

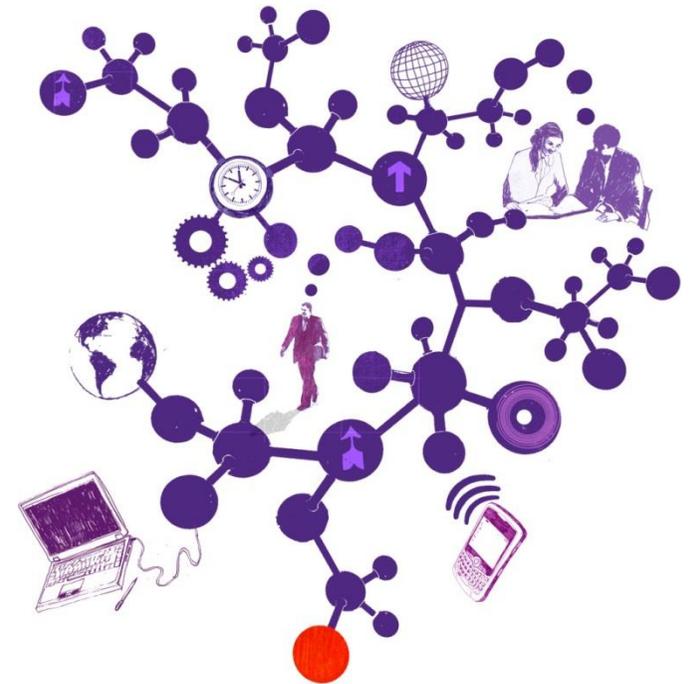
Update for Wiltshire Police and Crime Commissioner and Chief Constable Independent Audit Committee

Year ended 31 March 2015

December 2014

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Introduction

This paper provides the Independent Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Independent Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Working in tandem, local government governance review 2014, our third annual review, assessing local authority governance, highlighting areas for improvement and posing questions to help assess the strength of current arrangements
- 2016 tipping point? Challenging the current, summary findings from our third year of financial health checks of English local authorities
- Local Government Pension Schemes Governance Review, a review of current practice, best case examples and useful questions to assess governance strengths
- Developing picture, our first national report, which evaluates how the sector is responding to the Police Reform and Social Responsibility Act 2011 (PRSRA).

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 Audit Manager.

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Progress at 9 December 2014

Work	Planned date	Complete?	Comments
<p>2014-15 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Police and Crime Commissioner and the Chief Constable setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner's (PCC) financial statements and the Chief Constable's 2014-15 financial statements.</p>	April 2015	Not yet due	At this early stage in the financial year, we have not yet commenced our planning process and will issue our plan in spring 2015.
<p>Interim accounts audit Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> • updating our review of the PCC's and Chief Constable's control environments • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • proposed Value for Money conclusion. 	February to April 2015	Not yet due	The actual timing of our work will be agreed with the Chief Finance Officer.
<p>2014-15 final accounts audit Including:</p> <ul style="list-style-type: none"> • audit of the 2014-15 financial statements • proposed opinion on the PCC's financial statements and the Chief Constable's financial statements • proposed Value for Money conclusion. 	July to September 2015	Not yet due	The actual timing of our work will be agreed with the Chief Finance Officer.

Progress at 9 December 2014

Work	Planned date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work to inform the 2014/15 VfM conclusion comprises: <ul style="list-style-type: none">• undertaking an initial risk assessment; and• review of any risks identified.	January to August 2015	Not yet due	

Emerging issues and developments

HMIC

Value for money profiles

Her Majesty's Inspectorate of Constabulary (HMIC) published the latest value for money profiles on 31 October 2014.

The value for money (VFM) profiles provide comparative data on a wide range of policing activities. For instance: does your force spend more or less than other similar forces? Does it receive fewer or more 999 calls? How does the crime rate differ from other force areas?

The profiles highlight what these differences are, but not why they exist. There could be many reasons why a force might spend more or less on a particular function or resource than other forces.

