

# Auditor's Annual Report on the Police and Crime Commissioner and Chief Constable for Northumbria

Financial year 2020-21

August 2022



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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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 for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements 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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# Executive summary



## Value for money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the PCC and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors report in more detail on the group's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the group's arrangements under specified criteria:

- Financial sustainability
- Governance
- Improving economy, efficiency and effectiveness

As part of our work, we considered whether there were any risks of significant weakness in the group's arrangements for securing economy, efficiency and effectiveness in its use of resources. We did not identify any such risks.

Criteria	Risk assessment	Conclusion
Financial sustainability	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified, and no recommendations made
Governance	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified, but improvement recommendation made
Improving economy, efficiency and effectiveness	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified, and no recommendations made



## Financial sustainability

The group is operating in an increasingly uncertain financial environment. For the second successive year, the Police Funding Settlement was a single year review. Northumbria will need to continue to plan with little certainty over funding in the medium term, along with other police entities.

Despite this uncertainty, and the challenges posed by COVID-19, the group has maintained a good financial position. The PCC and Chief Constable have put forward a series of proposals which forecast a balanced budget for the next four years. In addition, as at 31 March 2021, the group held general revenue reserves of £10.1m and held £23.1m of earmarked reserves.

This places Northumbria in a strong financial position. Having planned its budgets for future years well in advance will enable sensible phasing of proposals to minimise the impact of the financial climate on services to residents.

Our work has not identified any significant weaknesses in arrangements to secure financial stability for the PCC and Chief Constable.

Further details can be seen on pages 5-6 of this report.



## Governance

Our work this year has focussed on developing a detailed understanding of the governance arrangements in place at the group and the changes instigated as a response to the pandemic.

Our work on both business as usual and adapted structures has not identified any significant weaknesses in arrangements in relation to governance.

Further details can be seen on pages 7-9 of this report.



## Improving economy, efficiency and effectiveness

The PCC and Chief Constable have demonstrated a clear understanding of their roles in securing economy, efficiency and effectiveness in their use of resources.

Our work has not identified any significant weaknesses in arrangements in relation to delivering economy efficiency and effectiveness.

Further details can be seen on pages 10-13 of this report.

# Commentary on the PCC's and the Chief Constable's arrangements to secure economy, efficiency and effectiveness in their use of resources

All PCCs and Chief Constables are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The PCC's and Chief Constable's responsibilities are set out in Appendix A.

PCCs and Chief Constables report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



## Financial sustainability

Arrangements for ensuring the PCC and Chief Constable can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



## Governance

Arrangements for ensuring that the PCC and Chief Constable make appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the PCC and Chief Constable make decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the PCC and Chief Constable deliver their services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on each of these three areas, as well as the impact of COVID-19, is set out on pages 5 to 14.



# Financial sustainability



## We considered how the PCC and the Chief Constable:

- identify all the significant financial pressures they are facing and builds these into their plans
- plan to bridge funding gaps and identify achievable savings
- plan finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensure financial plans are consistent with other plans such as workforce, capital, investment and other operational planning
- identify and manage risk to financial resilience, such as unplanned changes in demand and assumptions underlying their plans.

## 2020/21 and ongoing financial pressures

The COVID-19 pandemic resulted in widespread disruption to the UK economy and society since March 2020. As anticipated the OPCC and Force's rapid response to the pandemic resulted in additional costs being incurred, mainly in 2020/21, that could not have been foreseen. Monthly returns detailing additional pandemic-related spend were submitted to the Home Office.

Despite the continued uncertainty, the OPCC and Force continued effective in-year budget monitoring, and annual revisions to the Medium Term Financial Strategy. One of the key principles of the strategy is to maintain a general reserve of a minimum of 2% of the net revenue budget to cover any significant adverse event. Importantly this is reflected as a key mitigation on a number of the financial risks listed in the Joint Strategy Risk Register. The 2021-22 to 2024-25 MTFS forecasts a steady General Reserve balance of £10m over the MTFS period, in addition to a number of earmarked reserves. The group's total reserves were forecast to reduce from approximately £30m to approximately £18m over that period.

## Capital Programme

The final capital programme approved by the PCC, and reported in the MTFS for 2020-21 to 2023-24 was £16.7m for 20/21, as part of a £61.3m four year programme. A significant component of this programme was the IT and Digital Transformation programme, budgeted at £29.9m over the MTFS period. This programme was primarily aimed at replacing the legacy systems which had not been replaced in the expected timescales due to the decade of austerity.

The four-year programme was to be financed by £32.3m of prudential borrowing, £23.3m of capital receipts, £3.6m of earmarked reserves and £2.1m of other grants and contributions.

