

# POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE JOINT AUDIT, RISK & ASSURANCE PANEL

PAPER MARKED

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Report of	OFFICE OF THE CHIEF CONSTABLE AND OFFICE OF THE POLICE AND CRIME COMMISSIONER
Subject	EXTERNAL AUDIT PROGRESS REPORT
Date	WEDNESDAY 17 <sup>th</sup> APRIL 2024
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## **Purpose of Report**

1. This report seeks to update members of the Joint Audit, Risk and Assurance Panel (JARAP) on the progress of the audit of the 2021/22 Statement of Accounts and Value for Money for 2021/22 and 2022/23.

## **Recommendation**

3. The Panel is recommended to discuss the contents of the report.

## **Background**

4. None

## **Implications**

Financial: none.

Legal: none.

Equality Impact Assessment: none.

Risks and Impact: as per individual reports.

Link to Police and Crime Plan: as per audit plan

## **List of Attachments / Appendices**

External Audit Progress Report

## **Background Papers**

None

## **Officer to Contact**

Kira Hughes - Chief Finance Officer: Office of Police and Crime Commissioner for Leicestershire – kira.hughes@leics.pcc.police.uk

## **Leicestershire Police and Crime Commissioner and Chief Constable Audit Progress Update**

### **Overview**

This paper seeks to update members of the Joint Audit, Risk and Assurance Panel (JARAP) on the progress of the audit of the 2021/22 Statement of Accounts and Value for Money for 2021/22 and 2022/23.

### **Financial Statements audit update**

We have previously reported the status of the 2021/22 financial statements audit to the JARAP in October 2023. Following the Local Audit market update issued by Stephen Reid on 6 December 2023 and the discussions we have had at the JARAP, you would have read our approach to the ministerial statement issued in July 2023, and how, in the absence of guidance, we were planning to proceed with the expected backstop date for outstanding audits through to 2022/23 and focus on resetting the 2023/24 audit. The recent consultations from DLUHC, the NAO and CIPFA have given some indication of the proposals, and like you, we continue to await the finalisation of these so that we can conclude and move forwards with the reset and recovery of the system.

In February 2024 we had a meeting with the S151 officer for the PCC and CC where we set out our proposed approach in the absence of guidance. This concluded that given the backstop date, and the nature and volume of outstanding procedures to conclude your 2021/22 audit, we have achieved the maximum completion of historic audits having completed your audits through to 2020/21. Due to the factors set out in our letter referenced above, no further audit work will be completed on your 2021/22 and 2022/23 financial statements.

Whilst there may be different approaches audit firms take to effect the reset and recovery of the system, hopefully, this provides clarity about our approach and whilst we do still await formal guidance, this should provide a picture as to what the 2024 calendar year will look like from an audit perspective for you. We believe the best and quickest way to ensure sustainable recovery of the system is to be able to work to a 'traditional' audit timeline which will allow auditors to provide timely assurance to you, your Members, your Council Tax payers and other interested parties and will relieve the audit burden of working on historic audits, so would be beneficial for all.

### **Value for Money update**

As there are no anticipated significant changes to value for money reporting requirements, auditors' exception reporting responsibilities and statutory powers, we will focus on the completion of our value for money reporting for all open years of audit through to 2022/23.

We have substantially completed work on Value for Money for all open years of audit through to 2022/23. We are aiming to complete our procedures and provide interim reporting on the relevant arrangements in due course.

Our final reporting will be alongside the audit opinion for 2022/23 and any other open audit years, but we will need to wait for the legislation to be enacted and therefore confirmation of our requirement to disclaim the financial statement opinion on any open audit year.

**Transition**

To support the Minister's view of moving the focus to the most recent year's financial statements, we believe the best and quickest way to ensure sustainable recovery of the system is to be able to work to a 'traditional' audit timeline which will allow auditors to provide timely assurance to you, your Members, your Tax payers and other interested parties and will relieve the burden of working on historic audits.

As an audited body transitioning to a new auditor for 2023/24 we encourage you to continue to work with your new auditor to progress your 2023/24 audit to ensure the best possible chance to secure timely completion of and reporting on your audits under proposed Government guidance in the future. As your exiting auditor we are committed to ensuring an effective handover to your new auditor.