



# Annual Audit Letter 2015/16

**Police & Crime Commissioner for  
Nottinghamshire and  
Chief Constable for Nottinghamshire**

**October 2016**



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This report is addressed to the Police and Crime Commissioner/Chief Constable and has been prepared for the sole use of the Police and Crime Commissioner/Chief Constable. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Cardoza, the engagement lead to the Police and Crime Commissioner/Chief Constable, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

This 2015/16 Annual Audit Letter summarises the outcome from our audit work at both the Police and Crime Commissioner (“PCC”) and Chief Constable (“CC”) for Nottinghamshire in relation to their 2015/16 audit year.

Although it is addressed to the PCC and CC, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the PCC and CC’s websites.

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on both the PCC and CC’s arrangements to secure value for money (VFM conclusion) for 2015/16 on 29 September 2016. This means we are satisfied that during the year the PCC and CC had proper arrangements for informed decision making, sustainable resource deployment and working with partners and third parties.</p> <p>To arrive at our conclusion we looked at the PCC and CC’s arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
<b>VFM risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>We identified the following VFM risks from our risk assessment work:</p> <ul style="list-style-type: none"> <li>- Budget Performance and Medium Term Financial Strategy; and</li> <li>- Strategic Alliance (Tri Force Collaboration).</li> </ul> <p>We have concluded that in all significant respects the PCC and CC have proper arrangements during 2015/16 to ensure they took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the PCC and CC’s 2015/16 financial statements on 29 September 2016. This means that we believe the financial statements give a true and fair view of the financial position of the PCC and CC and of their respective expenditure and income for the year.</p>
<b>Financial statements audit</b>	<p>We identified the following issues in the course of the 2015/16 audit:</p> <ul style="list-style-type: none"> <li>— A number of non material adjustments to the financial statements, most of which were presentation and disclosure issues. All changes were amended and did not affect the final balances in the core financial statements.</li> </ul> <p>Our audit plan identified assurances over the regional collaboration accounts and transactions, and the Multi Force Shared Service new financial systems as significant risks and the generation of the financial statements as an area of audit focus for the year. We noted that all of these areas had been appropriately addressed by the PCC and CC, although we will continue to work with Senior Officers to refine the needs of the Prepared by Client List.</p> <p>We have had regular meetings with officers throughout the year which has facilitated delivery of the audit and have already discussed how we can work together to secure further improvement next year.</p>

