

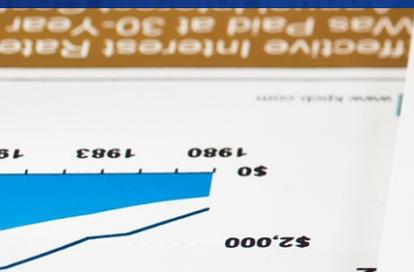


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# Annual Audit Letter 2012/13

Derbyshire Police and Crime  
Commissioner and Derbyshire Chief  
Constable

October 2013



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This report is addressed to the Derbyshire Police and Crime Commissioner and the Derbyshire Chief Constable and has been prepared for the sole use of the Derbyshire Police and Crime Commissioner and the Derbyshire Chief Constable. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk), who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3<sup>rd</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to [complaints@audit-commission.gsi.gov.uk](mailto:complaints@audit-commission.gsi.gov.uk). Their telephone number is 03034448330.

**This report summarises the key findings from our 2012/13 audit for the Derbyshire Police and Crime Commissioner (PCC) and for the Derbyshire Chief Constable (CC).**

**Although this letter is addressed to the Derbyshire Police and Crime Commissioner and the Derbyshire Chief Constable, it is also intended to communicate these issues to key external stakeholders, including members of the public.**

**This report relates to the findings arising from our audit of the 2012/13 financial statements and the 2012/13 VFM conclusion for both the PCC and CC.**

