

# The Audit Findings for Wiltshire Police and Crime Commissioner and Chief Constable

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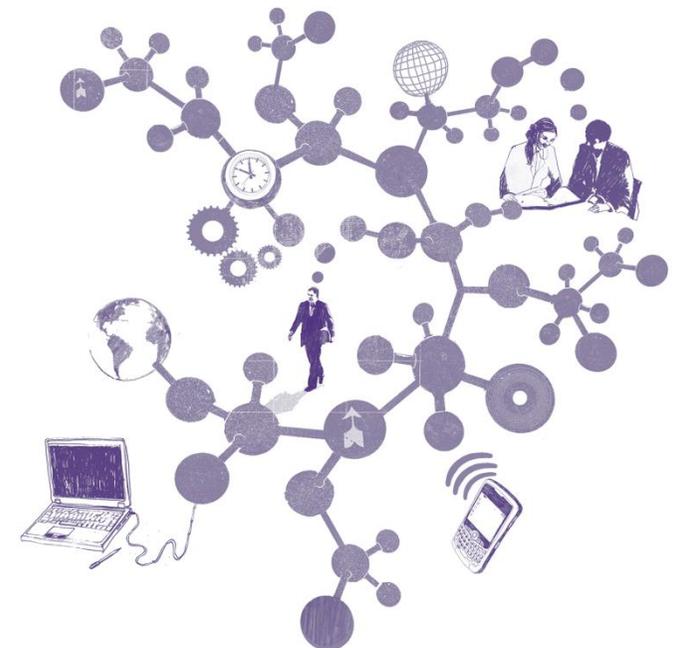
**Year ended 31 March 2014**

18 September 2014

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

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.

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# Section 1: Executive summary

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**05. Communication of audit matters**

# Executive summary

## Purpose of this report

As the external auditor appointed to both the PCC and the Chief Constable for Wiltshire we are required by the Audit Commission's Code of Audit Practice to report our audit findings to the PCC and the Chief Constable as the individuals charged with governance for the office of the PCC and the police force respectively. This report (our Audit Findings Report) highlights the key findings and recommendations from our audits of the PCC and the Chief Constable for the year ended 31 March 2014 in one place. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing 260 (ISA).

Under the Audit Commission's Code of Audit Practice we are required to report whether, in our opinion, the PCC's and Chief Constable's financial statements for the year ended 31 March 2014 present a true and fair view of the financial position, their expenditure and income for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. We issue separate audit opinions on the financial statements of the PCC and the Chief Constable.

We also required to report whether the PCC and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ended 31 March 2014, referred to as the Value for Money conclusion. We issue separate conclusions for the PCC and the Chief Constable based on our assessment of the arrangements each has established.

## Introduction

In the conduct of our audit we have not had to alter or change our planned audit approach, which we communicated to you in our Audit Plan dated

Our audit is substantially complete although we are finalising our work in the following areas:

- review of the final version of the financial statements
- obtaining and reviewing the formal response to our letter about litigation claims
- obtaining and reviewing the final management letter of representation
- review of final version of the Annual Governance Statement
- complete our work in respect of the Whole of Government Accounts, and
- updating our post balance sheet events review, to the date of signing the opinion.

We received draft financial statements and accompanying working papers at the start of our audit, in accordance with the agreed timetable.

This letter presents the messages arising from our audit as applying to both the PCC and the Chief Constable unless we specifically state otherwise.

# Executive summary

## **Key messages – audit of the Police and Crime Commissioner and Chief Constable**

### **Financial statements opinion**

We expect to issue an unqualified opinion on the PCC's and Chief Constable's financial statements, including the group accounting statements which consolidate the financial activities of the Chief Constable, and the police officer pension fund accounting statements by 30 September 2014.

The financial statements together with working papers and supporting records were provided in accordance with the timetable.

Our audit identified various adjustments to the PCC's single entity comprehensive income and expenditure statements, and the subjective income and expenditure analysis in note 3 which management has agreed to make. These related to premises costs, fleet costs and air support costs totalling £13.3m which were charged to the PCC single entity accounts in the draft statements. The charges for the use of the assets should be reflected in the principal users accounts, that is the Chief Constable.

In total these reduced the costs (net cost of police services before inter group funding) of the PCC shown in the draft statements from £16.075m to £2.076m and conversely increased the costs of the Chief Constable by £13.3m to £128.3m. These adjustments were then reversed through the intra group funding line which increased from £115.5m to £128.8m.

These adjustments did not affect the PCC group accounts and the total comprehensive income and expenditure remained unchanged.

We also agreed a number of other adjustments, relating to reclassifications and disclosure changes, but these did not alter reported financial performance.

We have included further details of our financial statements audit findings, including details of the adjustments referred to above, in section 2 of this report

### **Value for money conclusion**

Based on our review of the PCC's and Chief Constable's arrangements to secure economy, efficiency and effectiveness in their use of resources, we expect to give an unqualified Value for money conclusion on the same date as our opinion on the financial statements.

We have set out further details of the findings and recommendations from the work supporting our Value for money conclusion in section 3 of this report.

### **Whole of Government Accounts (WGA)**

We will complete our work in respect of the Whole of Government Accounts in accordance with the national timetable.

