



**VERA BAIRD**<sup>QC</sup>  
POLICE & CRIME COMMISSIONER

**POLICE AND CRIME PANEL  
REPORT OF THE JOINT CHIEF FINANCE OFFICER**

**25 OCTOBER 2016**

**STATEMENT OF ACCOUNTS 2015/16 AND EXTERNAL AUDITORS  
CONCLUSIONS**

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**1. PURPOSE**

- 1.1 The Statements of Accounts are one of the key governance documents published each year. This report provides an update to the Panel on the audit, authorisation and publication of those Statements.
- 1.2 The report confirms that external auditors Mazars have issued an unqualified opinion, without modification, on the Statement of Accounts of both the Police and Crime Commissioner and Chief Constable for Northumbria. The unqualified Value for Money conclusion also confirms that both authorities have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

**2. BACKGROUND**

- 2.1 A report to the Panel on 26 July 2016 set out the requirements for the publication of the draft statements 2015/16, public scrutiny and the audit process. The report also included notable items within the Statements of Account 2015/16, high level analysis of budget performance and the financial outturn subject to audit.
- 2.2 The audit completion reports attached set out the main findings of the work of the auditor, the unqualified opinion on the financial statements, the Value for Money conclusion and other comments. The reports can be found in Appendix 1 and 2.
- 2.3 The audit completion reports both note two outstanding matters within the Executive Summary at page 3. The outstanding matters noted are the LGPS Pension Fund auditor (EY) assurance, and standard closure procedures. Both matters were subsequently resolved and the auditor issued a notice of conclusion of outstanding matters as required by International Standards on Auditing (UK and Ireland) on 23 September 2016.

- 2.3 The Joint Independent Audit Committee considered and recommended the Statements and the draft Audit reports at their meeting of 12 September 2016.
- 2.4 The Police and Crime Commissioner, Chief Constable and the Chief Finance Officer signed the accounts on 15 September 2016 and the auditor certified them as completed on 23 September 2016.
- 2.5 The Statements were published on the Police and Crime Commissioner's and Chief Constable's websites on 29 September 2016.
- 2.6 The Notice of Conclusion of the Audit was also published on 29 September 2016 on the Police and Crime Commissioner's and Chief Constable's websites.
- 2.7 The Statement of Accounts can be found at the following 'quick' links:

PCC - <http://goo.gl/4kH5Fm>

Chief Constable - <http://goo.gl/Dtxwo8>

### **3 CHANGES SINCE THE DRAFT ACCOUNTS**

- 3.1 The detailed audit completion reports from Mazars are attached to this report and summarise the main findings of the auditor including further detail on the main adjustments and minor amendments required to the financial statements. All issues raised by the auditor were addressed in the final statements authorised for issue.
- 3.2 An event occurred after the reporting period which related to an employment tribunal which was noted in the draft accounts as a contingent liability. On 18 August 2016 the court issued a judgement and an award of compensation to the claimant in the case. As a result an additional cost of £0.227m was recognised in the financial statements of the Chief Constable and the consolidated position in the Police and Crime Commissioner Group accounts.
- 3.3 The final revenue outturn position for the Group has been adjusted by £0.227m to reflect the post balance sheet event described above and is summarised in Table 1 below.

Table 1

<b>Revenue Monitoring - Audited Position</b>			
<b><u>Group Position</u></b>	Approved Budget 2015/16 £m	Outturn 2015/16 £m	Variance 2015/16 £m
Chief Constable	258.187	257.655	(0.532)
Police and Crime Commissioner	10.852	9.438	(1.414)
Net Expenditure	<b>269.039</b>	<b>267.093</b>	<b>(1.946)</b>
Central Government Grant Income	(226.915)	(226.915)	0.000
Council Tax Precept	(32.904)	(32.904)	0.000
<b>Central Grant and Precept Total</b>	<b>(259.819)</b>	<b>(259.819)</b>	<b>0.000</b>
<b>Appropriations (to) / from reserves</b>	<b>9.220</b>	<b>7.274</b>	<b>(1.946)</b>

#### 4. Recommendations

4.1 To note the report.

Appendix 1 – Chief Constable Audit Completion Report

Appendix 2 – Police & Crime Commissioner Audit Completion Report