

**PART ONE**

**ITEM 07**

**To:** Joint Audit Committee  
**Date:** 16<sup>th</sup> December 2015  
**By:** Iain Murray, Grant Thornton  
**Title:** External Audit Annual Audit Letter

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**Purpose of Report/Issue:**

To present to the Committee the 2014/15 Annual Audit Letter. The Annual Audit Letter pulls together the key messages from external audit work in 2014/15.

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**Recommendations**

The Committee is asked to consider, comment and note the Annual Audit Letter.

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**Contact details:**

<b>Name:</b>	<b>Iain Murray</b>
<b>Job Title:</b>	<b>Grant Thornton</b>

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# The joint Annual Audit Letter for the Police and Crime Commissioner for Surrey and the Chief Constable of Surrey

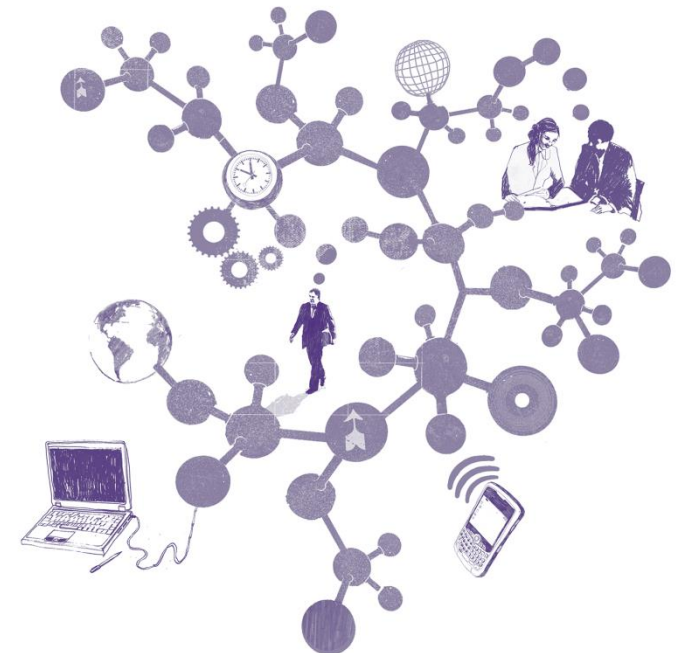
**Year ended 31 March 2015**

22 October 2015

**Iain Murray**  
Engagement Lead  
T 0207 728 3328  
E [iain.g.murray@uk.gt.com](mailto:iain.g.murray@uk.gt.com)

**Marcus Ward**  
Manager  
T 0207 728 3350  
E [marcus.ward@uk.gt.com](mailto:marcus.ward@uk.gt.com)

**Andrew Conlan**  
Executive  
T 0207 728 2492  
E [andrew.conlan@uk.gt.com](mailto:andrew.conlan@uk.gt.com)



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# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at the Police and Crime Commissioner for Surrey and the Chief Constable of Surrey for the year ended 31 March 2015.

The Letter is intended to communicate key messages to you and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the joint Audit Plan that we issued on 31 March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

<b>Financial statements audit (including audit opinion)</b>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 9 September 2015 to the Chief Constable and Police and Crime Commissioner. The key messages reported were:</p> <ul style="list-style-type: none"><li>• we received good quality draft financial statements in accordance with the statutory deadline.</li><li>• improvements could be made to the quality of the supporting working papers provided to support the financial statements, we will work with the finance team to improve these in subsequent years.</li><li>• management's judgements in key areas were reasonable, in particular we support the change in treatment of pension commutations from a contingent liability to a provision in the Chief Constable's accounts following changes in circumstances subsequent to the production of the draft financial statements.</li></ul> <p>We issued unqualified opinions on the Chief Constable's 2014/15 financial statements and on the Police and Crime Commissioner's 2014/15 financial statements on 24 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinions confirm that the financial statements give a true and fair view of the financial position and of the income and expenditure recorded by both entities.</p>
<b>Value for Money (VfM) conclusion</b>	<p>We issued unqualified VfM conclusions for 2014/15 in regards to the Chief Constable and the Police and Crime Commissioner on 24 September 2015.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Chief Constable and the Police and Crime Commissioner put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2015.</p>

# Appendix A: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

## Fees for audit services

	Per Audit plan £	Actual fees £
Police and Crime Commissioner audit	51,610	51,610
Chief Constable audit	20,000	20,000
<b>Total audit fees</b>	<b>71,610</b>	<b>71,610</b>

## Fees for other services

Service	Fees £
<b>Audit related services</b>	
• None	Nil
<b>Non-audit related services</b>	18,770
• Review of whistle-blowing arrangements – fees relating to the 2015/16 financial year	

## Reports issued

Report	Date issued
Joint Audit Plan	31 March 2015
Joint Audit Findings Report	9 September 2015
Joint Annual Audit Letter	22 October 2015



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