## Controls

The PCC and the Chief Constable are responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control. Management has operated a common set of financial systems and controls to produce both sets of financial statements for 2013/14. Our work on material financial systems used to prepare the financial statements has therefore supported our audits of both the PCC and the Chief Constable. Our audit is however not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the PCC and to the Chief Constable.

Our work has not identified any control weaknesses which we wish to highlight for your attention other than two ICT weaknesses which we reported last year, which were being addressed during 2013/14. We have provided further details of our findings in relation to internal controls in section 2 of this report.

## The way forward

The findings and recommendations contained in this report have been discussed and agreed with the Chief Finance Officer of the PCC and the Chief Constable. This report will be presented to the Independent Audit Committee on 18 September who will consider this report and make any recommendations to the PCC and the Chief Constable who are the two individuals charged with overall governance for the office of the PCC and the police force respectively.

Following consideration of this report, and any comments or recommendations made by the Audit Committee, the PCC and Chief Constable will sign the revised Statements of accounts and Annual Governance Statement. We will then issue our audit opinion..

## Acknowledgment

We would like to thank finance staff and other officers in both the office of the PCC and the police force for their assistance over the course of this year's audits.

**Grant Thornton UK LLP**  
**18 September 2014**

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## Section 2: Audit findings

01. Executive summary

**02. Audit findings**

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

# Audit findings

In this section we present our findings in respect of matters and risks identified at the planning stage of the audits and additional matters that arose during the course of our work. We set out on the following pages the work we have performed and findings arising from our work in respect of the audit risks we identified in our audit plan, presented to the Joint Audit Committee on 26 June 2014. We also set out the adjustments to the financial statements arising from our audit work and our findings in respect of internal controls.

## **Audit opinion**

We expect to issue an unqualified opinion on both the PCC's financial statements, including the group accounting statements which consolidate the financial activities of the Chief Constable; and the Chief Constable's financial statements, including the police officer pension fund accounting statements, by 30 September 2014.

# Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

	Risks identified in our audit plan	Relevant to? PCC/CC/Both	Work completed	Assurance gained and issues arising
1.	<p><b>Improper revenue recognition</b></p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper recognition</p>	Both	<p><b>Both PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>• review and testing of revenue recognition policies</li> <li>• testing of material revenue streams</li> <li>• review of unusual significant transactions</li> </ul>	<p><b>Both PCC and Chief Constable audits</b></p> <p>Our audit work has not identified any issues in respect of revenue recognition.</p>
2.	<p><b>Management override of controls</b></p> <p>Under ISA 240 there is a presumed risk of management override of controls</p>	Both	<p><b>Both PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>• review of accounting estimates, judgements and decisions made by management</li> <li>• testing of journal entries</li> <li>• review of accounting estimates, judgements and decisions made by management</li> <li>• review of unusual significant transactions</li> </ul>	<p><b>Both PCC and Chief Constable audits</b></p> <p>Our audit work has not identified any evidence of management override of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p>

# Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses, are attached at Appendix A.

Transaction cycle	Relevant to: PCC/CC/Both	Description of risk	Work completed	Assurance gained & issues arising
<b>Operating expenses</b>	Both	<p>Operating expenses understated</p> <p>Creditors understated or not recorded in the correct period</p>	<p><b>PCC and Chief Constable audits</b></p> <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>documented our understanding of processes and key controls over the transaction cycle</li> <li>undertaken walkthrough of the key controls to assess the whether those controls are designed effectively</li> <li>tested operating expenses including Substantive testing of material expenditure streams for the 2013-14 financial year</li> <li>Substantive testing of significant creditor balances</li> <li>Review of after date payments to ensure all liabilities identified</li> </ul>	<p><b>PCC and Chief Constable audits</b></p> <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>
<b>Employee remuneration</b>	Both	<p>Remuneration expenses not correct</p> <p>Employee remuneration accrual understated</p>	<p><b>PCC and Chief Constable audits</b></p> <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>documented our understanding of processes and key controls over the transaction cycle</li> <li>undertaken walkthrough of the key controls to assess the whether those controls are designed effectively</li> <li>sample of employee remuneration expenses to confirm they have been appropriately accounted for.</li> <li>trend analysis of monthly payroll figures</li> </ul>	<p><b>PCC and Chief Constable audits</b></p> <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

# Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses, are attached at Appendix A for the PCC; and Appendix B for the Chief Constable.

Transaction cycle	Relevant to: PCC/CC/Both	Description of risk	Work completed	Assurance gained & issues arising
<b>Property, plant &amp; equipment</b>	Both	PPE activity not valid  Revaluation measurement not correct	<p><b>PCC and Chief Constable audits</b></p> <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>documented our understanding of processes and key controls over the transaction cycle</li> <li>undertaken walkthrough of the key controls to assess whether those controls are designed effectively</li> <li>Testing of PPE, valuations, additions and depreciation charges.</li> </ul>	<p><b>PCC and Chief Constable audits</b></p> <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>
<b>Pensions benefits payable</b>	CC	Benefits improperly computed/ Claims liability understated	<p><b>Chief Constable audits</b></p> <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>documented our understanding of processes and key controls over the transaction cycle</li> <li>undertaken walkthrough of the key controls to assess whether those controls are designed effectively</li> <li>Analytical review</li> <li>Testing of new pensions</li> </ul>	<p><b>Chief Constable audits</b></p> <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

# Accounting policies, estimates & judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the PCC's and the Chief Constable's financial statements.

