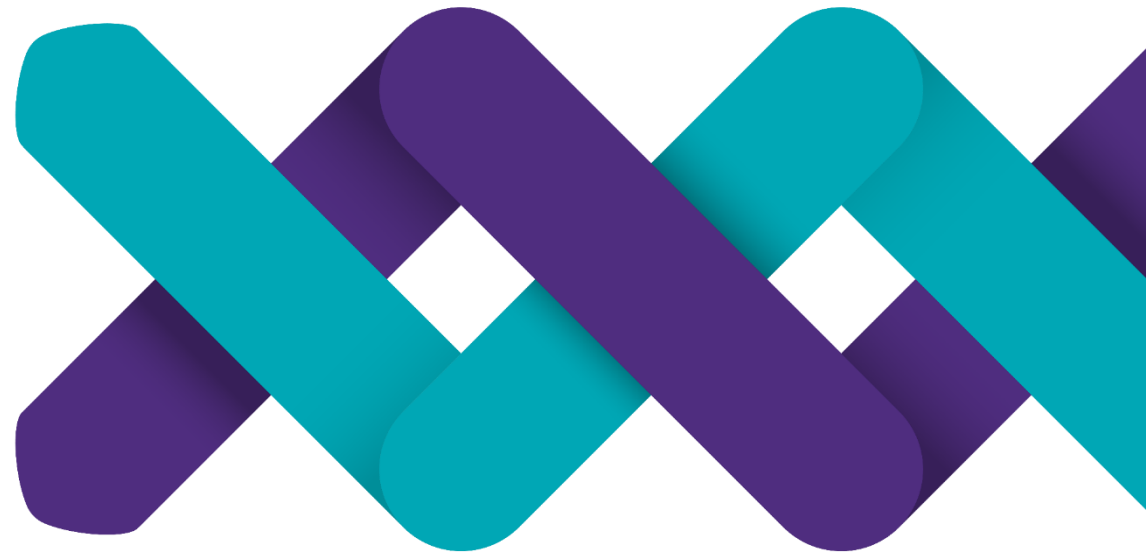


Audit Progress Report and Sector Update

West Mercia Police and Crime Commissioner and Chief Constable
Year ending 31 March 2019

February 2020



Contents and Introduction



Alex Walling

Engagement Lead

T 0117 305 7804
M 07880 456 142
E Alex.J.Walling@uk.gt.com



Laurelin Griffiths

Engagement Manager

T 0121 232 5363
M 07974 179 055
E Laurelin.H.Griffiths@uk.gt.com

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditor.

The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the following link to be directed to the website <https://www.grantthornton.co.uk/>.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress at February 2020

2018/19

Our audit of the 2018/19 financial statements was substantially complete in July 2019. Our provisional Joint Audit Findings Report was discussed with the Committee on 25 July 2019.

Our risk based reviews of the PCC's and Chief Constable's value for money arrangements are still ongoing, along with our work to consider the ongoing uncertainties for the Chief Constable and PCC following the dissolution of the strategic alliance with West Mercia.

We are working with management to finalise our 2018/19 audits as soon as is reasonably possible.

Our deliverables for 2018/19 are set out on the following page.

2019/20

We are in the process of beginning our planning processes for the 2019/20 financial year audits.

Our formal work and audit visits began this month, and we will discuss the timing of later visits with management as soon as possible. In the meantime we will;

- continue to hold regular discussions with management to inform our risk assessment for the 2019/20 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Other areas

We have been in regular communication with Finance Officers as we work to resolve the outstanding uncertainties for the 2018/19 audit.

We will continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process for 2019/20 is smooth and effective.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letters Confirming audit scale fees for 2018/19.	April 2018	Complete
Joint Audit Plan We are required to issue a detailed joint audit plan setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner and group's and Chief Constable's 2018/19 financial statements.	January 2019	Complete
Joint Audit Findings Report The initial Joint Audit Findings Report was reported to the July 2019 Alliance Joint Audit and Standards Committee.	July 2019	Complete An updated version will be issued upon the conclusion of our work
Auditors Reports These are the opinions on your financial statements, annual governance statements and value for money conclusions.	July 2019	Outstanding
Joint Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Will be issued within one month of our Auditors Reports
2019/20 Deliverables	Planned Date	Status
Fee Letters <ul style="list-style-type: none"> Confirming audit scale fees for 2019/20. Updated fee letter and audit scope 2019/20 	April 2019 February 2020	Complete Complete
Joint Audit Plan We are required to issue a detailed joint audit plan setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner and group's and Chief Constable's 2019/20 financial statements.	March 2020	Not yet due

Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from sector specialists](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white.

