

West Midlands Police Audit Progress Report and Sector Update

Year ending 31 March 2024

17 June 2024



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Key Grant Thornton team members

Laurelin Griffiths

Engagement Lead

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Laurelin will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Police and Crime Commissioner and Chief Constable, ensuring you have access to Grant Thornton's full service offering;
- being a key contact for the Chief Finance Officers and the Joint Audit Committee (JAC), meeting frequently with key members of management;
- taking overall responsibility for delivering high quality audits which meet professional standards;
- agreeing with you the annual joint audit plan, and a timetable for delivering the work;
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audits;
- reviewing and signing off all audit reports;
- attending JAC to discuss key issues arising from our work and any recommendations;
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors; and
- sharing good practice identified at other organisations.

Zoe Thomas

Senior Manager

T 0212 232 5277

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Zoe will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact Zoe will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy she will:

- assist the engagement lead in establishing audit objectives and overall scope;
- ensure key matters which arise during the audits which were not identified at the planning stage are properly assessed and dealt with;
- review the work of in-charge auditor and the wider fieldwork team;
- finalise our draft reports to management;
- manage, motivate and coach team members; and
- control the audits in relation to timescales, budgets and risk management procedures.

Daniel Fisher

Audit In-Charge

T 0121 232 8770

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Daniel will work as part of the team, leading the on site audit team, providing a service which meets or exceeds client expectations and supports the engagement lead / manager team. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy;
- communicating any issues relating to the audit with the engagement manager or engagement lead;
- overseeing all aspects of audit fieldwork and completion;
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit;
- maintaining good working relationships with client staff; and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

Introduction & headlines

This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditors

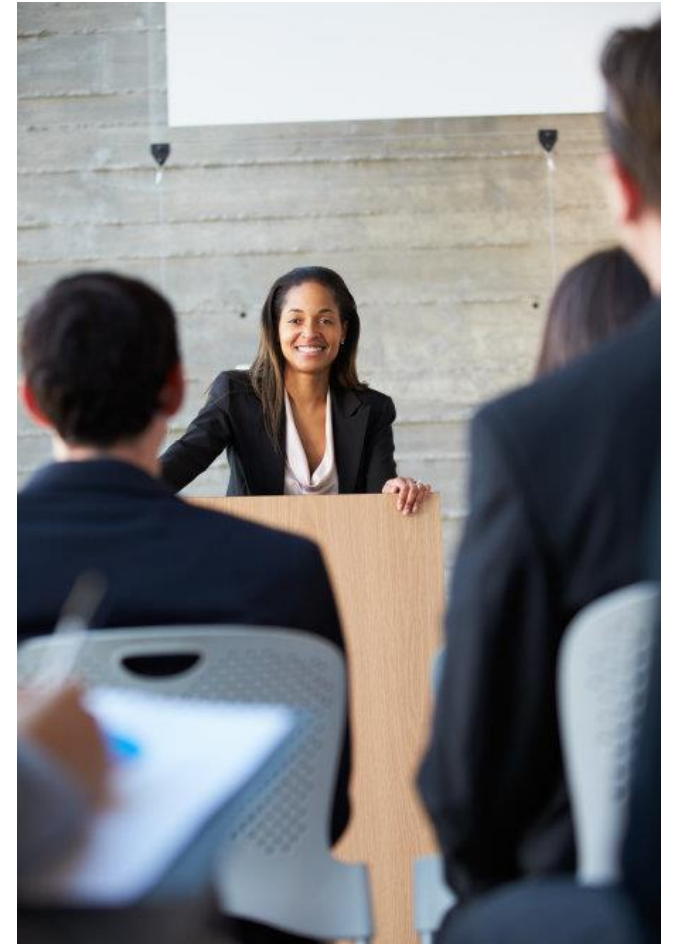
The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Joint 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.

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.

We continue to bring specialists to our update conversations where appropriate to share any learning from our position as a leading audit supplier to the police sector.

You will also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.