In 21/22 the position progressed to a proposed £73.7m capital programme in the refreshed MTFS, including a revised IT and Digital budget of £40.5m over the MTFS four-year period. The slippage in the IT programme delivery was mainly due to supplier-side delays.

IT capital programmes are prone to overruns, both financial and in terms of delivery timelines. While we have not noted any indications of unrealistic capital budgeting and forecasting, the Force must ensure that this remains under control.

# Financial sustainability

## Medium Term Financial Strategy (MTFS) and savings schemes

The annually revisited and refreshed MTFS is the cornerstone of the group's plan to maintain financial sustainability. At the same time, the MTFS demonstrably coincides with the strategic priorities outlined in the PCC's Police and Crime Plan.

Savings schemes are a key aspect of the revenue budget setting process. While opportunities for significant savings are limited in the context of the national Uplift Programme, the risk of failure to deliver planned savings is appropriately recognised in the Joint Strategic Risk Register.

Savings schemes are appropriately approved, with budget holders proposing savings for their individual areas. These are collated by Finance and presented to the CFO for comments and challenge. The final approved savings schemes are taken to the draft revenue budget for PCC approval as TCWG.

The 2020/21 year end outturn (as reported in the 2020/21 financial statements), showed an overall underspend of £2.27m for the Chief Constable, and an underspend of £972k for the PCC.

While the final position was achieved via late government COVID-19 funding, there were £3.7m of budget savings included in the 2020/21 budget, which assisted in the Force avoiding overspends.

Positively, there is no evidence of unsustainable planned use of reserves to bridge funding gaps.

## Cost drivers and risk assessments

While external changes such as population changes and demand for services are key factors affecting the Force's activities, the main expenditure driver is the national Uplift programme. The Force is expected to recruit a number of staff in order to help achieve the national pledged figure. Progress against delivery of the local Uplift expectation is a key aspect of the MTFS.

With regards to general cost inflation, the MTFS 2021-22 to 2024-25 contains a risk assessment section (section 10) with a list of the most significant risks over the medium term. High on this list is the risk that pay awards and price inflation could be higher than expected.

No pay award was reflected in the 2021/22 position given the 2020 Government announced pay freeze, however a pay award was assumed for future years for prudence. Pay progression is also factored in through the MTFS period.

We consider that the Force's financial plans are effective in identifying cost drivers.

## Conclusion

Overall, we are satisfied the PCC and Chief Constable have appropriate arrangements in place to ensure they manage risks to the group's financial sustainability. We have not identified any risks of significant weaknesses nor have we identified any improvement recommendations.

# Governance



## We considered how the PCC and the Chief Constable:

- monitor and assess risk and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approach and carry out the annual budget setting process
- ensure effectiveness processes and systems are in place to ensure budgetary control
- ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitor and ensure appropriate standards.

## Arrangements to produce, monitor and ensure delivery of the Police and Crime Plan

There are a number of arrangements and established structures to enable effective oversight and delivery of the annually updated Police and Crime Plan (PCP). As part of our review we have considered arrangements surrounding governance and oversight, partnership workings and business planning to support delivery of the PCP.

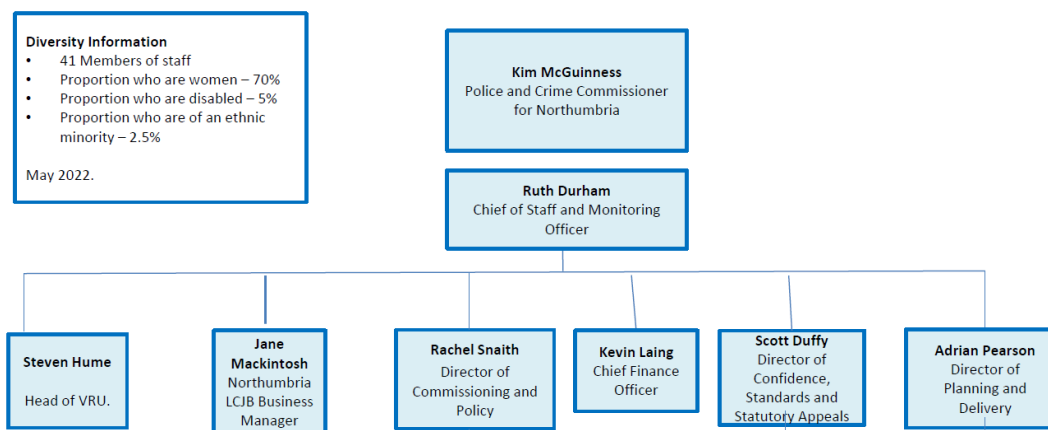
The PCC is supported in her work and decision making by a strong and experienced OPCC leadership structure.