Accounting area	Relevant to? PCC/CC Both	Summary of policy	Comments	Assessment
Revenue recognition	PCC	<p><b>PCC</b></p> <ul style="list-style-type: none"> <li>Revenue recognition policies for significant income streams adopted by the bodies and disclosed within the 2013-14 Statements</li> <li>Income is inclusive of future obligations to pay cash for benefits already received by the Group and cash to be received in the future for benefits already provided by the Group</li> <li>Where grants are received but the conditions are not yet met they are carried in the Balance Sheet as a creditor (Government Grants Received in Advance), where the conditions are met but the grant has not yet been used it is posted to the Capital Grants Unapplied reserve</li> </ul>	<p><b>PCC audit</b></p> <p>Revenue recognition policies have been reviewed and were determined to be in accordance with the requirements set out in the CIPFA code of practice.</p> <p>Disclosure requirements have been assessed in accordance with CIPFA disclosure checklist and are deemed to be appropriate.]</p> <p><b>Chief Constable audit</b></p> <p>All income is recognised in the PCC accounts</p>	 <p>Green</p>
Cost recognition	Both	<p><b>PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>Policies in respect of cost recognition for the PCC group accounts were in accordance with the requirements</li> <li>Premises costs, fleet costs and air support costs were charged to the PCC single entity accounts in the draft statements</li> </ul>	<p><b>PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>Policies in respect of cost recognition for the PCC group accounts were in accordance with the requirements set out in the CIPFA code of practice. .</li> <li>The charges for the use of the assets should be reflected in the principal users accounts, that is the Chief constable. The policy of allocating these costs to the PCC individual entity accounts were revised during the audit to reallocate an appropriate share of the costs from the PCC single entity accounts to the Chief Constable single entity accounts to reflect this. We report on these adjustments in more detail in slide 16 Adjusted Misstatements.</li> </ul>	 <p>Red</p>

# Accounting policies, estimates & judgements

Accounting area	Relevant to? PCC/CC Both	Summary of policy	Comments	Assessment
<b>Judgements and estimates</b>	<b>Both</b>	<p><b>PCC and Chief Constable audits</b></p> <p>Key estimates and judgements include:</p> <ul style="list-style-type: none"> <li>– useful life of capital equipment</li> <li>– pension fund valuations and settlements</li> <li>– revaluations</li> <li>– impairments</li> </ul>	<p><b>PCC and Chief Constable audits</b></p> <p>Our review of key estimates and judgements has not highlighted any issues which we wish to bring to your attention, except in relation to single entity cost recognition</p>	 <b>Green</b>
<b>Judgements and estimates - PPE</b>	<b>PCC</b>	<p><b>PCC and Chief Constable audits</b></p> <p>The Police and Crime Commissioner for Wiltshire's freehold and leasehold properties were independently valued on 31 March 2014 by BNP Paribas Real Estate, Chartered Surveyors. The valuations were in accordance with the requirements of the International Valuation Standards and the RICS Valuation Standards.</p>	<p><b>PCC</b></p> <p>The LG Code of Practice has clarified the requirements for valuing property, plant and equipment. It now states explicitly that revaluations must be 'sufficiently regular to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period'. This means a Local Authority will need to satisfy itself that the value of assets in the balance sheet is not materially different from the amount that would be given by a full valuation carried out on the balance sheet date.</p> <p>All properties were revalued on 31 March 2014 and therefore met this requirement in full.</p>	 <b>Green</b>

**Assessment**

-  Marginal accounting policy which could potentially attract attention from regulators
-  Accounting policy appropriate and disclosures sufficient

-  Accounting policy appropriate but scope for improved disclosure

# Accounting policies, estimates & judgements

Accounting area	Relevant to? PCC/CC Both	Summary of policy	Comments	Assessment
Other accounting policies	Both	<b>PCC and Chief Constable</b> <ul style="list-style-type: none"> <li>We have reviewed the Police and Crime Commissioner's and the Chief Constable's policies against the requirements of the CIPFA Code and accounting standards.</li> </ul>	<b>PCC and Chief Constable</b> <ul style="list-style-type: none"> <li>Our review of accounting policies has not highlighted any issues which we wish to bring to your attention</li> </ul>	 <b>Green</b>

## Assessment

-  Marginal accounting policy which could potentially attract attention from regulators
-  Accounting policy appropriate and disclosures sufficient

-  Accounting policy appropriate but scope for improved disclosure

# Adjusted misstatements – Police and Crime Commissioner financial statements

Our audit identified one main adjustment to the PCC's draft financial statements that entailed several individual changes to the Comprehensive Income and Expenditure Account. This reduced the cost of the PCC from £16,075 in the draft statements to £2,793 in the revised statements. Conversely it increased the costs in the Chief Constables account by the same amount.

We are required to report all non-trivial misstatements to the PCC, and whether or not the financial statements have been adjusted by management. The table below summarises the adjustments arising from the audit of the PCC's accounts which management has agreed to amend for. The PCC is also required to prepare group accounts consolidating the activities of the PCC and Chief Constable entity financial statements. There were no adjustments to the group accounts.

