

Report to the Audit Committee

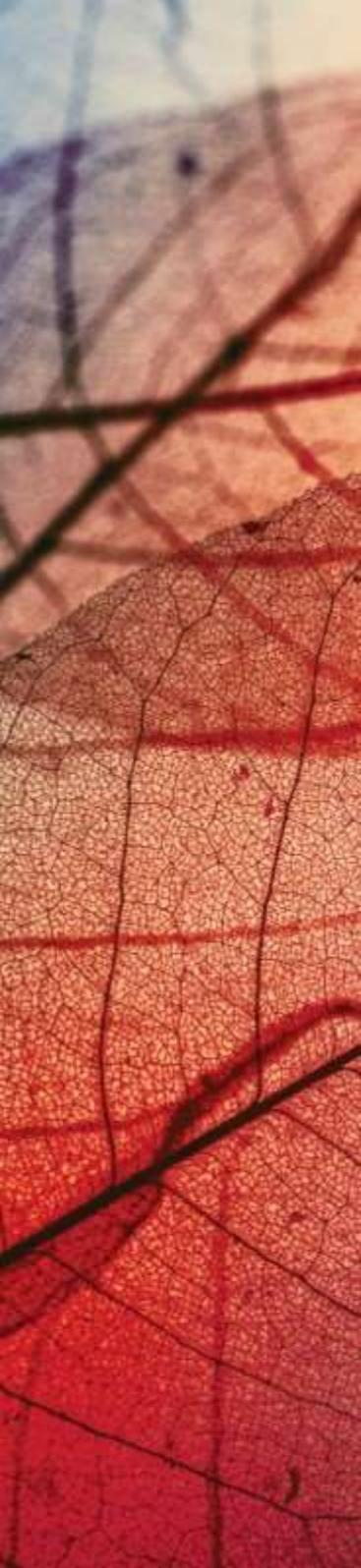
**POLICE AND CRIME COMMISSIONER  
CAMBRIDGESHIRE AND PETERBOROUGH / THE  
CHIEF CONSTABLE OF CAMBRIDGESHIRE  
CONSTABULARY**

Audit Progress: year ending 31 March 2020

Position as at 16 April 2020

IDEAS | PEOPLE | TRUST





# CONTENTS

1	Executive summary	3		
	Overview	3		
2	Audit risks	4		
	Overview	4		
	Matters requiring additional consideration	5		
3	Control environment	6		
	Control environment: Significant deficiencies	6		
			4	Appendices contents
				7

# OVERVIEW

## Executive summary

- Contents
- Executive summary**
- Overview
- Audit risks
- Control environment
- Appendices contents

Our interim audit visit began on 27 January 2020. We have focused our work on testing income, expenditure, payroll and journals covering the first nine months of the year. This will allow us to reduce pressure on our final audit visit in June and July.

We have worked with the finance team to ensure the accounts and audit timetables are fully understood and aligned.

### Overview

This report summarises the key matters from our interim audit of the Police and Crime Commissioner for Cambridgeshire and Peterborough and the Chief Constable of Cambridgeshire Constabulary, in particular reporting on the progress to date in respect of our testing of the significant risks.

Our interim audit was conducted as set out in the Audit Planning Report presented at the Joint Audit Committee meeting in January 2020.

Following our final audit in June and July 2020, we will produce an Audit Completion Report which will be presented to the Joint Audit Committee meeting on 30 July 2020.



### What is the progress of our audit?

Our interim audit included reviewing the nominal ledger data at Period 9 and performing tests of detail with regards to the first 9 months’ transactional activity.

We undertook the following detailed work:

- Documented system notes and carried out walkthroughs of key controls in the financial systems.
- Reviewed the IT general controls in respect of the eFinancials and ePayFact systems.
- Carried out substantive sample testing on 9 months’ of fees and charges income transactions. Evidence was obtained to support all items tested.
- Carried out substantive sample testing on 9 months’ of expenditure transactions. Evidence was obtained to support all items tested. Further detail provided on page 4.
- Carried out risk based testing of journals for management override of controls. Further detail provided on page 4.
- Agreed an approach to payroll substantive testing consisting of a detailed proof in total procedure and substantive sample testing over new starters during the year.

# OVERVIEW

- Contents
- Executive summary
- Audit risks**
- Overview
- Matters requiring additional consideration
- Control environment
- Appendices contents

As identified in our audit planning report dated 22 January 2020 we assessed the following matters as being the most significant risks of material misstatement in the financial statements. These include those risks which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit and the directing of the efforts of the engagement team.