Public Sector

A purple rectangular button with the text "Police" in white.

Police

State of Policing: The Annual Assessment of Policing in England and Wales 2018

HMICFRS have released their report to the Secretary of State under section 54(4A) of the Police Act 1996, containing the assessment of the efficiency and effectiveness of policing in England and Wales based on the inspections carried out between April 2018 and May 2019. This is the fourth complete PEEL assessment of police forces in England and Wales, and is informed by the findings from the first batch of the 2018/19 assessments, and from the 2017 assessments for the remaining 29 forces.

The report is in three parts, with an overview containing Her Majesty's Chief Inspector of Constabulary's assessment of the state of policing in England and Wales applicable to the police service as a whole, part two containing an overview of the findings from all the inspections conducted in year and part three setting out the full list of inspections and other work.

In his annual assessment of policing in England and Wales, Sir Thomas Winsor said most police forces were performing well, and praised the police for their integrity and bravery. He also called on leaders in police forces and institutions to make bold and long-term decisions to improve policing, however, and said there was continued controversy about the 43-force structure of policing in England and Wales, with a need for the police service to function as part of a single law enforcement system.

Other areas highlighted for reform included:

- consideration of new mandatory standards to prevent inefficiency and ineffectiveness in policing;
- enactment of proposed legislation to strengthen the role of the Forensic Science Regulator;
- multi-year financial settlements for the most efficient police forces, to provide them with certainty, stability and predictability; and
- longer-term investment in technology, such as body-worn video, fully-functional hand-held mobile devices, facial recognition and artificial intelligence.

The report can be accessed by [clicking here](#).

HMICFRS police inspection programme 2019/20

The Inspection Programme has been released which sets out HMICFRS's police inspection programme and resources for the year ahead.

It covers the areas will be inspected in 2019/20 and provides further details about:

- PEEL assessments;
- national thematic inspections;
- commissions from the Home Secretary and local policing bodies;
- inspections of national agencies and non-Home Office forces;
- counter-terrorism and security related inspections; and
- joint inspections with other inspectorates.

The document can be accessed by [clicking here](#).

Home Office

Policing front line review

The findings from the first Front Line Review have been published by the Home Office. The Review was designed to seek feedback and learn what the front line really think about the job they do and what can improve.

Officers and staff from all 43 forces in England and Wales proactively engaged in the Review, with workshops run independently by The Office for National Statistics which involved members of the front line, including police officers, special constables, staff, police community support officers (PCSOs) and volunteers, seeking insights about their experience of:

- wellbeing
- leadership
- professional development
- change and innovation

This included their views on access to and availability of services. The review has identified opportunities to ensure the policing workforce receive the right level of support and development they need to deliver the best for the public.

The review identified the following recommendations and immediate actions that the Home Office and policing partners will take in response to the Review.

1. The Front Line Innovation Project: creation of a space for the front line to directly influence innovation and improvement.
2. Ensuring the operational system achieves the right balance between meeting demands and supporting the individual: A Ministerial challenge to Chiefs to consider essential time for core activities within working patterns that positively impact on frontline wellbeing and support.
3. Management of External Demand: A Ministerial commitment to provide good practice guidance to enable policing to manage more effectively cases that should not involve the police; commencing with better guidance on 'safe and well checks'.

4. Management of Internal Demand: A Ministerial challenge to Chiefs to identify and address unnecessary internally generated demand within their forces and with national support to tackle systemic issues from the Home Office and other partners.
5. HMICFRS activity on Police Wellbeing: HMICFRS has committed to review the way that it inspects the extent to which wellbeing is embedded within day to day policing.
6. Providing a National Evaluation Mechanism for Wellbeing Provision: A Ministerial commitment to provide the front line with a direct means to evaluate national and local progress on wellbeing working with police staff associations.