Progress at June 2024

Financial Statements Audit 2022/23

We anticipate issuing the opinion on the 2022/23 accounts week prior to this audit committee meeting. We will provide a verbal update to the committee on this.

Financial statements audit 2023/24

We have completed our planning and interim work and expect to commence our final accounts fieldwork on 24 June 2024.

Our fieldwork included:

- Updating our review of the Police and Crime Commissioner and Chief Constable's control environment
- Updating our understanding of financial systems
- Reviewing Internal Audit reports on core financial systems
- Understanding how the Police and Crime Commissioner and Chief Constable make material estimates for the financial statements
- Early work on emerging accounting issues

In March we issued a detailed audit plan, setting out our proposed approach to the audit of the 2023/24 financial statements.

We plan to complete our fieldwork in early September and will issue our opinion as soon as possible after, although this will be dependent on receiving necessary assurances from the pension fund auditor.

Value for Money

We aim to complete all 2023/24 value for money audit reviews by 31 December 2024.

From current trends around cost pressures and service demand, we anticipate that risks around financial sustainability and reserves will require consideration across most value for money reviews for 2023/24. Arrangements for governance and improving economy, efficiency and effectiveness will also be reviewed. The current estimated financial trajectory of the sector is shown within the sector update in this report.

Where there are lessons to be learnt from the findings for our 2022/23 value for money reviews, we will seek to share them on a timely basis, to inform future practice.

We anticipate issuing our Auditor's Annual Report in November 2024.

Progress at June 2024 (cont.)

Other areas

Meetings

We meet routinely with Finance Officers in as part of our liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Police and Crime Commissioner and Chief Constable. Your officers attended our Accounts Workshop in February 2024, where we highlighted financial reporting requirements for the 2023/24 accounts and gave insight into elements of the audit approach.

Further details of the publications that may be of interest to the Police and Crime Commissioner, Chief Constable and JAC members are set out in our Sector Update section of this report.

Audit Fees

PSAA have published their scale fees for 23/24 - [2023/24 auditor appointments and audit fee scale – PSAA](#) .

For the Police and Crime Commissioner and Chief Constable's of West Midlands these fees are £135,794 for the Police and Crime Commissioner and £74,281 for the Chief Constable. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

2023/24 deliverables

Deliverables	Planned Date	Status
<p>Joint Audit Plan</p> <p>We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give our opinions on the 2023/24 financial statements.</p>	March 2024	Complete
<p>Joint Audit Findings (ISA260) Report</p> <p>The Joint Audit Findings Report will be reported to the September Joint Audit Committee.</p>	September 2024	Not due yet
<p>Auditors Reports</p> <p>These are the opinions on your financial statements and annual governance statement.</p>	September 2024	Not due yet
<p>Auditor's Annual Report</p> <p>The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). A draft of the AAR will be taken to the November Joint Audit Committee.</p>	November 2024	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:

Public Sector

Audit Backstop - update

As we have previously updated, the Government consulted in February 2024 on a proposal to introduce a series of statutory backstops to bring the local audit system back on track. The proposals also included a series of updates to the NAO's Code of Audit Practice.

Our understanding was that the necessary regulations to enact the backstop legislation were due to be laid before Parliament prior to summer recess in July 2024. This would have enabled the legislative framework which would have enabled the 30 September 2024 backstop to be implemented.

The calling of a General Election on July 4th puts this timetable in considerable doubt. The Government that is elected will have to both decide if it wants to implement the backstop solution and if so, determine the timetable by which it happens. In the meantime, we will continue with the plan we have informed you of in respect of your audit.

Audit sign off as at 31 May 2024

As at the end of May, we had signed 136 audits for 2022/23, representing 65% of our local government population. We envisage achieving a 75% sign off rate by the end of September. This compares with a sign off rate for other firms at the end of May of 7% (18 audits). If the backstop is extended to the end of the year – we envisage this figure moving to 80% completion.

We had signed off 81% of our 2021/22 audits by the end of May. We envisage achieving an 85% sign off rate by the end of September. Other firms had signed off 48% of audits by the end of May.