## Impact of adjusted misstatements

All adjusted misstatements are set out below along with the impact on the key statements and the reported financial position.

Detail	Comprehensive Income and Expenditure Account £'000	Balance Sheet £'000	Impact on total net expenditure £000
<p>1 The draft PCC (single entity) accounts included costs in the CIES of £16,075. The charges for the use of the assets should be reflected in the principal users accounts, that is the Chief Constable. The costs which should have been charged to the Chief Constable were:</p> <ul style="list-style-type: none"> <li>• Premises costs £9,774</li> <li>• Fleet costs of £2,164</li> <li>• Air Support costs £1,371</li> </ul> <p>These are split over several lines in the CIES, e.g. local policing, operational support etc. The revised accounts were amended to take these costs out and put them in the Chief Constables accounts. This adjustment reflected the approach adopted in other police bodies statements.</p>	Cr Gross expenditure £13,282		Gross expenditure on police services before inter group funding reduces from £16,075 to £2,793 Net costs change from £6,046 to (£7,237)
<b>Overall impact on net cost of police services before intra group funding</b>	<b>(£13,282)</b>	<b>£Nil</b>	<b>(£13,282)</b>

## Adjusted misstatements – Police and Crime Commissioner financial statements

Our audit identified one main adjustment to the PCC's draft financial statements that entailed several individual changes to the Comprehensive Income and Expenditure Account. This reduced the expenditure of the PCC from £16.075 in the draft statements to £ 2,793 in the revised statements. Conversely it increased the costs in the Chief Constables account by the same amount.

We are required to report all non-trivial misstatements to the PCC, and whether or not the financial statements have been adjusted by management. The table below summarises the adjustments arising from the audit of the PCC's accounts which management has agreed to amend for.

The PCC is also required to prepare group accounts consolidating the activities of the PCC and Chief Constable entity financial statements. There were no adjustments to the group accounts.

### Impact of adjusted misstatements

All adjusted misstatements are set out below along with the impact on the key statements and the reported financial position.

Detail	Comprehensive Income and Expenditure Account £'000	Balance Sheet £'000	Impact on total net expenditure £000
2 As a consequence of the first adjustment the amount of the inter group adjustment in the PCC statements was increased to £128.8m. This had the effect of showing the net cost of police service as unchanged	Dr Inter group funding £13,282	Nil	£13,282
3 The adjustments in item 1 were also necessary to the subjective income and expenditure analysis in note 3 to the statements.	Cr Gross expenditure £13,282		Gross cost of police services before inter group funding reduces from £16,075 to £ 2,793 Net costs change from £6,046 to (£7,237)
<b>Overall impact on net cost of police services</b>	<b>£Nil</b>	<b>Nil</b>	<b>Nil</b>

## Adjusted misstatements – Chief Constable financial statements

Our audit identified corresponding adjustments to the Chief Constable's draft financial statements. These adjustments are the opposite entries to the adjustments shown in the PCC accounts. These adjustments increase the costs shown in the CC single entity accounts. We are required to report all misstatements to the Chief Constable, and whether or not the financial statements have been adjusted by management. The table below summarises the adjustments arising from the audit of the Chief Constable's financial statements which management has agreed to amend for.

### Impact of adjusted misstatements

All adjusted misstatements are set out below along with the impact on the key statements and the reported financial position.

Detail	Comprehensive Income and Expenditure Account £'000	Balance Sheet £'000	Impact on total net expenditure £000
<p>1 The draft PCC (single entity) accounts included costs in the CIES of £16.075. The charges for the use of the assets should be reflected in the principal users accounts, that is the Chief Constable. The costs which should have been charged to the Chief Constable were:</p> <ul style="list-style-type: none"> <li>• Premises costs £9,774</li> <li>• Fleet costs £2,164</li> <li>• Air Support costs £1,371</li> </ul> <p>These are split over several lines in the CIES, e.g. local policing, operational support etc. The revised accounts were amended to take these costs out and put them in the Chief Constables accounts. This adjustment reflected the approach adopted in other police bodies statements.</p>	Dr Gross expenditure £13,282	Nil	Gross and net cost of police services before inter group funding increases from £115.5m to £128.8m
<b>Overall impact on net cost of police services before intra group funding</b>	<b>£13,282</b>	<b>£Nil</b>	<b>£13,282</b>

## Adjusted misstatements – Chief Constable financial statements

Our audit identified corresponding adjustments to the Chief Constable's draft financial statements. These adjustments are the opposite entries to the adjustments shown in the PCC accounts. These adjustments increase the costs shown in the CC single entity accounts. We are required to report all misstatements to the Chief Constable, and whether or not the financial statements have been adjusted by management. The table below summarises the adjustments arising from the audit of the Chief Constable's financial statements which management has agreed to amend for.

### Impact of adjusted misstatements

All adjusted misstatements are set out below along with the impact on the key statements and the reported financial position.