The VFM profiles are:

- designed for use by force management and police and crime commissioners (PCCs) and local policing bodies as well as HMIC;
- wide ranging, covering a large amount of information in a single, easy to use, document;
- presented in a single format to allow you to focus attention on the main differences which require explanation and action to improve;
- timely - being published during October, when key budget decisions are being taken;
- not league tables or targets – they are designed to give information, not judgments.

On page 17 of the summary document, there is a list of the categories in which the force's spend is an outlier. The force's figures are compared to the spend of other forces. To be flagged as an outlier, the spend must be one of the highest or lowest 10% of any force, and the effect of the difference must be at least £1 per head of population.

Emerging issues and developments

HMIC

Strategic policing requirement

The Strategic Policing Requirement (SPR) was issued in July 2012. It sets out the Home Secretary's view of the national threats that the police must prepare for and the appropriate national policing capabilities that are required to counter those threats. The SPR respects the operational independence of the police service, advising what, in strategic terms, it needs to achieve, but not how it should achieve it.

The particular threats specified in Part A of the SPR, and referred to as the national threats in this report, are:

- terrorism;
- civil emergencies;
- organised crime;
- public order threats; and
- large-scale cyber incidents.

Part B specifies the policing response that is required nationally, in conjunction with other national agencies, to counter these threats.

In September 2013, HMIC inspected 18 forces as part of its three-year programme to examine the arrangements that forces have in place to meet the strategic policing requirement. The reports on these inspections were issued in November 2014. No recommendations are made in the reports.

HMIC has stated that the breadth of requirements that are set out in the strategic policing requirement are outside the scope of a single inspection. Therefore, it has been necessary for HMIC to plan a series of inspections over three years so that the police response to all the national threats can be examined individually and in-depth over that period.

Issue for consideration

Has the Chief Constable reviewed the constabulary's report? If so, has any action been identified that needs to be taken to improve the constabulary's capacity and capability? Will this have any impact on the constabulary's financial position?

Emerging issues and developments

National Audit Office (NAO)

Financial sustainability

The NAO has recently started a review of financial sustainability in the police service and is due to report in June 2015. The report will provide a national examination of whether the Home Office, together with other police stakeholders, effectively manage the risks to value for money of changes to police funding.

The key issues to be examined relate to:

- the Home Office's understanding of the implications of its police funding decisions and whether its actions support police forces' financial management and capacity effectively;
- how well the Home Office monitors, analyses and utilises the work of local accountability systems to support sustainable financial management and secure value for money;
- whether the Home Office has clear definitions of what force financial and service failure would look like and a clear intervention strategy if either happened.
- whether the Home Office, as well as individual police forces, fully understand how funding reductions, have affected service delivery across forces.

Various methods will be used to undertake the study including visits to a number of police forces.

The fieldwork for the study will take place between October 2014 and February 2015.

Emerging issues and developments

HMIC

Crime recording

In its 2013/14 inspection programme, approved by the Home Secretary under section 54 of the Police Act 1996, HMIC committed to carry out an inspection into the way the 43 police forces in England and Wales record crime data. The inspection was carried out between December 2013 and August 2014.

The inspection focussed on three broad themes: leadership and governance; systems and processes; and the people and skills involved.

Overall, the report '*Crime-recording: making the victim count*' concluded that "victims of crime are being let down. The police are failing to record a large proportion of the crimes reported to them. Over 800,000 crimes reported to the police have gone unrecorded each year. This represents an under-recording of 19%. The problem is greatest for victims of violence against the person and sexual offences, where the under-recording rates are 33% and 26% respectively. This failure to record such a significant proportion of reported crime is wholly unacceptable".

The report also noted that "even when crimes are correctly recorded, too many are removed or cancelled as recorded crimes for no good reason. Of the 3,246 decisions to cancel, or no-crime, 664 were incorrect. These included over 200 rapes and more than 250 crimes of violence against the person".

The report also notes that where the magnitude of the crime-recording shortcomings is recognised, rapid improvements can be made. To address these shortcomings, the police service can either "shore up the existing processes which are often flawed, and possibly review some of the more serious errors which attract the most public concern or it can design a better process that will make a long-lasting and more permanent difference".

Issue for consideration

Has the Chief Constable reviewed HMIC's report and developed an action plan to address any shortcomings identified for the constabulary?



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