## Governance and Oversight

The PCC is held to account by the Police and Crime Panel, which is hosted by Gateshead Council. She provides the Panel with strategic updates at the quarterly meetings, and receives constructive feedback and challenge from Panel members.

The panel consists of Councillors representing the five Tyne and Wear Councils, Northumberland County Council and two independent members.

## Office of the Police and Crime Commissioner for Northumbria



# Governance

## Assurance Frameworks

The PCC and Chief Constable are supported in their statutory roles as 'Those Charged with Governance' of the two statutory entities by the Joint Independent Audit Committee (JIAC). The JIAC provides independent assurance that adequate corporate and strategic risk management arrangements are in place for the PCC and the Chief Constable. It jointly advises the PCC and the Chief Constable on governance matters as well as good practices.

JIAC performs an annual review of effectiveness and has a published, annually reviewed, Terms of Reference. The PCC and Chief Constable regularly attend JIAC, and records show that all five JIAC members attended at least 3 out of 4 meetings during the 2020/21 financial year.

JIAC receives and reviews reports on processes and controls from both Internal and External Audit. Any recommendations arising are discussed and management implementation is set into motion where appropriate.

## Risk Management and Internal Control

Key to risk identification and management is the Joint Strategic Risk Register. This is regularly reviewed and features highly in JIAC's agenda.

The group's Internal Audit service continues to be provided independently by Gateshead Council, under a service level agreement with both the PCC and Chief Constable. JIAC has an active role in reviewing the sufficiency, detail and outcomes of Internal Audit work plans and findings.

It was noted at the July 2021 JIAC meeting that final reports had been issued for 15 of the 23 planned 2020/21 audits, with 8 still in progress. There were no instances of significant control weaknesses identified by Internal Audit work in 2020/21.

## Budget Setting Process

The budget setting process is well controlled and managed between senior members of the finance team, the Joint CFO and the Commissioner.

The annual rolling four-yearly group budget setting is designed to be in tune with the rolling four-yearly MTFS. The group forecast budget in the 2020/21 MTFS incorporated the use of an investment reserve over the MTFS period in order to fund the budget gap and meet the MTFS principle that overall expenditure will be delivered to a sustainable budget over the medium term.

A key external driver of the budget is the Uplift programme. The 2020/21 budget was intentionally set with the frontloading of officer recruitment in mind, in order to put the Force ahead of its target under the Uplift programme. An investment of £2.1m was built in to fund this.

In our assessment there is adequate internal and external engagement in the budget setting process. In January 2021 the Commissioner launched a consultation with the public on the proposed 2021/22 precept. The 2021/22 Precept and Budget report was issued to the Police and Crime Panel for consideration on 26 January 2021, and on 2 February 2021 the Police and Crime Panel agreed the Commissioner's proposals to increase the council tax precept for 2021/22 by 4.99%.

In the current economic climate, there is a greater need than ever to consider the impact of a range of scenarios. To increase rigour in the group's budget setting and approval processes there could be more explicit consideration of alternative scenarios and sensitivity analyses on underlying budget assumptions. We have raised an improvement recommendation to this effect on the next page.

## Conclusion

Overall, we are satisfied the PCC and Chief Constable have appropriate arrangements in place to ensure they maintain strong governance arrangements. We have not identified any risks of significant weaknesses however we have identified a single improvement recommendation overleaf.



# Improvement recommendation



## Governance

<b>Recommendation</b>	The budget setting and approval processes would be strengthened by the inclusion of a visible layer of alternative scenario planning and sensitivity analysis.
<b>Why</b>	Such analysis would aid the understanding of key assumptions and risks at all stages of the process, leading to increased financial resilience in a time of wider economic uncertainty.
<b>Auditor judgement</b>	While the group has a robust budget setting process, there is room to add rigour.
<b>Summary findings</b>	We have identified no adverse findings during our work, however we consider that there is room to improve the transparency of the process.
<b>Management comment</b>	<p>Management are satisfied that appropriate levels of sensitivity analysis are undertaken on key items of income and expenditure as part of the MTFS planning process, along with consideration of various potential scenarios.</p> <p>Currently, this consideration is not formally documented as part of the process, however this will be incorporated going forward.</p>

The range of recommendations that external auditors can make is explained in Appendix C.