Detail	Comprehensive Income and Expenditure Account £'000	Balance Sheet £'000	Impact on total net expenditure £000
2 As a consequence of the first adjustment the amount of the inter group adjustment in the PCC statements was increased to £128.8m. This had the effect of showing the net cost of police service as unchanged .	Cr Inter group funding £13,282	Nil	Cr £13,282
3 The adjustments in item 1 were also necessary to the subjective income and expenditure analysis in note 3 to the statements.	Cr Gross expenditure £13,282	Nil	Gross and net cost of police services before inter group funding increases from £115.5m to £128.8m
<b>Overall impact on net cost of Police Services</b>	<b>£Nil</b>	<b>£Nil</b>	<b>£Nil</b>

## Misclassifications & disclosure changes– Police and Crime Commissioner financial statements

The table below provides details of misclassification and disclosure changes to the PCC's financial statements ,including the group consolidation, we identified during the audit and which management have adjusted for.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	N/A	Note 6 Audit Fees	An additional narrative was added to the disclosure to show that the audit fee for the PCC was £42,000 and that a rebate of £7,000 was received from the Audit Commission.
2 Classification	367	Short Term Finance Lease Liability	The Long Term finance lease liability of £19,637,000 includes an instalment which will be paid in 2014/15. Accounting practice is for payments due within one year to be reported as short term liabilities. The revised accounts now show the finance lease liability split between the short and long term elements.

## Misclassifications & disclosure changes – Chief Constable financial statements

The table below provides details of misclassification and disclosure changes to the Chief Constable's financial statements we identified during the audit and which management have adjusted for

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	N/A	Note 6 Audit Fees	Narrative was added to the disclosure to show that the audit fee for the Chief Constable was £20,000 and that a rebate of £3,000 was received from the Audit Commission.

# Internal controls

The purpose of an audit is to express an opinion on the financial statements. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to the PCC and to the Chief Constable via you in accordance with auditing standards.

These and other recommendations, together with management responses, are included in the action plan attached at Appendix A for the PCC; and at Appendix B for the Chief Constable.

	Assessment	Issue and risk	Recommendations
1.		<p>We reported last year that there were some IT security access controls that should be improved. Since then your CFO has been working on delivering improvements to these deficiencies:</p> <ul style="list-style-type: none"> <li>• The recommendations for patch management were completed in March 2014</li> <li>• Protective security in respect of critical audit logs was being implemented as at March 2014.</li> <li>• Back up procedures implemented by March 2014</li> <li>• Domain administrator access complete by March 2014</li> <li>• Agresso system access being implemented as at March 2014</li> <li>• Removal of User Accounts March 2014 – A HR system upgrade has been authorised and this recommendation will be actioned as the upgrade is implemented.</li> </ul> <p>Our follow up review did not identify any other issues that we need to report to you.</p>	<ul style="list-style-type: none"> <li>• These recommendations not shown as completed by March 2014 are currently being implemented.</li> </ul>

## Assessment

-  Significant deficiency – risk of significant misstatement
-  Deficiency – risk of inconsequential misstatement

# Other communication requirements

We set out below details of other matters which we are required by auditing standards to communicate to the PCC and to the Chief Constable before we conclude our audits.

	Issue	Commentary
1.	<b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with the Audit Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit.</li> </ul>
2.	<b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>We are not aware of any significant incidences of non-compliance with relevant laws and regulations.</li> </ul>
3.	<b>Written representations</b>	<ul style="list-style-type: none"> <li>A letter of representation has been requested from the PCC and the Chief Constable.</li> </ul>
4.	<b>Disclosures</b>	<ul style="list-style-type: none"> <li>Our review found no material omissions in the financial statements.</li> </ul>
5.	<b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>We are not aware of any related party transactions which have not been disclosed.</li> </ul>
6.	<b>Going concern</b>	<ul style="list-style-type: none"> <li>Our work has not identified any reason to challenge the Council's decision to prepare the financial statements on a going concern basis.</li> </ul>

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## Section 3: Value for Money

01. Executive summary

02. Audit findings

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05. Communication of audit matters

# Value for Money

## Value for money conclusion

The Code of Audit Practice 2010 (the Code) describes the PCC's and the Chief Constable's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources;
- ensure proper stewardship and governance; and
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give our VFM conclusion based on two criteria specified by the Audit Commission which support our reporting responsibilities under the Code. These criteria are:

### **The PCC and the Chief Constable each has proper arrangements in place for securing financial resilience**

- the PCC and the Chief Constable each has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables them to continue to operate for the foreseeable future.

### **The PCC and the Chief Constable each has proper arrangements for challenging how they secure economy, efficiency and effectiveness**

- the PCC and the Chief Constable are prioritising their resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

## Key findings – PCC and Chief Constable

### Securing financial resilience

We have considered the PCC's arrangements to secure financial resilience against the following themes:

- Key financial performance indicators
- Financial governance
- Financial planning
- Financial control

Overall our work highlighted that Wiltshire enjoys lower than average costs for comparable police bodies and is currently lowest in the region for council tax band D.

The PCC and Chief Constable have an integrated medium term financial strategy that sets out the financial projections for the period 2014/15 to 2016/17. This showed that the total shortfall over the next three years amounted to £11.575m after increasing council tax by 1.99% for 2014/15 which generated £0.77m. The strategy shows that savings of £3.9m and £3.3 m are planned for 2014/5 and 2015/16. HMIC comment that the force has a good track record of achieving savings to date and that plans are in place to meet the savings requirements for 2014/15 and 2015/16.

