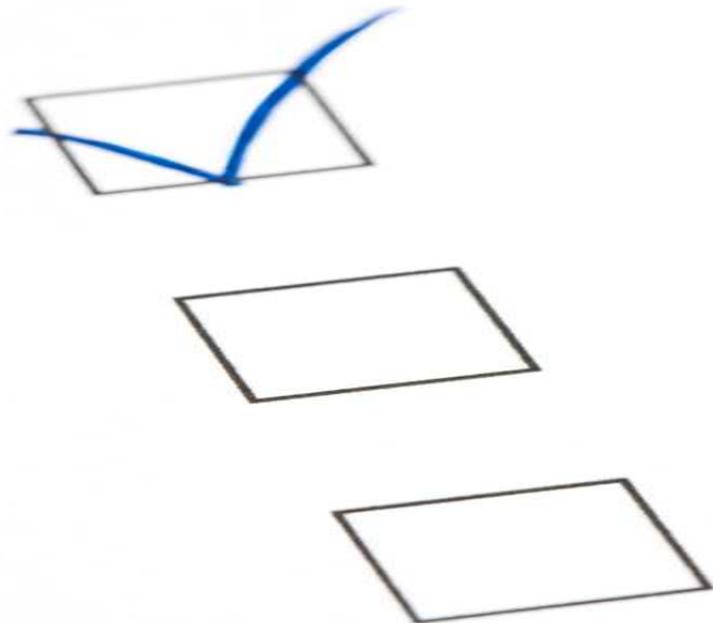


Police and Crime Commissioner Northumbria Police Joint Independent Audit Committee Training Role of the external auditor

XX XXXX 2014



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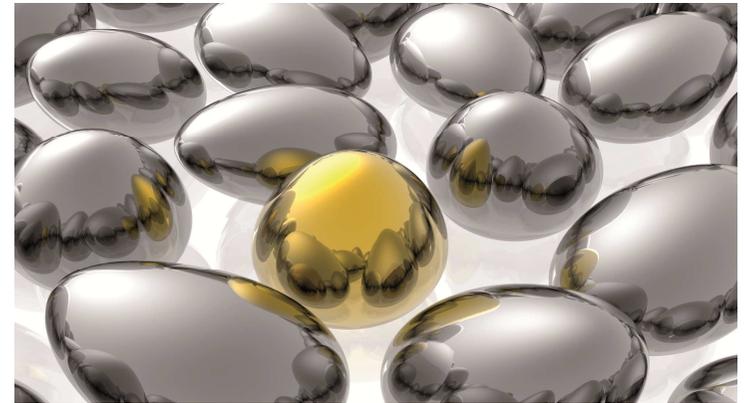
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Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

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Purpose of this presentation



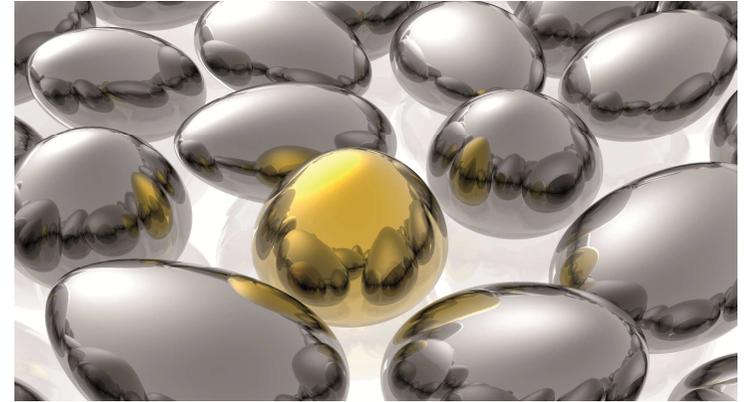
Designed to explain our responsibilities as the Police and Crime Commissioner for Northumbria's and the Chief Constable for Northumbria's (PCC and CC) external auditors.

If you require any further information please contact Gareth Davies or Caroline Tyrrell using the contact details at the end of this presentation.

Finally, please note the website address www.mazars.co.uk which sets out the range of work Mazars carries out across the UK public sector. It also details the wider services provided within the UK and abroad.

02

Role of the external auditor



To reflect the special accountability attached to public money and the conduct of public business, external audit in the public sector is characterised by three distinctive features

- Auditors are appointed independently by the Audit Commission
- The scope of the external auditors' work is centred on the audit of financial statements and is extended to cover probity in the use of public money and arrangements to secure value for money.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

