

Audit Update Report

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

March 2018





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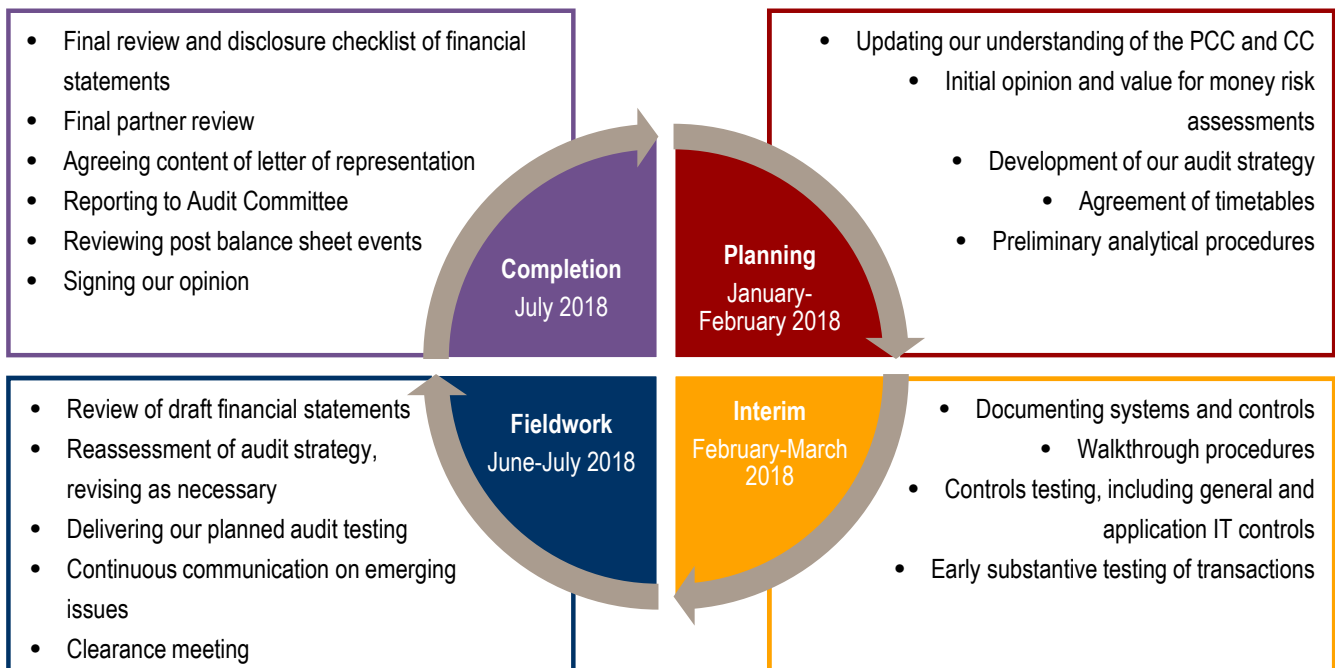
1. AUDIT PROGRESS

Audit progress

This report sets out progress on the external audit for 2017/18.

2017/18 Audit

Our planning work in relation to the 2017/18 audit for to the Police and Crime Commissioner and the Chief Constable is now underway. Our Audit Strategy Memorandum for the 2017/18 is on the agenda for this meeting and sets out our planned approach. An overall summary of our planned audit approach is set out below



Countdown to GDPR Seminar

We have decided to restructure our North East Governance Forum which has run successfully for the last couple of years. Rather than have two events a year and consider agenda items at the time of each meeting, we are going to run events when there are important topics to discuss.

Our first events under these new arrangements were held in January and February 2018 and focused on the countdown to the new General Data Protection Regulations (GDPR) and included a session on balancing the use of IT as an enabler whilst also managing the risks it poses.

Financial Reporting Workshops

In February, we completed our Local Government Financial Reporting workshops for officers involved in the production of the financial statements. These workshops provided an update on the latest developments as well as a forum for our clients to discuss emerging issues. It included a revisit of 2016/17 final accounts issues, early close implications, changes in the 2017/18 Code and a forward look to future regulatory and policy changes. This included a session on IFRS16 (Leases) which is due to be adopted from 2019/20 financial year.