The PCC and Chief Constable have sound arrangements for maintaining budgetary control and reported an underspend against budget of £2.987m in 2013/14.

The Police and Crime Panel (a group of 11 councillors and 2 independent members) holds the PCC to account and scrutinises his work. Their role includes scrutinising the performance of the PCC in delivering the Police and Crime Plan. The PCC has established "The Commissioners Monitoring Board" (CMB) which is key in ensuring strong governance.

# Value for Money

## Value for money conclusion

### Challenging economy, efficiency and effectiveness

We have considered the PCC's and Chief Constables arrangements to challenge economy, efficiency and effectiveness against the following themes:

- Prioritising resources
- Improving efficiency & productivity

Overall our work highlighted that the PCC and Chief Constable have sound arrangements in place.

In October 2010 the former Police Authority approved the Vision Programme. This was a 4 year strategy to save £14 million by reducing the middle and back office. £11.06m of savings have been verified since the austerity measures started in April 2011.

The efficiency strategy for 2014/15 and 2015/16 has 3 themes;

- Collaboration, working with local and regional partners
- Empowerment, reducing management and merging sections/departments
- Departmental, incremental savings and finalised Vision programme

The largest savings are based on the Strategic Alliance with Wiltshire Council. By providing support services jointly savings between 5% and 20% are expected. The second largest saving is Tri-Service Operations. This highlights that the force are looking to use the most appropriate partner(s) to make the savings. Some savings streams will be with just one force (Avon and Somerset Legal Collaboration), whilst others will be all 5 South West Forces (Forensics).

This plan largely meets the budget gap identified in 2015/16 of £3.2m and demonstrates that the PCC and the CC have developed sound joint plans to prioritise resources and demonstrate leadership.

People plans are well managed and hierarchy has been reduced by the reduction of chief inspector and chief superintendent ranks. To date, the force has achieved the bulk of the required savings through reducing pay costs and has developed plans to target non-pay costs as a way of saving as many jobs as possible.

The PCC has set targets in relation to officer numbers/mix of officers v civilian staff and the balance between PCSOs and Officers. The force has worked closely with the PCC to review management structures as the previous hierarchy was considered too costly, and had too many levels.

HMIC report shows that Wiltshire is a low crime area with good victim satisfaction levels

### Overall VFM conclusion – PCC and Chief Constable

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the PCC has put in place proper arrangements to secure economy, efficiency and effectiveness in his/her use of resources for the year ending 31 March 2014.

We set out below our detailed findings against six risk areas which have been used to assess the PCC and Chief Constable's performance against the Audit Commission's criteria. We summarise our assessment of each risk area using a red, amber or green (RAG) rating, based on the following definitions:

<b>Green</b>	Adequate arrangements
<b>Amber</b>	Adequate arrangements, with areas for development
<b>Red</b>	Inadequate arrangements

The table below and overleaf summarises our overall rating for each of the themes reviewed:

Theme	Summary findings	RAG rating 2013-14																				
<b>Key indicators of performance</b>	<p>Wiltshire is currently lowest in the region for council tax Band D. Value for Money profiles show Wiltshire as low spenders in all areas (HMIC 2013 cost profile).</p> <table border="1"> <thead> <tr> <th><b>COSTS</b></th> <th><b>£m</b></th> <th><b>£/head</b></th> <th><b>Avg</b></th> <th><b>Diff £m</b></th> </tr> </thead> <tbody> <tr> <td>Local policing</td> <td>40.9</td> <td>59.8</td> <td>75.1</td> <td>-10.5</td> </tr> <tr> <td>Investigations</td> <td>7.7</td> <td>11.2</td> <td>15.0</td> <td>-2.6</td> </tr> <tr> <td>Total exc. national policing</td> <td>108.7</td> <td>158.9</td> <td>184.0</td> <td>-17.1</td> </tr> </tbody> </table> <p>Liquidity - Working capital ratio is 3.82 which is well above the benchmark of 2. No indications of any liquidity issues. The PCC group holds £26m in investments and has no long term debt other than the PFI.</p>	<b>COSTS</b>	<b>£m</b>	<b>£/head</b>	<b>Avg</b>	<b>Diff £m</b>	Local policing	40.9	59.8	75.1	-10.5	Investigations	7.7	11.2	15.0	-2.6	Total exc. national policing	108.7	158.9	184.0	-17.1	<b>Green</b>
<b>COSTS</b>	<b>£m</b>	<b>£/head</b>	<b>Avg</b>	<b>Diff £m</b>																		
Local policing	40.9	59.8	75.1	-10.5																		
Investigations	7.7	11.2	15.0	-2.6																		
Total exc. national policing	108.7	158.9	184.0	-17.1																		
<b>Strategic financial planning</b>	<p>The PCC/CC produced a Medium Term Financial Strategy which estimates that by the end of 2016-17 central funding will have dropped in real terms by 31% since 2010-11.</p> <p>In 2011-12 and 2012-13 Wiltshire Police Authority decided not to increase the Council Tax levy. The PCC continued this trend in 2013-14 and there has been no increase in Council Tax in Wiltshire for 3 years. In return the Authority and PCC received grants. The 2012-13 grant was for one year and is no longer payable. The PCC continues to receive grant for 2011-12 and 2013-14, the June 2013 spending review announced that these grants will be funded up to 2015-16.</p> <p>Budget forecasts take into account spinal point increases, inflation increase, regional firearms range, loss of partnership funding to ECC, increase in local government pensions, and MASH funding. The Budget variances for 2014-15 would be -£3.9m (1.99% tax increase).</p> <p>The shortfall in the budget over next three years is £11.575m requiring savings are in addition to those already made through Vision in previous years. The Vision programme is due to deliver savings of £3.25m in 2014-15.</p> <p>Inflation assumptions MTFS includes relevant inflation assumptions</p>	<b>Green</b>																				

