

# Audit Progress Report

Northumbria Police Joint Independent Audit Committee



June 2017



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# Audit progress

## Introduction

The purpose of this report is to update the Joint Independent Audit Committee (JIAC) on progress in delivering our responsibilities as your external auditors.

We have also highlighted key emerging national issues and developments which may be of interest to Committee Members.

If you require any additional information, please contact us using the details at the end of this update.

## On-going work

We have now completed our detailed audit planning, in particular we have:

- carried out our initial planning in respect of 2016/17, refreshing our understanding of the business and what we consider are the significant risks of material misstatement in respect of the financial statements and also the Value for Money (VfM) conclusion so as to inform our testing strategy;
- documented a walkthrough of the key financial systems;
- held on-going liaison meetings with your Internal Auditors to both share common knowledge and ensure no duplication;
- held on-going liaison meetings with senior officers; and
- considered key agendas and papers.

Based on our work to date we have no significant matters arising to report to you and there are no changes to our original assessment of significant risks (Opinion and VfM) as set out in our Audit Strategy Memorandum which was presented to JIAC on 27 February 2017.

Work will soon commence on the draft 2016/17 Statement of Accounts.

We have been informed by EY, the auditors of the Tyne and Wear Pension Fund, that they are proposing to provide the required assurance by 31 July 2017.

We plan to include our Audit Completion Report on the agenda of JIAC on 18 September before we present to the Police and Crime Commissioner and Chief Constable for approval on 21 September 2017.

## Issues arising

At this stage of our audit work, we have no significant deficiencies in internal control to report to you and there are no changes to our risk assessment previously reported to you in our Audit Strategy Memorandum.

# National publications and other updates

National publications and other updates	
1	Police and Crime Act, Home Office, January 2017
2	Police Inspection: Proposed Programme and Framework, HMIC, January 2017
3	Investigation into Police and Firefighters Pension Scheme Commutation Factors, NAO, January 2017
4	Mandatory Gender Pay Gap Reporting – Public Sector, Government Equalities Officer, January 2017
5	2017-18 work programme and scale of fees, Public Sector Audit Appointments Ltd, March 2017

## 1. Police and Crime Act 2017, Home Office, January 2017

The Policing and Crime Bill received Royal Assent on Tuesday, 31 January. Now the Policing and Crime Act 2017, it aims to enhance the democratic accountability of police forces and fire and rescue services and improve the efficiency and effectiveness of emergency services through closer collaboration. As members may be aware, the provisions of the Policing and Crime Act 2017 will:

- place a new duty on police, fire and rescue and emergency ambulance services to collaborate where it is in the interests of their efficiency or effectiveness;
- enable police and crime commissioners (PCCs) to take on responsibility for the governance of fire and rescue services, where a local case is made;
- enable the PCC, in areas where a PCC has not become responsible for fire and rescue, to have representation on their local Fire and Rescue Authority (FRA) with voting rights, where the FRA agrees;
- enable PCCs who take on the responsibilities of an FRA and mayors of combined authorities who exercise both police and fire functions to delegate fire and rescue functions to a single chief officer for police and fire, where a local case is made;
- introduce an independent inspection regime for fire and rescue in England;
- enable fire inspectors to enter premises, obtain information, and undertake joint inspections with HM Inspectors of Constabulary; and
- enable the Home Secretary to appoint a Chief Fire and Rescue Inspector for England, approve a framework of inspection and require inspectors to publish the reports of their inspections as well as an annual report to Parliament.

A copy of the report can be found on the link below:

<https://www.gov.uk/government/collections/policing-and-crime-bill>

## **2. Police Inspection: Proposed Programme and Framework 2017/18, HMIC, January 2017**

On 20 January HMIC issued their inspection programme for the Police, which was out for consultation until 24 February. We will consider the outcomes of inspections in conducting our value for money work. The consultation sought views on HMIC's proposed inspection programme for 2017 to 18. This includes:

- national thematic inspections;
- joint inspections;
- PEEL assessments;
- inspections of other national law enforcement agencies;
- commissions from the Home Secretary, police and crime commissioners and other local policing bodies; and
- HMIC work on fire inspections and super-complaints.

The consultation can be found on the link below:

<https://www.gov.uk/government/consultations/police-inspection-proposed-programme-and-framework-2017-to-2018>

## **3. Investigation into Police and Firefighters Pension Scheme Commutation Factors , NAO, January 2017**

This looks at the chain of events which led to the government paying £711m in compensation to 34,000 pensioners who retired from the Police and Firefighters' Pension Schemes between 2001 and 2006 without receiving their full pension entitlement. These payments were made following the Pensions Ombudsman's finding of maladministration in the Government Actuary's Department's (GAD) handling of the administration of the factors that were used to convert annual pension entitlements to lump sum payments.

The NAO found that the Government was aware in 2006 that the commutation factors used to calculate police and firefighters' pension lump sums did not reflect the life expectancy of pensioners or the underlying trends across pension schemes. Due to the extent of the legal process in the case, some police and firefighters were retired for over 15 years before they received their full pension entitlement from government.

<https://www.nao.org.uk/report/investigation-into-police-and-firefighters-pension-scheme-commutation-factors/>

## **4. Mandatory Gender Pay Gap Reporting – Public Sector , Government Equalities Officer, January 2017**

The Government have published the response to their consultation to introduce mandatory gender pay gap reporting to the public sector. The proposals would require public bodies to publish the difference between the average pay of male and female employees. Subject to parliamentary approval, the regulations should be in force before 31 March 2017.

The government's response can be found on the link below:

<https://www.gov.uk/government/consultations/closing-the-public-sector-pay-gap>

And the draft regulations:

<http://www.legislation.gov.uk/ukdsi/2017/9780111153277/contents>

**5. 2017-18 work programme and scale of fees, Public Sector Audit Appointments Ltd, March 2017**

PSAA has published the work programme and scales of fees for 2017/18 audits of principal local government and police bodies. There are no changes to the overall work programme for 2017/18. Scale fees for 2017/18 have therefore been set at the same level as the fees applicable for 2016/17. This is the final year for which PSSA will set fees under the transitional arrangements made by DCLG.

<http://www.psaa.co.uk/audit-and-certification-fees/201718-work-programme-and-scales-of-fees/>

# Contact details

Please let us know if you would like further information on any items in this report.

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