03

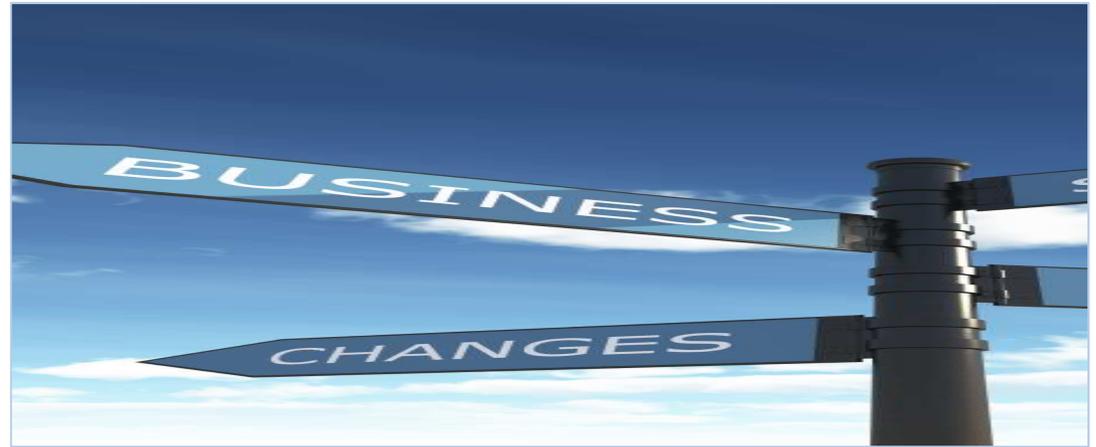
Background



- **Code of audit practice (the Code)**
 - Approved by both Houses of Parliament at five yearly intervals and Mazars LLP has a statutory duty to comply with them
- **Statements of Responsibilities**
 - The Audit Commission's [Statements of Responsibilities of Auditors and Audited Bodies](#) supports the Code. The Statement assists auditors and the PCC and CC by summarising where the different responsibilities of auditors and of the PCC and CC begin and end, and what is to be expected of the PCC and CC in certain areas.

04

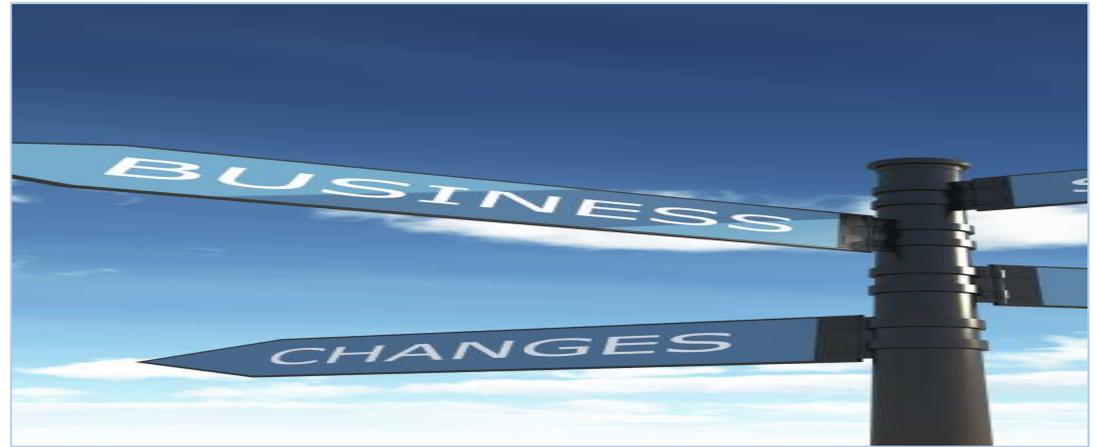
Audit approach



- Designed to provide you with an audit that complies with all professional requirements.
- Conducted in accordance with International Standards of Auditing (UK and Ireland) issued by the Audit and Assurance Council.
- Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement
- We plan our audit to have a reasonable expectation of detecting fraud where the potential effects would be material to the financial statements.
- Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free of material misstatement and give a true and fair view.

05

Audit approach



- 2 main stages in the external audit cycle
 - Planning Stage (November to February): What we do before we get the financial statements, culminating in Audit Strategy Memorandum
 - Completion Stage (June to September): What we do when we get the financial statements, culminating in Audit Completion Report.

06

Audit Reporting



The results of our audit work will be communicated in a range of reports:

- **Audit Strategy Memorandum:** This sets out how we intend to carry out our work, in light of our assessment of risks. This is updated as necessary.
- **Oral and/or written reports (where necessary):** These report the results arising from specific aspects of our work. These are prepared and issued as soon as possible after completion of work.
- **Audit Completion Report:** This summarises our conclusions and covers all of our responsibilities. In accordance with professional standards, this report has to be issued before we finalise, and issue, our opinion on the PCC's and the CC's financial statements.
- **Audit Report:** This includes our opinion on the PCC's and the CC's financial statements and a conclusion on whether the PCC and the CC have put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources (the 'VFM conclusion').
- **Certificate:** This confirms the audit has been completed in accordance with statutory requirements.
- **Annual Audit Letter:** This communicates to the PCC and the CC, and external stakeholders, including members of the public, the key issues arising from our work that we consider should be brought to the attention of the PCC and the CC.
- **Other Reports:** These may be issued at any point during the audit process, where appropriate.

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Contact details



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