We set out below our detailed findings against six risk areas which have been used to assess the PCC and Chief Constable's performance against the Audit Commission's criteria. We summarise our assessment of each risk area using a red, amber or green (RAG) rating, based on the following definitions:

Theme	Summary findings	RAG rating 2013-14
<b>Financial governance</b>	<p>The Police and Crime Panel (a group of 11 councillors and 2 independent members) is required to hold the PCC to account and scrutinise his work. Their role includes scrutinising the performance of the PCC in delivering the Police and Crime Plan. The Police and Crime Panel supported the Commissioner's proposed increase to the police precept of 1.99% for 2014/15.</p> <p>The PCC has established The Commissioners Monitoring Board (CMB) which is key in ensuring strong governance. The Board receives reports on performance, risk, and finance. This ensures the PCC is aware of current risks and issues and reviews areas and calls for reports. CMB is attended by the PCC, the PCC's Chief Executive and all Force Chief Officers including the joint Chief Finance Officer. In addition to this the PCC meets with Head of Performance bi-weekly to discuss progress. Although the Chief Constable is responsible for operational policing matters, the PCC is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. The CC is supported by the Chief Officer Group/Senior Command Team. Monthly performance reporting occurs at the Strategic Improvement Board. The PCC has also established a joint independent audit committee to receive and review internal and external audit reports and the financial statements.</p>	<b>Green</b>
<b>Financial control</b>	<p>The process for setting and monitoring the budget is sound and provides a reliable budget. The budget was delivered with an underspend of £2.987m in 2013/14. Quarterly budget reports are presented to the Police and Crime panel. The Wiltshire Police Budget Monitoring Period: April 2013 - January 2014 showed that the then projected underspend was -£2.6m (-3.0%). The report provides clear explanations for variances e.g. The budget was based on 863 staff after Vision and Management Structure savings. At the end of January actual numbers were 808 giving rise to an. Some of the vacancies are being covered by Agency staff. The provisional revenue outturn being reported to the June 2014 Corporate Management Board identifies an under spend of £2.969 million in the accounts (revised to £2.987) million. A breakdown of variances is provided. Capital expenditure in 2013/14 was £4.090 million compared to an approved budget of £7.519 million.</p> <p>Savings of £4.09m in 2013-14 were targeted in the Vision savings requirement (and included in the budget book 2013/14). £8.34m of savings achieved since the austerity measures started, by the end of 2013-14 this will have reached £12m.</p>	<b>Green</b>

We set out below our detailed findings against six risk areas which have been used to assess the PCC and Chief Constable's performance against the Audit Commission's criteria. We summarise our assessment of each risk area using a red, amber or green (RAG) rating, based on the following definitions:

Theme	Summary findings	RAG rating 2013-14
<b>Prioritising resources</b>	<p>In October 2010 the Police Authority approved the Vision Programme. This was a 4 year strategy to save £14 million by reducing the middle and back office. In Autumn 2013 further information was released by central government which confirmed the need to make additional savings in future years. £11.058m of savings have been verified since the austerity measures started in April 2011. The breakdown of savings is;</p> <p>The remaining Vision savings of £2.803m have been reviewed with Budget Holders and the Deputy Chief Constable and are considered achievable.</p> <p>The efficiency strategy for 2014/15 and 2015/16 has 3 themes;</p> <ul style="list-style-type: none"> <li>• Collaboration, working with local and regional partners</li> <li>• Empowerment, reducing management and merging sections/departments</li> <li>• Departmental, incremental savings and finalised Vision programme</li> </ul> <p>The largest savings surround the Strategic Alliance with Wiltshire Council. By providing support services together savings between 5% and 20% are expected. The second largest saving is Tri-Service Operations. This highlights that the force are looking to use the most appropriate partner(s) to make the savings. Some savings streams will be with just one force (Avon and Somerset Legal Collaboration), whilst others will be all 5 South West Forces (Forensics). This plan largely meets the budget gap identified in 2015/16 of £3.2m and demonstrates that the PCC and the CC have developed sound joint plans to prioritise resources and demonstrate leadership. The S151 officer is closely involved in preparing the plans and reports. The organisation has challenged delivery methods and alternative options. There is clarity about the local implementation of the roles and responsibilities and the relationship between the PCC and the CC</p>	<b>Green</b>
<b>Improving efficiency &amp; productivity</b>	<p>People plans are well managed and hierarchy has been reduced by the reduction of chief inspector and chief superintendent ranks. To date, the force has achieved the bulk of the required savings through reducing pay costs and has developed plans to target non-pay costs as a way of saving as many jobs as possible. The PCC has set targets in relation to officer numbers/mix of officers v civilian staff and the balance between PCSOs and Officers. The force has worked closely with the PCC to review management structures as the previous hierarchy was considered too costly, and had too many levels.</p> <p>HMIC report shows that Wiltshire is a low crime area with good victim satisfaction levels. In the 12 months to March 2014, 90.0% of victims were satisfied with the overall service provided by Wiltshire Police force compared to 85.2% for England and Wales figure. Wiltshire's sanction detection rate (for crimes excluding fraud) for the 12 months to March 2014 was 24%. (England and Wales's detection rate of 26%).</p>	<b>Green</b>