A number of separate reports have been issued which set out the findings and recommendations from the Review. These can be accessed by clicking the image below.



Home Office

Home Office

Police recruitment

As he entered Downing Street at the end of July 2019, the new Prime Minister announced that the recruitment of 20,000 new police officers will start in September with the launch of a national campaign, led by the Home Office. The Prime Minister has said he wants recruitment completed over the next three years.

To support this aim, a new national policing board has been created, with the first meeting held 31 July 2019. Chaired by the Home Secretary and bringing together key police leaders, it will hold the police to account for meeting the recruitment target and will aim to drive a national response to issues. At the first meeting of the board, the Prime Minister confirmed a target of recruiting 6,000 officers in the first year.

Police recruitment

The Home Secretary has announced that the Stop and Search pilot has been extended to all 43 Forces in the UK. Designed to make it simpler for all forces in England and Wales to use Section 60 of the Criminal Justice and Public Order Act, which empowers officers to stop and search anyone in a designated area without needing reasonable grounds for suspicion if serious violence is anticipated, the rollout will see the Home Secretary lift all conditions in the voluntary Best Use of Stop and Search Scheme over the use of Section 60.

Funding for Violence Reduction Units announced

Eighteen PCCs have been awarded £35 million to set up specialist teams to tackle violent crime in their area. The Violence Reduction Units will bring together different organisations, including the police, local government, health, community leaders and other key partners to tackle violent crime by understanding its root causes. The new units will be responsible for identifying what is driving violent crime in the area and coming up with a co-ordinated response.

The funding is being awarded after PCCs in the 18 areas worst affected by serious violence secured their provisional allocation through successful bids. Each unit will be tasked with delivering both short and long-term strategies to tackle violent crime, involving police, healthcare workers, community leaders and others.

Details of the funding awarded, including the other monies awarded as part of the original surge allocation made in April 2019 and the additional surge allocation in May 2019 can be found by [clicking here](#).

MHCLG – Independent probe into local government audit

In July, the then Communities secretary, James Brokenshire, announced the government is to examine local authority financial reporting and auditing.

At the CIPFA conference he told delegates the independent review will be headed up by Sir Tony Redmond, a former CIPFA president.

The government was “working towards improving its approach to local government oversight and support”, Brokenshire promised.

“A robust local audit system is absolutely pivotal to work on oversight, not just because it reinforces confidence in financial reporting but because it reinforces service delivery and, ultimately, our faith in local democracy,” he said.

“There are potentially far-reaching consequences when audits aren’t carried out properly and fail to detect significant problems.”

The review will look at the quality of local authority audits and whether they are highlighting when an organisation is in financial trouble early enough.

It will also look at whether the public has lost faith in auditors and whether the current audit arrangements for councils are still “fit for purpose”.

On the appointment of Redmond, CIPFA chief executive Rob Whiteman said: “Tony Redmond is uniquely placed to lead this vital review, which will be critical for determining future regulatory requirements.

“Local audit is crucial in providing assurance and accountability to the public, while helping to prevent financial and governance failure.”

He added: “This work will allow us to identify what is needed to make local audit as robust as possible, and how the audit function can meet the assurance needs, both now and in the future, of the sector as a whole.”

In the question and answer session following his speech, Brokenshire said he was not looking to bring back the Audit Commission, which appointed auditors to local bodies and was abolished in 2015. MHCLG note that auditing of local authorities was then taken over by the private, voluntary and not-for-profit sectors.

He explained he was “open minded”, but believed the Audit Commission was “of its time”.

Local authorities in England are responsible for 22% of total UK public sector expenditure so their accounts “must be of the highest level of transparency and quality”, the Ministry of Housing, Local Government and Communities said. The review will also look at how local authorities publish their annual accounts and if the financial reporting system is robust enough.

Redmond, who has also been a local authority treasurer and chief executive, is expected to report to the communities secretary with his initial recommendations in December 2019, with a final report published in March 2020. Redmond has also worked as a local government boundary commissioner and held the post of local government ombudsman.



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