# Improving economy, efficiency and effectiveness



## We considered how the PCC and the Chief Constable:

- use financial and performance information to assess performance to identify areas for improvement
- evaluate the services they provide to assess performance and identify areas for improvement
- ensure they deliver their role within significant partnerships, engage with stakeholders, monitor performance against expectations and ensure action is taken where necessary to improve
- ensure that they commission or procure services in accordance with relevant legislation, professional standards and internal policies, and assesses whether they are realising the expected benefits.

## Workforce and Uplift

A key aspect of the Force's capability for improved effectiveness is its ability to recruit and retain talented staff. This is primarily monitored as part of the Force's contribution to the Home Office's Uplift Programme, aimed at significantly boosting police officer numbers across the country.

Northumbria's target of recruiting an additional 181 officers in the year to March 2021 was achieved. In the 2021/22 national settlement, Northumbria's target was to recruit an additional 181 police officers as part of the national target of 6,000 by March 2022.

In our assessment the Force is clearly engaged with this programme and indeed seeks to exceed the Home Office's target. In setting the 2021/22 updated MTFs, additional funding was planned to be raised via Council Tax Precept to deliver an additional 60 police officer investigator posts in 2021/22.

## Benchmarking

The Police and Crime Panel makes reference to national statistics in providing performance challenge to the PCC. For example, in March 2021 the Panel raised that while the Force's charge rate for rape offences was ranked 3<sup>rd</sup> nationally, it was placed 22<sup>nd</sup> nationally for the rape conviction rate.

The Force makes proactive use of available benchmarking data, such as that provided by HMICFRS, in order to inform overall Force performance review. HMICFRS places Northumbria Police in a 'Most Similar Group' along with several comparable forces from across the country, allowing for meaningful data benchmarking across the group.

A report to the Strategic Management Board in March 2021 provided an overview of comparative VFM data for 2020, taken primarily from the Police Objective Analysis (POA) submission to CIPFA. The report provides benchmarked analysis of income and expenditure reported in demographic and functional terms. Infographics have been produced to demonstrate how Northumbria Police ranks across the various areas, including Local Policing, Investigations and Support Functions.

# Improving economy, efficiency and effectiveness

## Partnerships and Commissioning

Northumbria Police takes a leading role in hosting the North East Regional Special Operations Unit (NERSOU), which is a formal joint operation between Northumbria, Cleveland and Durham Forces. NERSOU is one of 10 Regional Organised Crime Units (ROCU) across England and Wales, with the express role of facilitating a heightened specialist capability to tackle serious and organised crime in the region.

NERSOU operations and effectiveness are regularly reviewed by the Force, and the ROCU programme was subject to a national review by HMICFRS, which was published in February 2021. While this review highlighted several concerns for the Home Office to address, some recommendations were made at Force level to ensure that ROCU benefits are maximised. The PCC published her response to this review in April 2021, detailing the Force's proposed responses to the issues raised.

## HMICFRS Update

Since the 2018/19 PEEL inspection rated Northumbria Police as 'Requires Improvement', the Force has been on a trajectory of improvement and innovation.

From September 2019 the Force started to report quarterly on the quantum of 'Areas for Improvement' (AFIs) outstanding, mainly to track PEEL inspection issues but also as a way to gather AFIs picked up in national thematic reviews, and ensure that these are addressed locally.

By early 2022 the Force had confirmed removal of all outstanding PEEL AFIs by HMICFRS, giving a clean slate for the next full inspection which is taking place in 2022.

	September 2019	November 2021	February 2022	April 2022
Open AFIs from PEEL inspection 2018/19	18	2	2	0

## Data and Data Quality

Quality and timely reporting of policing and crime data is fundamental for all stakeholders to understand and challenge the performance of the Force. The PCC's Police and Crime Plan 2021-2025 appropriately centres around a commitment to publish data for the sake of transparency and public engagement.

We noted that the Force has an assigned responsible individual for data quality, and a regular internal audit review of the same, with no adverse findings in recent years.

We have seen evidence of the level of work undertaken to monitor the force performance and the performance data quality - regarding compliance with National Crime Recording Standards (NCRS) and Home Office Counting Rules (HOCR).

Crime Recording Standards reports are brought to the Confidence and Standards board. These are prepared by the Crime Data Integrity (CDI) section, who undertake risk-based audits to identify potential areas of risk and non-compliance in relation to NCRS and HOCR. The reports detail how any under-recording of crime has been calculated, and that detailed analyses have been fed back to relevant departments.

The report appropriately presents actions to be implemented in with the crime quality improvement plan.

## Conclusion

Overall, we are satisfied the PCC and Chief Constable have appropriate arrangements in place to ensure they manage risks to their ongoing improvement of economy, efficiency and effectiveness. We have not identified any risks of significant weaknesses nor have we identified any improvement recommendations.

