

# Audit Progress Report and Sector Update

Devon and Cornwall Police and Crime Commissioner and Chief Constable  
Dorset Police and Crime Commissioner and Chief Constable

Year ending 31 March 2019

December 2018



# Contents and Introduction



**Alex Walling**

**Engagement Lead**

T 0117 305 7804  
M 07880 456 142  
E alex.j.walling@uk.gt.com



**Mark Bartlett**

**Engagement Manager**

T 0117 305 7896  
M 07880 456 123  
E mark.bartlett@uk.gt.com

This paper provides the Independent Audit Committee with a report on progress in delivering our responsibilities as your external auditor.

The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Independent Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the following link to be directed to the website <https://www.grantthornton.co.uk/>.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

## Contents

<a href="#">Progress at 22 November 2018</a>	3
<a href="#">Sector Update</a>	5

# Progress at 22 November 2018

## Financial Statements Audit

We have started planning for the 2018/19 financial statements audits and are due to commence our interim audits in the new year and will be discussing the timing of these with management. Our interim fieldwork visit is expected to include:

- Review of the control environment
- Understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing.

We expect to issue our joint audit plans summarising our approach to the key risks on the audits in February 2019. We will report any findings from the interim audits to you in our Progress Report at the April Independent Audit Committee.

## Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties.

We will begin our initial risk assessment to determine our approach in December 2018.

We will report our work in the Joint Audit Findings Reports and give our Value For Money Conclusions by the deadline of 31 July 2019.

## Other areas

### Meetings

We met with Finance Officers in September and October as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also met with internal Audit in September to discuss our respective approaches and how best to minimise the impact on your staff.

### Events

Our annual accounts workshops will take place in Bristol on 7 February 2019 and in Plymouth on 12 February 2019. We have invited key members of your finance team to the workshops.

Building on our Police Audit Conference event that we ran in Warwick on 12 July 2018, we have organised a South West Police Audit Committee workshop on 27 November 2018. All members of this Committee have been invited.

# Audit Deliverables

2018/19 Deliverables	Planned Date	Status
<b>Accounts Joint Audit Plans</b> We are required to issue detailed accounts joint audit plans to the Independent Audit Committee setting out our proposed approach in order to give a opinions on the Group, Police and Crime Commissioner and Chief Constable 2018/19 financial statements for Dorset and Devon and Cornwall.	February 2019	Not due yet
<b>Interim Audit Findings</b> We will report to you the findings from our interim audits within our Progress Report.	April 2019	Not due yet
<b>Joint Audit Findings Reports</b> The Joint Audit Findings Reports will be reported to the July Independent Audit Committee.	July 2019	Not due yet
<b>Auditors Reports</b> These are the opinions on your financial statements, annual governance statements and value for money conclusions.	July 2019	Not due yet
<b>Joint Annual Audit Letters</b> These letters communicate the key issues arising from our work.	August 2019	Not due yet

---

# Sector Update

---

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from sector specialists](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font.

Public Sector

A dark purple rectangular button with the text "Police" in white, sans-serif font.

Police

## Progress made ensuring disabled victims get access to justice

A report published by HMICFRS on the progress made on the 2013 joint report: Living in a Different World since the last update in 2015 highlights some significant improvements in handling cases involving disability hate crime. There are also signs that the number of cases being identified correctly as hate crimes are increasing, and there has been an increase in the number of successful applications for sentence uplifts due to cases containing elements of disability hate crime.

While praising the work already done, the report makes recommendations to further improve performance. These include recommendations regarding the identification and investigation of cases involving disability hate crime, and of the coordination of work between the police and CPS in these matters. It is also recommended that a number of changes are made to better highlight and explain cases to the court and defence where an increase in sentencing is required due to the offence being motivated wholly or in part by hostility towards a disability.

The report can be accessed by clicking on the image below.



## HMICFRS Value for Money profiles 2018

HMICFRS has published the latest Value for Money profiles, which provide comparative data on a wide range of policing activities for each police force in England and Wales. Value for Money profiles help forces make better decisions by identifying areas where improvements can be made in cost and performance.

Using browser-based software, users can now view interactive dashboards and select the data points that interest them most and generate reports tailored to their own interests.

The dashboard can be accessed through the following link  
<https://www.justiceinspectors.gov.uk/hmicfrs/our-work/article/value-for-money-inspections/value-for-money-profiles/value-for-money-dashboards/>

# Home Office news



Home Office

## Policing front line review

At the 2018 Police Federation annual conference held on 23 May, the Home Secretary announced that he would conduct a review of front-line policing. Sponsored by the Minister of State for Police and the Fire Service, the front-line review will provide police officers and staff throughout England and Wales with the opportunity to share their ideas for change and improvement in policing.