## Section one

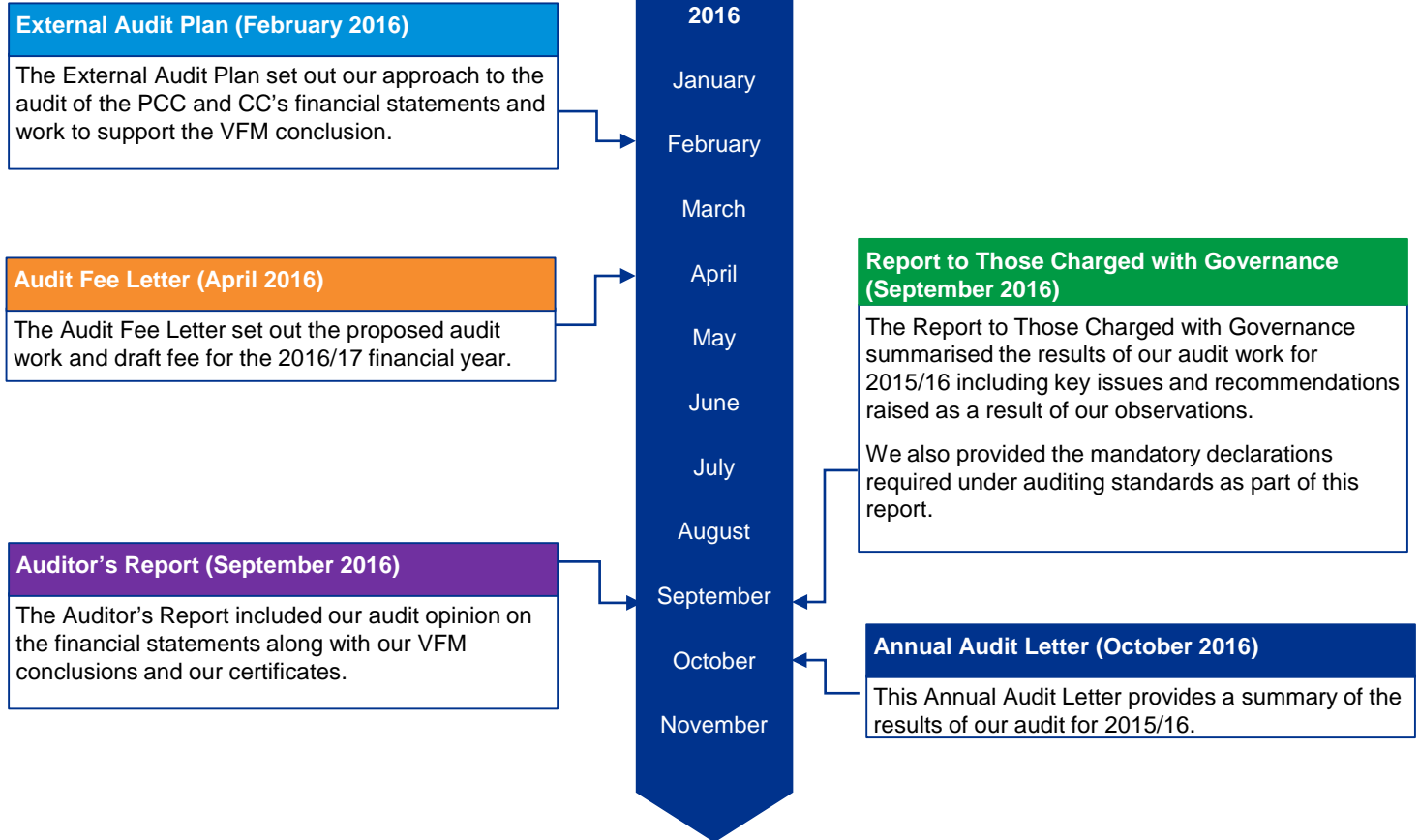
# Headlines (cont)

All the issues in this Annual Audit Letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

<b>Annual Governance Statement</b>	We reviewed your 2015/16 Annual Governance Statements (for PCC and CC) and concluded that they were consistent with our understanding.
<b>Whole of Government Accounts</b>	The PCC prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the PCC falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.
<b>Certificate</b>	We issued our certificate on 29 September 2016. The certificate confirms that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.
<b>Audit fee</b>	Our fees for 2015/16 were £35,220 and £15,000, excluding VAT, for the PCC and CC respectively. These were in accordance with our original proposed fees. Further detail is contained in Appendix 2.

# Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.



# Appendix 2: Audit fees

This appendix provides information on our final fees for the 2015/16 audit.

To ensure transparency about the extent of our fee relationship with the PCC and CC we have summarised below the outturn against the 2015/16 planned audit fee.

**External audit**

Our final fees for the 2015/16 audits were:

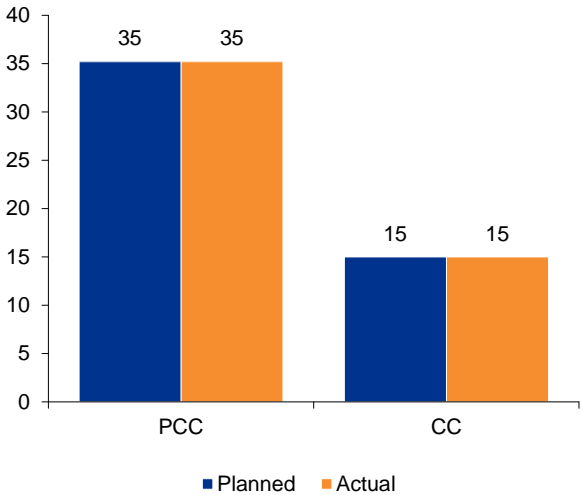
- Police and Crime Commissioner £35,220; and
- Chief Constable £15,000.

Both of these are in line with the planned fees.

**Other services**

We did not charge any additional fees for other services.

External audit fees 2015/16 (£'000)





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