# COVID-19 arrangements



Since March 2020 COVID-19 has had a significant impact on the population as a whole and how the PCC and Chief Constable deliver services.

We have considered how the PCC's and Chief Constable's arrangements have adapted to respond to the new risks they are facing.

## Financial sustainability

The PCC and Chief Constable have appropriate arrangements in place to maintain financial sustainability during the COVID-19 pandemic. However, the budget was impacted by the one year settlement as a result of COVID-19 which saw the anticipated spending review for a three year settlement delayed. This clearly impacted both short- and medium-term planning. Despite this, the regular budget and MTFS reviews were produced and approved in line with normal financial practice.

The majority of costs relating to the pandemic were incurred during 2020/21. After some initial uncertainty, additional funding was provided by Central Government for some of the expenditure—particularly around PPE, creating COVID-19 safe work-spaces and overtime incurred due to pressures from staff absences.

We have no concerns about the PCC and Chief Constable's arrangements in this area as a result of the COVID-19 pandemic.

## Governance

The PCC and Chief Constable have maintained existing governance structures and processes during the pandemic, supplementing these where appropriate.

Joint Business Meetings continued virtually with updates from the Chief Constable on the police response to COVID-19, in addition to updates on OPCC engagement with the public and partners.

A thematic HMICFRS report on 'Policing in the Pandemic' noted that Police bodies responded effectively to the pandemic, quickly adapting their assessments as it became apparent that the pandemic wasn't solely a risk for health services. The report mentioned Northumbria Police specifically for its efforts to meet online with local groups to understand public perceptions of policing during the pandemic.

We have no concerns about the PCC and Chief Constable's arrangements in this area as a result of the COVID-19 pandemic.

## Improving economy, efficiency and effectiveness

The PCC has maintained effective arrangements around expenditure and procurement during the pandemic. While some expiring service contracts were allowed to renew on a temporary basis to avoid impact on policing, retendering has been reintroduced across the board following the end of lockdown restrictions. Tender approval documents demonstrate a clear focus on the priority given to suppliers offering the most economically advantageous service.

Arrangements have been in place for capturing and monitoring the impact of COVID-19 on all areas of the business. This has been closely monitored through quarterly performance reporting throughout 2020/21 and beyond.

We have no concerns about the PCC and Chief Constable's arrangements in this area as a result of the COVID-19 pandemic.

# Opinion on the financial statements



## Audit opinion on the financial statements

We gave an unqualified opinion on the financial statements on 15 July 2022.

## Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the PCC's and Chief Constable's Joint Independent Audit Committee on 18 July 2022, following presentation to the PCC and Chief Constable on 11 July 2022.

## Preparation of the accounts

The PCC and Chief Constable provided draft accounts in line with the national deadline and provided a good set of working papers to support them.

## Issues arising from the accounts:

The key issues were:

- Prior period adjustment needed to correct historic treatment of VAT in property valuations
- Recommendations were raised to strengthen controls around year end cut-off procedures for both revenue and capital transactions
- Recommendations were raised to strengthen IT general controls to ensure appropriate segregation of duties

Grant Thornton provides an independent opinion ensuring the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



# Appendices

# Appendix A - Responsibilities of the PCC and Chief Constable



## Role of the Chief Financial Officer:

- Preparation of the statement of accounts
- Assessing the PCC's and Chief Constable's ability to continue to operate as going concerns

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer or equivalent is required to prepare 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. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the PCC's and Chief Constable's ability to continue as going concerns and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and Chief Constable will no longer be provided.

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



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# Appendix B - Risks of significant weaknesses - our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the PCC's and Chief Constable's arrangements for securing economy, efficiency and effectiveness in their use of resources that we needed to perform further procedures on.

We did not identify and risks of significant weakness.

# Appendix C - An explanatory note on recommendations

A range of different recommendations can be raised by the PCC's and Chief Constable's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the PCC and Chief Constable under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the PCC and Chief Constable to discuss and respond publicly to the report.	No	
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the PCC and Chief Constable. We have defined these recommendations as 'key recommendations'.	No	
Improvement	These recommendations, if implemented should improve the arrangements in place at the PCC and Chief Constable, but are not a result of identifying significant weaknesses in the PCC's and Chief Constable's arrangements.	Yes	Page 9

# Appendix D - Use of formal auditor's powers

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We did not issue any such recommendations in the relation to the 2020/21 financial year.

## Public interest report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue any such reports in the relation to the 2020/21 financial year.

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not issue any such applications in the relation to the 2020/21 financial year.

## Advisory notice

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices in the relation to the 2020/21 financial year.

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not issue any such applications in the relation to the 2020/21 financial year.