The review, which will engage officers and staff of chief superintendent rank and below (or equivalent), will ask the front line for feedback on access, availability and their experience of support and development services, with a view to identifying opportunities to improve existing provisions. Whilst the review will not address pay, resourcing or demand, as work led by the National Police Chiefs' Council and its partners is already ongoing to explore these issues, it will look to ensure front-line, operational experience continues to inform operational decision-making and government policy development.

The Home Office started front-line engagement in summer 2018, using several digital channels to collect feedback and ideas from the front-line and this data is now undergoing analysis in collaboration with the Office for National Statistics (ONS). The next step in the review is to test headline themes and trends identified during the initial phase of engagement with police across the country, to ensure resulting policy recommendations respond to the needs identified.

From November 2018, the Home Office will be holding a series of 28 face-to-face workshops in regional locations across the country, facilitated and moderated by ONS practitioners. Details of where and when each workshop will be taking place will be shared with police forces in each region, to support with promoting opportunities to engage locally. Review findings will be summarised in a report, which will be published in spring 2019.

## Crime outcomes in England and Wales: year ending March 2018

The 2017/18 report on the outcomes that police forces have assigned to offences recorded by the police has been published, which covers the 43 territorial police forces in England and Wales, plus the British Transport Police.

Some of the key findings include:

- Police forces closed almost half (48%) of offences with no suspect identified, a similar proportion to last year. This proportion varied by crime type. Three quarters (75%) of theft offences were closed with no suspect identified, compared with around 7 per cent of rape offences and 2 per cent of drugs offences.
- It took police forces an average of 6 days to assign the outcomes they recorded in the year ending March 2018, a decrease of 2 days compared to the year to March 2017.
- Higher proportions of domestic abuse-related offences received a charge/summons than those that were not domestic abuse-related (15% and 9% respectively).
- There were 638,882 fraud offences recorded in the year end March 2018 which were reviewed by the National Fraud Intelligence Bureau (NFIB) for possible investigation and enforcement action.

The full report can be accessed by clicking on the cover below.



# Financial sustainability of police forces in England and Wales 2018

The Home Office's decision to take a light touch approach to overseeing police forces means it does not know if the police system is financially sustainable. It needs a clearer national picture of what forces require financially to deliver effective services to the public in the future, says a report from the National Audit Office (NAO).

The Home Office is responsible for assessing how much funding police forces need, deciding how much the policing system receives as a whole, and allocating grants to police and crime commissioners. While its understanding of forces' resilience has improved, it does not systematically assess the financial sustainability of forces, nor does it measure the extent and costs of all of the demands they face. Consequently, it does not have a clear picture of what individual forces need to meet local and national demands.

The way the Home Office chooses to distribute funding has been ineffective and detached from the changing nature of policing for too long. Since 2010, funding has been reduced equally across all forces, with the Department failing to consider the full range of demands on police time, the efficiency of forces, levels of financial reserves and the ability of forces to raise funds locally through council tax. The Department recognised in 2015 that its funding process was ineffective. It has put on hold plans to reform it until the next Spending Review, meaning that any changes will not be implemented until 2020-21 at the earliest.

Total funding to police forces, a combination of central government funding and council tax, has fallen by 19% in real terms since 2010-11. The main way police forces have managed financial pressures is by reducing their workforce size. The total workforce across forces fell by 18% from a peak of 244,497 staff in March 2010

to 199,752 staff in March 2018, with a 15% drop in police officers. The Home Office has not forecasted what impact this will have on forces' ability to meet increasing demand. There was also a 20% reduction in the reserves set aside by police forces for planned projects or exceptional events between March 2015 and March 2017, following a 49% increase between March 2011 and March 2015.

While crime recorded by the Crime Survey for England and Wales decreased by 36% between 2011 and 2018, at the same time police forces have been facing a recent upsurge in reporting of low volume and high harm crime which are more expensive to investigate, such as sexual offences, and an increased threat of terrorism.

The NAO has found early indications that the sector is struggling to deliver an effective service. The Department has acknowledged that there is strong evidence the police are facing increased pressure compared to 2015. While it regards the level of pressure as currently manageable, it recognises that a number of forces are at high risk in terms of future resilience.

Amyas Morse, the head of the NAO, said:

"The financial sustainability of police forces and their ability to deliver effective services is reliant on the Home Office understanding national and local demands and allocating funds fairly. There are signs that forces are already experiencing financial strain and struggling to deliver effective services to the public. If the Home Office does not understand what is going on it will not be able to direct resources to where they are needed, with the risk that the situation could get worse."

[Click on the report cover to read the national report.](#)





The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.



© 2018 Grant Thornton UK LLP. Confidential and information only.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. This proposal is made by Grant Thornton UK LLP and is in all respects subject to the negotiation, agreement and signing of a specific contract/letter of engagement. The client names quoted within this proposal are disclosed on a confidential basis. All information in this proposal is released strictly for the purpose of this process and must not be disclosed to any other parties without express consent from Grant Thornton UK LLP.