Audit year	Grant Thornton audits signed	Grant Thornton audits signed	Other firms
	Position as at end of May 2024 (%)	Forecast position end of Sep 2024 (%)	Position as at end of May 2024 (%)
2022-23	65	75	7
2021-22	81	85	48
2020-21	92	92	81

Institute for Government

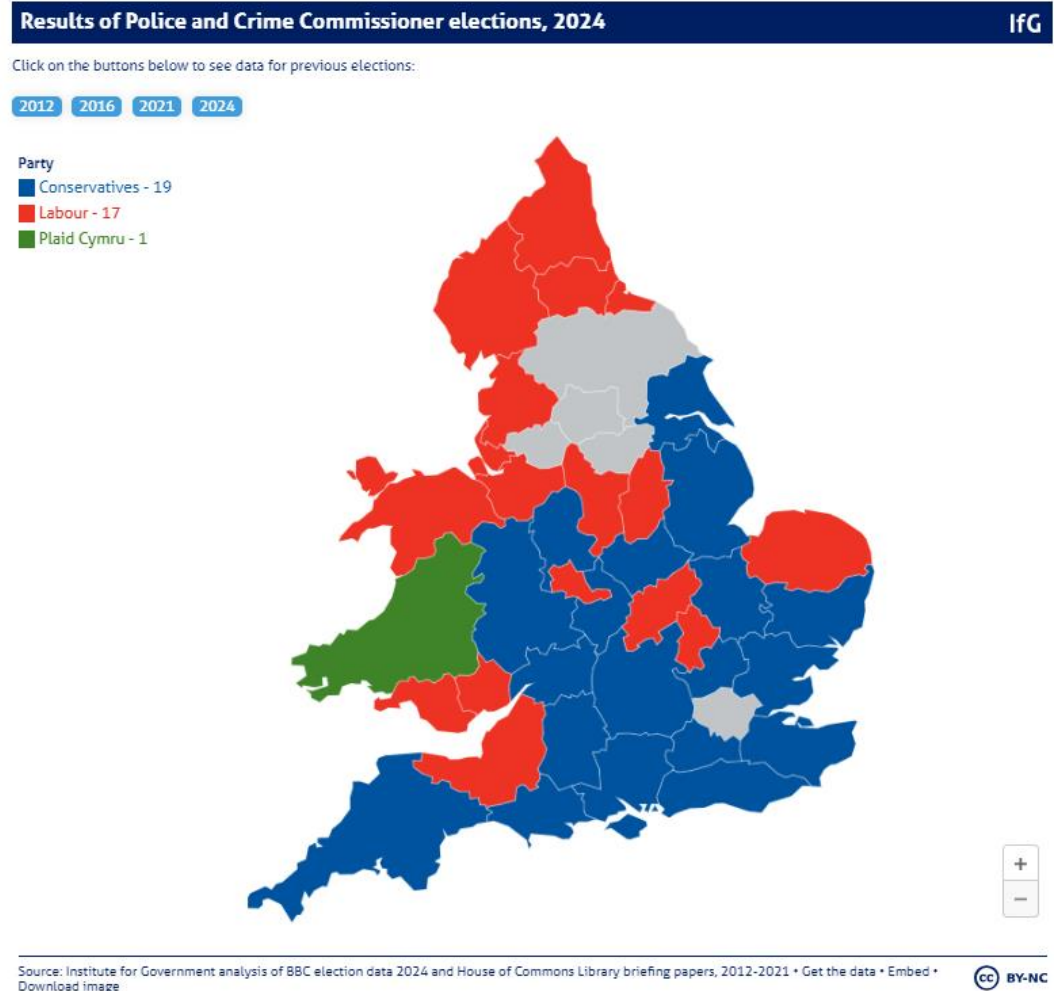
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PCC elections 2024 - results

On 2 May 2024, elections took place for 37 police and crime commissioners (PCCs), who set policing priorities and hold to account police forces across most of England and Wales.

