

Ms Alison Hernandez  
Devon and Cornwall Police and Crime Commissioner  
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Dear Ms Hernandez

### **Planned audit fee for 2018/19**

The Local Audit and Accountability Act 2014 (the Act) provides the framework for local public audit. Public Sector Audit Appointments Ltd (PSAA) has been specified as an appointing person under the Act and the Local Authority (Appointing Person) Regulations 2015 and has the power to make auditor appointments for audits of opted-in local government bodies from 2018/19. The Police and Crime Commissioner for Devon and Cornwall and Chief Constable for Devon and Cornwall are both opted-in bodies.

For opted-in bodies PSAA's responsibilities include setting fees, appointing auditors and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

### **Scale fee**

PSAA published the 2018/19 scale fees for opted-in bodies in March 2018, following a consultation process. Individual scale fees have been reduced by 23 percent from the fees applicable for 2017/18. Further details are set out on the [PSAA website](#). The scale fee for the Police and Crime Commissioner for 2018/19 has been set by PSAA at £27,992. The scale fee for the Chief Constable for 2018/19 has been set by PSAA at £14,438. The total scale fee for 2018/19 for the audit of the group financial statements of the Police and Crime Commissioner, including the statements of the Chief Constable, is £42,430.

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes'.

The audit planning process for 2018/19, including the risk assessment, will continue throughout the year. Fees will be reviewed and updated as necessary as our work progresses.

### **Scope of the audit fee**

There are no changes to the overall work programme for audits of police bodies for 2018/19. Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors. Audits of the accounts for 2018/19 will be undertaken under this Code. Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements;
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion); and
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

### **Value for Money conclusion**

The Code requires us to consider whether the Police and Crime Commissioner has put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its latest guidance for auditors on value for money work in November 2017. The guidance states that for police bodies, auditors are required to give a conclusion on whether the Police and Crime Commissioner has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

*In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

### **Billing schedule**

Fees will be billed as follows:

| <b>Main Audit fee</b> | <b>£</b>      |
|-----------------------|---------------|
| September 2018        | 6,998         |
| December 2018         | 6,998         |
| March 2019            | 6,998         |
| June 2019             | 6,998         |
| <b>Total</b>          | <b>27,992</b> |

### **Outline audit timetable**

We will undertake our audit planning and interim audit procedures in November 2018 to March 2019. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed in June/July 2019 and work on the whole of government accounts return in July 2019.

| <b>Phase of work</b>             | <b>Timing</b>               | <b>Outputs</b>  | <b>Comments</b>  |
|----------------------------------|-----------------------------|---|--|
| Audit planning and interim audit | November 2018 to March 2019 | Joint Audit Plan  | The plan summarises the findings of our audit planning and our approach to the audit of the Police and Crime Commissioner's accounts and VfM arrangements. |
| Final accounts audit             | June/July 2019              | Joint Audit Findings Report (to the PCC as 'the individual charged with governance')) | This report sets out the findings of our accounts audit and VfM work for the consideration of the PCC as the individual charged with governance.           |
| VfM conclusion                   | November 2018 to July 2019  | Joint Audit Findings Report (to the PCC as the individual charged with governance)    | As above   |
| Whole of government accounts     | July 2019                   | Opinion on the WGA return or other required return                                    | This work will be completed alongside the accounts audit.  |
| Annual audit letter              | September 2019              | Joint Annual Audit Letter to the Police and Crime Commissioner                        | The letter will summarise the findings of all aspects of our work.   |

### **Additional work**

The scale fee excludes any work the Police and Crime Commissioner may request that we may agree to undertake outside of our Code audit. Any additional work will be separately agreed and a detailed project specification and fee agreed with the Police and Crime Commissioner.

### **Quality assurance**

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Jon Roberts, our Public Sector Assurance regional lead partner, via [jon.roberts@uk.gt.com](mailto:jon.roberts@uk.gt.com).

Yours sincerely

A handwritten signature in black ink that reads "Alex Walling". The signature is written in a cursive, slightly slanted style.

**Alex Walling**  
**Engagement Lead**

For Grant Thornton UK LLP