

# Office of the Police & Crime Commissioner for Hampshire and the Chief Constable of Hampshire Constabulary

## Progress Report to the Joint Audit Committee

31 March 2015



**EY**

Building a better  
working world



Joint Audit Committee  
Office of the Police and Crime Commissioner for Hampshire  
St George's Chambers  
St George's Street  
Winchester  
SO23 8AJ

31 March 2015

## **Audit Progress Report – 2014/15**

We are pleased to attach our Audit Progress Report.

This report summarises the planned work for the 2014/15 audit and the work undertaken to date. Its purpose is to provide the Joint Audit Committee with an overview of the stages for the 2014/15 audit and ensure our audit is aligned with the Committee's service expectations.

Our audits are undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audits.

Yours faithfully



Helen Thompson  
Ernst & Young LLP  
United Kingdom  
Enc.



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In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This report is prepared in the context of the Statement of Responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

**Our Complaints Procedure** – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

## Work planned

### Financial Statements

We are required to give an audit opinion on whether the financial statements of The Office of the Police & Crime Commissioner for Hampshire (the PCC) and The Office of the Chief Constable for Hampshire Constabulary (the CC) give a true and fair view of the financial positions as at 31 March 2015 and of the income and expenditure for the year then ended.

We recognise the manner in which these two bodies are inter-linked and operate based on the governance documents and scheme of consents that have been adopted. Therefore, whilst each is a separate audit engagement, this update recognises the programme of work required has much in common.

We adopt a risk based approach to the audit and as part of our ongoing continuous planning we have continued to meet key officers and other stakeholders.

#### Planning and interim visit

We have completed our work to identify and walked through your material income and expenditure systems.

There are no matters arising from our planning and interim work that we need to bring to your attention at this stage. We will update the Committee when the substantive testing has been completed.

#### Post statements visit

We have agreed dates for our audit visit, and will have early discussions on the working papers required in support of the audit.

Our detailed audit plan, setting out the risks we have identified and the work we will undertake in response, will be presented to the Joint Audit Committee in June 2015.

We will continue to use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular payroll and journal entries.

We will also review and report to the National Audit Office, to the extent and in the form required by them, on your whole of government accounts return.

### Value for money assessment

We are required to give a statutory conclusion on the PCC's and CC's arrangements to secure economy, efficiency and effectiveness. The Audit Commission has applied the two specified criteria for the value for money conclusion for the 2014/15 audit. Our work will therefore focus on:

- ▶ arrangements for securing financial resilience - whether the PCC and CC have robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables them to continue to operate for the foreseeable future; and
- ▶ arrangements for securing economy, efficiency and effectiveness - whether the PCC and CC are prioritising resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

We have carried out our initial risk assessment and we will report the risks we have identified, and associated work we will carry out, to the Joint Audit Committee in June 2015.

## **Non audit services**

Following on from the last Audit Committee, we agreed with the Deputy Chief Constable and Chief Superintendent Chatterton to carry out a small piece of work, as a critical friend, advising on best practice and developing options to help improve the reporting of the effectiveness of risk management in the Constabulary's Strategic Risk Register. The fee for this non-audit work was £2,100.

## Timetable

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2014/15 Joint Audit Committee cycle. We will provide formal reports to the Joint Audit Committee throughout our audit process as outlined below.

Audit phase	EY Timetable	Deliverable	Associated Joint Audit Committee	Status
High level planning	<b>November – January 2015</b>	Audit Fee Letter	March 2014	The fee letters for the PCC and the CC were agreed with the respective CFO's in April 2014. We present them to the December JAC at the start of the 2014/15 audit.
Risk assessment and setting of scope of audit	<b>February – March 2015</b>	Audit Plan	June 2015	We reviewed the data migration from the old general ledger to the new general ledger in November. The risks around data migration will be considered as part of our high level planning.
Testing of routine processes and controls	<b>February – March 2015</b>	Audit Plan	June 2015	We have carried out the planning and interim fieldwork in testing routine controls and processes. We have completed our risk assessment and scoped the audit.
Year-end audit	<b>July - September 2015</b>	Audit results report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion as to whether the PCC and CC have put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources) Whole of Government Accounts Submission to NAO based on their group audit instructions Audit Completion certificate	September 2015	
Annual Reporting	<b>October 2015</b>	Annual Audit Letter	December 2015	



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