updating our protocol from last year (which will be presented to the Committee at its March meeting as a separate item);
- had on-going liaison with the Commissioner and Chief Constable's Chief Finance Officers; and
- prepared and issued our Audit Strategy Memorandum for the Commissioner and for the Chief Constable for the 2014/15 audit year. They will be presented to the Committee at its March meeting as a separate item.

Our audit work is on track, and there are no matters which we need to bring to the attention of the Committee at this stage of our audit.

# 03

## National publications and updates

### **Code of Practice, National Audit Office (NAO), January 2015**

Following its public consultation, the NAO's final draft Code of Audit Practice was laid in Parliament on Monday 12 January 2015. The Code will apply for audits relating to financial year 2015/16 and beyond. Further details can be found on the NAO website, along with the final draft Code and summary of consultation responses: <http://www.nao.org.uk/press-releases/updated-draft-local-audit-code-published-nao/>

### **Local government financial reporting remains strong; nevertheless, over 1,000 small bodies have their accounts qualified, December 2014**

The Audit Commission's report 'Auditing the Accounts 2013/14: Local Government Bodies' reveals that financial reporting was consistently strong for most types of principal local authority in 2013/14 when compared to the previous financial year. The results for small bodies were however less satisfactory, with 1,015 parish councils (11 per cent) and 19 internal drainage boards (IDBs, 16 per cent) receiving a qualified opinion on their 2013/14 annual return by 30 September 2014. For parish councils and IDBs, the level of qualifications increased from 8 per cent and 9 per cent, respectively.

Further information can be found at <http://www.audit-commission.gov.uk/2014/12/local-government-financial-reporting-remains-strong-nevertheless-over-1000-small-bodies-have-their-accounts-qualified/>

### **Council tax and business rates income rises, despite £4.55 billion uncollected, November 2014**

The Audit Commission has published Council tax and business rates collection: an update (November 2014), using publicly available data from its Value for Money (VFM) Profiles Tool. The update to two previous briefings, examining English councils' collection rates and costs of collecting council tax and business rates, reveals that £4.55 billion remained unpaid at the end of March 2014. The uncollected £4.55 billion is equivalent to the cost of building close to 300 secondary schools.

The debt consisted of over £1.21 billion of outstanding council tax and business rate payments that councils were unable to collect for 2013/14 and £3.34 billion due to councils from previous years. Councils collected just over £46.05 billion of the nearly £47.26 billion due to be collected in 2013/14.

Further information can be found at <http://www.audit-commission.gov.uk/2014/11/council-tax-and-business-rates-exceed-targets-despite-4-55-billion-uncollected/>

# Appendix 1 – Position statement of 2014/15 audits

Planned output	Expected completion date	Draft report issued to management	Final report issued to management	Final report presented to Joint Independent Audit Committee	Comments
Audit Fee Letters (individual letters for Commissioner and Chief Constable).	April 2014	~	April 2014	~	~
Audit Committee Progress Report and Briefing (joint for both Commissioner and Chief Constable).	~	~	~	~	To each and every meeting.
External/Internal Audit protocol for 2014/15 (joint for both Commissioner and Chief Constable).	January 2015	7 January 2015	27 January 2015	March 2015	~
Audit Strategy Memorandum (individual plans for Commissioner and Chief Constable).	March 2015	26 February 2015	March 2015	March 2015	~
Annual governance reports, incorporating opinion on the financial statements and VfM Conclusion (individual for Commissioner and Chief Constable).	September 2015				
Annual Audit Letter (individual for Commissioner and Chief Constable).	October 2015				