



# Progress update to the Joint Audit Committee

The Police & Crime Commissioner for Cambridgeshire and the Chief Constable for Cambridgeshire Police

External audit progress update for the year ended 31 March 2024

November 2024

# Introduction

## To the Joint Audit Committee of the Police & Crime Commissioner for Cambridgeshire and Chief Constable for Cambridgeshire Police

We are pleased to have the opportunity to meet with you on 5 November 2024 to discuss our progress to date in respect of the audit of the consolidated and standalone financial statements of the Police & Crime Commissioner for Cambridgeshire (PCC) and the Chief Constable for Cambridgeshire Police (CC) for the year ending 31 March 2024.

We anticipate issuing an initial view of our audit results for the February meeting of the Group. However, we will only be able to confirm final results once an audit opinion has been expressed or disclaimed on the prior period and we have evaluated the impact of that opinion or disclaimer on our audit.

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

Yours sincerely,



**Katie Henry**

Director, KPMG LLP

17 October 2024

## How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner. We aim to complete all audit work no later than 2 days before audit signing. As you are aware, we will not issue our audit opinion until we have completed all relevant procedures, including audit documentation.

The audit undertaken in the current year is dependent on the finalisation of the previous auditor's work over historical financial statements.

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# Our audit findings to date

## Executive Summary

Our audit is progressing well with all parts of our file. We plan to present the complete ISA 260 and the annual audit report at the February 25 Joint Audit Committee meeting, subsequent to issuing the audit opinion from the prior year's audit in December 24.

Below we have set out our findings on key areas set out in our audit plan dated 16 April 2024.

### Significant audit risks

Significant audit risks	Our findings to date
Management override of controls	Our work is in progress and we do not have findings to report at this time. In line with our methodology, we have identified high- risk journals to test including unexpected entries to expenditure accounts, cash accounts, and borrowing accounts. We are currently finalising the sample testing.
Valuation of post retirement benefit obligations	Our work is in progress and we do not currently have findings to report. We are engaging with actuaries to review the methodology and assumptions of IAS 19 reports for Local Government Pension Scheme and the Police Officer Scheme.
Fraud risk from expenditure recognition	Our work is in progress and we do not have findings to report at this time. We have selected a sample of year- end accruals and a sample of expenditure and cash payments two months post year- end. We have inspected the supporting evidence to verify whether the accruals and expenditure have been accurately recorded. We are currently finalising the sample testing and retrospective review of accruals.

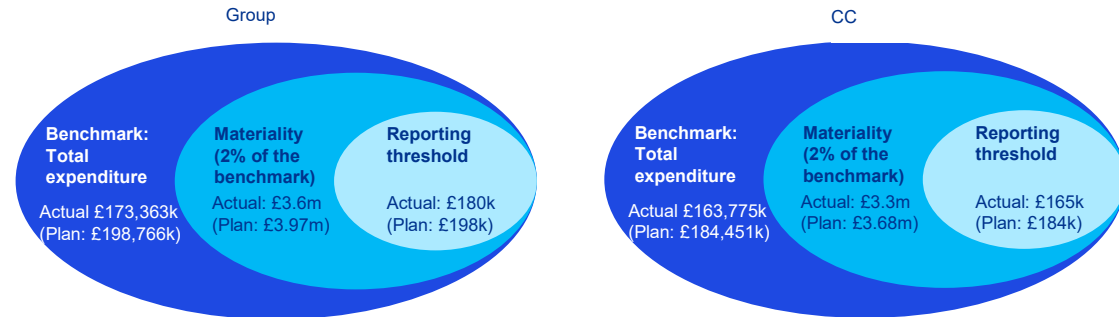
### Value for Money

We have finished our work on risk assessment and presented the results in the audit plan dated on 16 April 2024. At this moment, we have no findings to report. Currently, we are in the process of finalising the re-assessment and reporting for the value for money arrangement.

# Key changes to our audit plan

## Materiality

Materiality have been revised for Group and CC because the benchmark expenditure for the 2023/24 financial year, has decreased significantly since planning due to the figure we used for planning being an estimate.



## Audit adjustments and control deficiencies

### Audit adjustments

We have not identified any corrected or uncorrected audit adjustments at this time.

### Control deficiencies

We have not identified any significant issues in respect of internal control that we wish to bring to the Committee's attention. We have identified opportunities to strengthen the journal entries process which we will report as part of our detailed findings in February alongside any other improvement opportunities we identify through our work.

# Fees

## Audit fee

Our fees for the year ending 31 March 2024 are set out in the PSAA Scale Fees communication and are shown below.

Chief Constable of Cambridgeshire	2023/24 (£')
Statutory Audit	47,040
ISA315r	2,300
ISA240	1,018
<b>TOTAL</b>	<b>50,358</b>

Police and Crime Commissioner for Cambridgeshire	2023/24 (£')
Statutory Audit	89,060
ISA315r	4,340
ISA240	3,270
<b>TOTAL</b>	<b>96,670</b>

\*Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.



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