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## Section 4: Fees, non audit services and independence

01. Executive summary

02. Audit findings

03. Value for Money

**04. Fees, non audit services and independence**

05. Communication of audit matters

# Fees, non audit services and independence

We confirm below our final fees charged for the audits and confirm there were no fees for the provision of non audit services.

## Fees

	Per Audit plan £	Actual fees £
Police and Crime Commissioner audit	42,310	42,310
Chief Constable audit	20,000	20,000
<b>Total audit fees</b>	<b>62,310</b>	<b>62,310</b>

## Fees for other services

Service	Fees £
None	Nil

## Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

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## Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

# Communication of audit matters to to the Police and Crime Commissioner and to the Chief Constable

International Standard on Auditing (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

## Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).

We have been appointed as the PCC's and the Chief Constable's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the PCC and the Chief Constable to ensure that proper arrangements are in place for the conduct of their business, and that public money is safeguarded and properly accounted for. We have considered how the PCC and the Chief Constable are fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Compliance with laws and regulations		✓
Expected auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

# Appendices

# Appendix C: Audit opinion - PCC

**We anticipate we will provide the PCC with an unmodified audit report**

## INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR WILTSHIRE

### Opinion on the financial statements

We have audited the financial statements for the Police and Crime Commissioner for Wiltshire for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Police and Crime Commissioner Single Entity and Group Movement in Reserves Statement, the Police and Crime Commissioner Single Entity and Group Comprehensive Income and Expenditure Statement, the Police and Crime Commissioner Single Entity and Group Balance Sheet, the Police and Crime Commissioner Single Entity and Group Cash Flow Statement and the related notes and include the police pension fund financial statements comprising the Fund Account, the Net Assets Statement and the related note 1. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the Police and Crime Commissioner for in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Police and Crime Commissioner Single Entity and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Wiltshire as at 31 March 2014 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the Group as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and applicable law.

### Opinion on other matters

In our opinion, the information given in the explanatory for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we report by exception**

We report to you if:

in our opinion the annual governance statement does not reflect compliance with ‘Delivering Good Governance in Local Government: a Framework’ published by CIPFA/SOLACE in June 2007; we issue a report in the public interest under section 8 of the Audit Commission Act 1998; we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Police and Crime Commissioner to consider it at a public meeting and to decide what action to take in response; or we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

**Conclusion on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in the use of resources**

***Respective responsibilities of the Police and Crime Commissioner and the auditor***

The Police and Crime Commissioner is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Police and Crime Commissioner has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

***Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources***

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Police and Crime Commissioner has proper arrangements for: securing financial resilience; and challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Police and Crime Commissioner had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

***Conclusion***

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, the Police and Crime Commissioner for Wiltshire put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

***Certificate***

We certify that we have completed the audit of the financial statements of the Police and Crime Commissioner for Wiltshire in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

[

OR

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Police and Crime Commissioner's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

[Signature]

Simon Garlick

Director  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Suite 4  
Stowey House  
Bridport Road  
Poundbury  
Dorchester  
DT1 3SB

September 2014

# Appendix D: Audit opinion – Chief Constable

**We anticipate we will provide the Chief Constable with an unmodified audit report**

## INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR WILTSHIRE

### Opinion on the financial statements

We have audited the financial statements of the Chief Constable for Wiltshire for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes and include the police pension fund financial statements comprising the Fund Account, the Net Assets Statement and the related note. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the Chief Constable for Wiltshire in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Chief Constable's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:  
give a true and fair view of the financial position of the Chief Constable for Wiltshire as at 31 March 2014 and of its expenditure and income for the year then ended; and  
have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and applicable law.

### Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we report by exception

We report to you if:  
in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;  
we issue a report in the public interest under section 8 of the Audit Commission Act 1998;  
we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Chief Constable to consider it at a public meeting and to decide what action to take in response; or  
we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

**Conclusion on the Chief Constable’s arrangements for securing economy, efficiency and effectiveness in the use of resources**

*Respective responsibilities of the Chief Constable and the auditor*

The **Chief Constable** is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the **Chief Constable** has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the **Chief Constable** has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the **Chief Constable’s** arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

*Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources*

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the **Chief Constable** has proper arrangements for:  
securing financial resilience; and  
challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the **Chief Constable** put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the **Chief Constable** had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**Conclusion**

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, Chief Constable for Wiltshire put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

**Certificate**

We certify that we have completed the audit of the financial statements of the Chief Constable for Wiltshire in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

**OR**

**We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Chief Constable’s Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.**

[Signature]

Simon Garlick  
Director  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Hartwell House | 55-61 Victoria Street | Bristol | BS1 6FT

September 2014



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