2. NATIONAL PUBLICATIONS AND OTHER UPDATES

| | Publication |
|---|--|
| 1 | PSAA fee scale for 2018/19 audits of opted-in bodies, December 2017 |
| 2 | PSAA's Report on the results of auditors' work 2016/17: Local government bodies, December 2017 |
| 3 | CIPFA Fraud and Corruption Tracker, November 2017 |
| 4 | HMICFRS – Annual efficiency PEEL report for police forces in England and Wales, November 2017 |
| 5 | HMICFRS – Progress report on the police response to domestic abuse, November 2017 |

1. PSAA fee scale for 2018/19 audits of opted-in bodies, December 2017

The consultation sets out the proposed scale of fees for the work to be undertaken by appointed auditors in respect of the 2018/19 financial statement at bodies that have opted into PSAA's national auditor appointment scheme.

PSAA propose that scale audit fees for 2018/19 should reduce by 23 per cent, compared to the fees applicable for 2017/18. This reduction is possible as a result of the favourable prices secured from audit firms in the recent audit services procurement. It follows a period from 2012/13 to 2017/18 in which scale fees reduced significantly by an aggregate of 55 per cent.

The table below sets out the proposed audit fee for the 2018/19 audit:

| Body | Proposed 2018/19 fee | 2017/18 fee |
|-------------------------------|----------------------|---------------|
| Police and Crime Commissioner | 24,971 | 32,430 |
| Chief Constable | 11,550 | 15,000 |
| Total | 36,521 | 47,430 |

<https://www.psa.co.uk/audit-fees/201819-work-programme-and-scales-of-fees/>

2. PSAA's Report on the results of auditors' work 2016/17: Local government bodies, December 2017

In December 2017 Public Sector Audit Appointments published its *Report on the results of auditors' work 2016/17: Local government bodies*. This is the third report on the results of auditors' work at local government bodies published by PSAA. It summarises the results of auditors' work at 497 principal bodies and 9,752 small bodies for 2016/17. The report covers the timeliness and quality of financial reporting, auditors' local value for money work, and the extent to which auditors used their statutory reporting powers.

<https://www.psa.co.uk/audit-quality/reports-on-the-results-of-auditors-work/>

3. CIPFA Fraud and Corruption Tracker, November 2017

CIPFA has published its third annual fraud and corruption tracker, which provides an overview of fraud, bribery and corruption issues identified across local government. The tracker summarises trends in the number, value and type of identified frauds, and highlights areas and services that are perceived to be at greatest risk.

<http://www.cipfa.org/services/counter-fraud-centre/fraud-and-corruption-tracker>

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2. NATIONAL PUBLICATIONS CONTINUED

4. HMICFRS – Annual efficiency PEEL report for police forces in England and Wales

HMICFRS published the PEEL efficiency report in November 2017 which:

- examines how well forces in England and Wales understand the demand for their service, how well they match their resources to that demand, and how well they are planning to meet future demand; and
- provides an assessment of their efficiency.

The report states that policing is becoming increasingly complex, but that forces are continuing to have to make difficult decisions over resources, with some forces facing more difficult financial situations than others. However, the inspection found that, even when the financial position is difficult, it is possible for forces to achieve a positive grade for efficiency. Almost all forces understand current demand, but only a few have completed analyses to identify hidden or under-reported demand and most forces could improve in this regard. The report states that HMICFRS remains concerned that only a few forces understand the skills their workforce require and, where they have, it is generally based on current requirements rather than on future skills requirements

The PEEL report for North Yorkshire Police will be taken into consideration as part of our value for money arrangements risk assessment.

5. HMICFRS – Progress report on the police response to domestic abuse

HMICFRS published its third thematic report on the police response to domestic abuse in November 2017. This inspection found seven out of 43 forces have a cause for concern in relation to their response to domestic abuse and 33 forces have areas for improvement.

The report highlights the increase in domestic abuse recorded by the police, which has risen over 60% in under three years and suggests it is partly a result of forces improving their recording of these incidents as crimes.

Areas for improvement identified in the report include:

- risk assessment
- building the case for the victim
- a shared view with the Crown Prosecution Service (CPS) on referrals and prosecutions
- elements of a thorough police response
- consistent performance measures.

The report can be found via the HMICFRS website at: <https://www.justiceinspectorates.gov.uk/hmicfrs/publications/a-progress-report-on-the-police-response-to-domestic-abuse/>

3. CONTACT DETAILS

Please let us know if you would like further information on any items in this report.

www.mazars.co.uk

Cameron Waddell
Engagement Partner
01910 383 6300
Cameron.waddell@mazars.co.uk

James Collins
Engagement Manager
0191 383 6331
james.collins@mazars.co.uk

Address:

Salvus House,
Aykley Heads,
Durham,
DH1 5TS
0191 383 6300

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