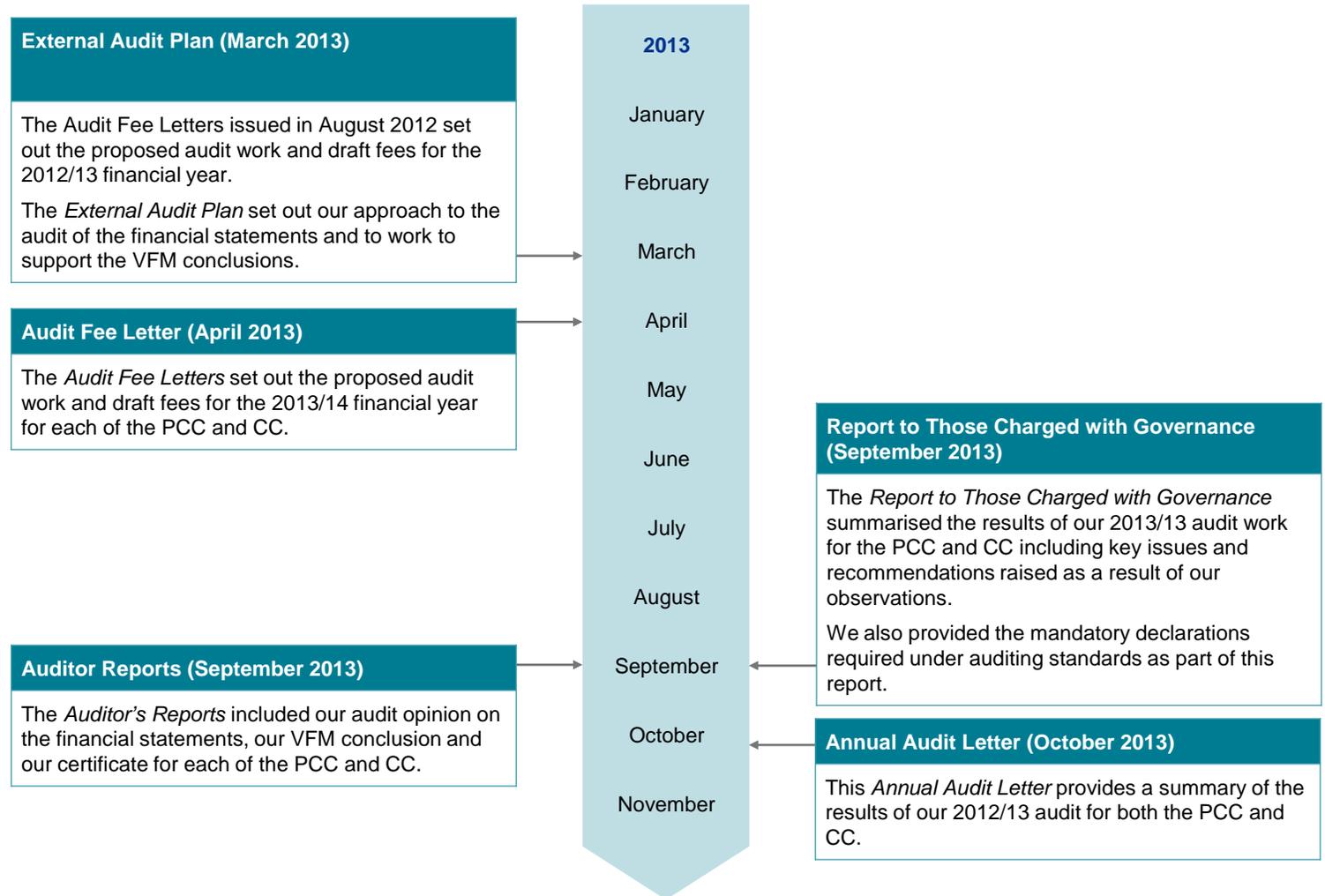
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|------------------------------------|---|
| <b>VFM conclusion</b>              | <p>We issued unqualified value for money (VFM) conclusions for 2012/13 for both the PCC and CC on 30 September 2013.</p> <p>This means we are satisfied that both bodies have proper arrangements for securing financial resilience and challenging how they secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at the processes that both bodies have for financial governance, financial planning and financial control, together with the arrangements for prioritising resources and improving efficiency and productivity.</p> |
| <b>VFM risk areas</b>              | <p>Our initial risk assessment took into account the key business risks facing the PCC and CC which are relevant to our VFM conclusion. We considered the actions being taken by both bodies to meet ongoing financial pressures. We were satisfied that sufficient work in relation to this risk was being carried out by the PCC and CC to mitigate the audit risks for our VFM conclusion. We concluded that we did not need to carry out any specific additional work ourselves.</p>  |
| <b>Audit opinion</b>               | <p>We issued an unqualified opinion on the financial statements of each of the PCC and CC on 30 September 2013. This means that we believe that both sets of financial statements give a true and fair view of the financial position of the respective body and of their expenditure and income for the year.</p>  |
| <b>Financial statements audit</b>  | <p>We reported the significant matters arising from the financial statements audit to the Joint Audit, Risk and Assurance Committee in our Report to those Charged with Governance. We did not need to report any significant audit differences to the Committee.</p>   |
| <b>Annual Governance Statement</b> | <p>We reviewed the <i>Annual Governance Statements for the PCC and CC</i> and concluded that they were consistent with our understanding of the respective governance arrangements.</p>   |

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

|                                     |  |
|-------------------------------------|--|
| <b>Whole of Government Accounts</b> | We reviewed the consolidation pack prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the pack was consistent with the audited financial statements.  |
| <b>Certificate</b>                  | We issued our certificates on 30 September 2013.<br><br>The certificates confirms that we have concluded the two audits for 2012/13 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> . |
| <b>Audit fee</b>                    | The total audit fee for the two bodies for 2012/13 was £66,000, excluding VAT. This is in line with the planned fee. Further detail is contained in Appendix 2.  |

## Appendix 1: Summary of reports issued

This appendix summarises the reports we issued this year.



**This appendix provides information on our final fees for 2012/13.**

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2012/13 planned audit fee.

**External audit**

Our final fee for the 2012/13 audit of the PCC and the CC was £66,000, split as follows:

- Police and Crime Commissioner      £46,000
- Chief Constable                              £20,000

This compares with a fee of £75,900 for the 2011/12 audit of the Derbyshire Police Authority and represents a total fee reduction of 14 percent compared to 2011/12. The 2012/13 fee reflects the reductions that the Audit Commission has been able to make to its scale fees following the market testing of audit services.

The final fee is the same as the planned fee and we have not needed to submit any additional fee requests to the Audit Commission.



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