



Annual Audit Letter 2015/16

Devon & Cornwall OPCC and CC

October 2016



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This report is addressed to the PCC and CC and has been prepared for the sole use of the PCC and CC. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (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 Darren Filbert, the engagement lead to the PCC and CC, 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). 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, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

Section one

Headlines

This Annual Audit Letter summarises the outcome from our audit work at the Office of the Police and Crime Commissioner for Devon & Cornwall (PCC) and the Devon & Cornwall Chief Constable (CC) in relation to the 2015/16 audit year.

Although it is addressed to Members of 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's website.

We have issued our certificate to confirm the completion of our audit responsibilities for the 2015/16 audit year.

VFM conclusion	<p>We issued an unqualified conclusion on 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 appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.</p> <p>To arrive at our conclusion we looked at the arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
VFM risk areas	<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>Our work identified the following significant matters:</p> <ul style="list-style-type: none"> — The Strategic Alliance with Dorset Police was identified as a key risk. KPMG performed additional detailed work around this, including consideration of the individual business cases and assessment of the governance around the decision making process. Additional work was done over the allocation of savings between the two organisations. Whilst some best practice points were identified, there were no significant matters identified; and — The Medium Term Financial Plan was identified as a key risk. KPMG reviewed the assumptions behind the plan and the inputs, noting these to be reasonable and include appropriate levels of stress testing. Whilst the plan identified a deficit going forwards, Senior Officers are aware of this and are actively looking at ways to manage the deficit, including, but not limited to, the Strategic Alliance discussed above. No significant matters identified.
Audit opinion	<p>We issued an unqualified opinion on the PCC and CC's 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 expenditure and income for the year.</p>
Financial statements audit	<p>There were no significant findings arising from our financial statement audit.</p>
Other information accompanying the financial statements	<p>Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.</p>
Whole of Government Accounts	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements on 20 October 2016.</p>
Certificate	<p>We issued our certificate on 20 October 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.</p>
Audit fee	<p>Our fee for 2015/16 was £36,353 for the audit of the Devon & Cornwall Police and Crime Commissioner, and £18,750 for the audit of the Devon & Cornwall Chief Constable, excluding VAT. This is in line with the planned audit fee.</p> <p>Additional fees were agreed relating to additional work around the Strategic Alliance. The cost to Devon & Cornwall Police was £7,200 for Stage 1 (billed by Grant Thornton) and £3,212 for stage 2. Stage 2 work requires approval from the PSAA.</p>

Appendices

Appendix 1: Summary of reports issued

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

These reports can be accessed via the Joint Audit Committee pages on the PCC's website at www.devonandcornwall-pcc.gov.uk.

External Audit Plan (February 2016)

The External Audit Plan set out our approach to the audit of the PCC and CC's financial statements and to work to support the VFM conclusion.

Audit Fee Letter (April 2016)

The Audit Fee Letter set out the proposed audit work and draft fee for the 2016/17 financial year.

Strategic Alliance Stage 2 (September 2016)

The Strategic Alliance Stage 2 report set out our findings from our detailed review of the governance arrangements around the Alliance. This was a follow up to the Stage 1 Report issued in September 2015.

Auditor's Report (September 2016)

The Auditor's Report included our audit opinion on the financial statements along with our VFM conclusion.

2016

January

February

March

April

May

June

July

August

September

October

November

Report to Those Charged with Governance (September 2016)

The Report to Those Charged with Governance summarised the results of our audit work for 2015/16 including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

Annual Audit Letter (October 2016)

This Annual Audit Letter provides a summary of the results of our audit for 2015/16.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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