19 Conservative, 17 Labour and one Plaid Cymru police and crime commissioners were elected. Labour was the only party to make gains in the election – taking 10 PCCs from the Conservatives. In five police force areas, the powers of the PCC are held by the mayor – all of which were also up for election and won by Labour candidates.

The full article can be found [here](#).



Home Office



Home Office

Government plan to save 38 million hours of police time

38 million hours of police time could be saved under a plan supported by the government, as the drive continues to free up officers' time so they can focus on keeping our streets safe.

In its [response](#) to the Policing Productivity Review, commissioned by the Home Office and published last autumn, the government has set out how £230 million will be spent over the next 4 years on new technology, such as live facial recognition and drones that will be used as first responders to meet the recommendations made by the independent Policing Productivity Team.

Previously announced in the spring budget, this investment will go towards innovation such as knife detection and artificial intelligence, including automatic redaction and translation, and will enable police to spend less time in the office, and more time in our communities.

The government will also be creating a new Centre for Police Productivity to provide the foundation for future improvements across policing. The centre will be integral to devising and implementing the further work raised in the review that could save the equivalent of an additional 20,000 police officers' worth of time.

The full article can be found [here](#).

Home Office



Home Office

Helping police redact sensitive information in media files

Police and law enforcement often need to share material with courts or other parties whilst also protecting sensitive details such as identities and licence plates for data security or operational security reasons.

However, there is currently very limited use of auto-redaction technology across policing and the wider criminal justice system for digital media, audio, and video files - including body-worn video footage and digital forensic evidence - and the policing minister has made development of solutions which could be rolled out nationally a key priority.

The Home Office funded the Accelerated Capability Environment (ACE) to carry out a market review of existing multimedia redaction tools and build an evidence case into how state-of-the-art technology, including the use of artificial intelligence (AI) and machine learning, could make significant efficiency savings.

This would then be used to accelerate the development and widespread adoption of this technology nationally, creating user efficiencies as well as ensuring that police can confidently share information with other organisations as needed.

The full article can be found [here](#).

HMICFRS

HMICFRS Value for money dashboards latest force-level profiles published

Value for money dashboards provide comparative data on a wide range of policing activities from 2011 up to the most recent data release. They build on work done between 2009 and 2017 that were published as PDF [value for money profiles](#).

These allow detailed analysis of:

- how much forces spend on different policing activities;
- how crime levels compare across forces, as well as what outcomes forces achieve; and
- workforce costs, broken down by role, rank and gender.

The interactive dashboard can be found [here](#).



Home Office



Home Office

Policing funding allocation for 2024/25 published

For 2024-25, overall funding for the policing system will rise by up to £842.9 million when compared to the restated 2023-24 police funding settlement, bringing the total settlement for 2024-25 up to £18.4 billion. Available funding to local policing bodies will increase next year by up to an additional £922.2 million, if Police and Crime Commissioners were to take-up the precept flexibility and using latest forecasts, taking total funding for local policing bodies to £16.4 billion.

Compared with 2019-20, this represents a total settlement increase of up to 30.7% in cash terms. Not only has the Government delivered the funding committed in the Spending Review 2021, the 2024-25 settlement has gone even further to provide additional funding for policing. This demonstrates the Governments continued commitment to giving policing the resources they need to keep the public safe.

The full article can be found [here](#).

Back to Basics

ONWARD 

How Neighbourhood Policing Can Make Streets and Communities Safer

Onward's Back to Basics paper, endorsed by 10 Police and Crime Commissioners (PCCs), urges the Government to launch a new Neighbourhood Policing Uplift Programme to fix local policing. The uplift would hire 19,000 new neighbourhood officers – including 3,000 police officers, 10,000 police community support officers, and 6,000 special constables – to be visibly embedded in communities and tackle local crimes.

Back to Basics also calls for PCCs and police chiefs to create new “pop up” police stations in disused high street premises to improve visibility and accessibility, roll out facial recognition technology to catch shoplifters and other criminals, and recruit neighbourhood wardens in town centres to prevent low-level crime.

The full article can be found [here](#).



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