Significant Audit Risk	Progress	Errors Identified?
Management override of controls	No issues have been identified to date in our review of the appropriateness of journal entries and other adjustments made to the financial statements to date. Our work in this area and our review of accounting estimates will be completed as part of our final audit testing in June and July 2020.	No
Expenditure cut-off	No non-trivial issues have been identified to date in our review of expenditure cut-off with no items identified relating to 2018/19 in the 2019/20 ledger. Our work in this area will be concluded in our final audit testing in June and July 2020.	No
Valuation of non-current assets	The annual valuation of land and buildings was to be performed as at 31 March 2020, which was after the date of our interim audit. Our review of the assumptions and standing data used will therefore be completed as part of our final audit testing in June and July 2020. Our review of the movement in valuation on all properties since the last valuation date will also be completed as part of our final audit testing in June and July 2020.	Not applicable
Valuation of pension liability	Our testing in this area will be completed as part of our final audit testing in June and July 2020.	Not applicable
Related party transactions	Our testing in this area will be completed as part of our final audit testing in June and July 2020.	Not applicable
Sustainable resource deployment	Our testing in this area will be completed as part of our final audit testing in June and July 2020.	Not applicable
Health and safety	Our testing in this area will be completed as part of our final audit testing in June and July 2020.	Not applicable

# MATTERS REQUIRING ADDITIONAL CONSIDERATION

Contents
Executive summary
<b>Audit risks</b>
Overview
Matters requiring additional consideration
Control environment
Appendices contents

## Fraud

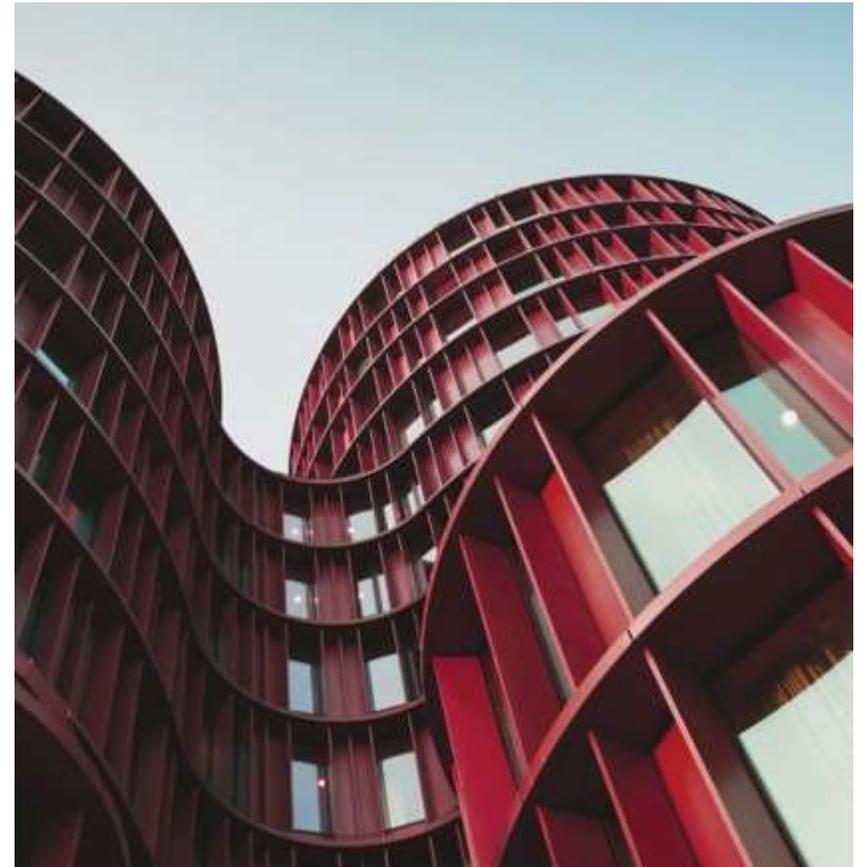
Whilst the Officers have ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit procedures to date have not identified any fraud.

We will seek confirmation from you whether you are aware of any known, suspected or alleged frauds since we last enquired when presenting the audit plan on 28 January 2020. At that moment in time, you confirmed you were not aware of any known, suspected for alleged frauds.

## Covid-19

Following the outbreak of the Covid-19 pandemic, the deadline for production of the financial statements has been moved to 31 August 2020, and the deadline for providing the audit opinion has been moved to 30 November 2020. Following discussions with the finance team, our understanding is that the Authority is still able to perform the accounts preparation and audit processes to the original timetable with the aim of producing a set of financial statements by 31 May 2020 and an audit opinion by 31 July 2020.

As a consequence of this pandemic, we will be revisiting our risk assessment and expect to raise an additional significant risk regarding going concern. Our use of resources risk assessment will also be reassessed and additional risks may also be added. Due to the fast changing nature of the situation, the final risk assessment will be based on the position in respect of this as at the point of signing the audit. We will therefore be presenting an updated risk assessment to the Joint Audit Committee in July 2020.



# CONTROL ENVIRONMENT: SIGNIFICANT DEFICIENCIES

- Contents
- Executive summary
- Audit risks
- Control environment**
- Control environment: Significant deficiencies
- Appendices contents

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to the Joint Audit Committee.

As the purpose of the audit is for us to express an opinion on the Authority’s financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a

result, the matters reported may not be the only ones which exist.

As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

Our audit to date has not identified any significant deficiencies in internal controls.



# APPENDICES CONTENTS

A	Communication with you	8
	Communication with you	8
	Audit timeline	9

B	Audit quality	10
	Audit quality	10

# COMMUNICATION WITH YOU

- Contents
- Appendix contents
- Communication with you
- Audit timeline
- Audit quality

### Those Charged with Governance (TCWG)

For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Joint Audit Committee.

### Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered.

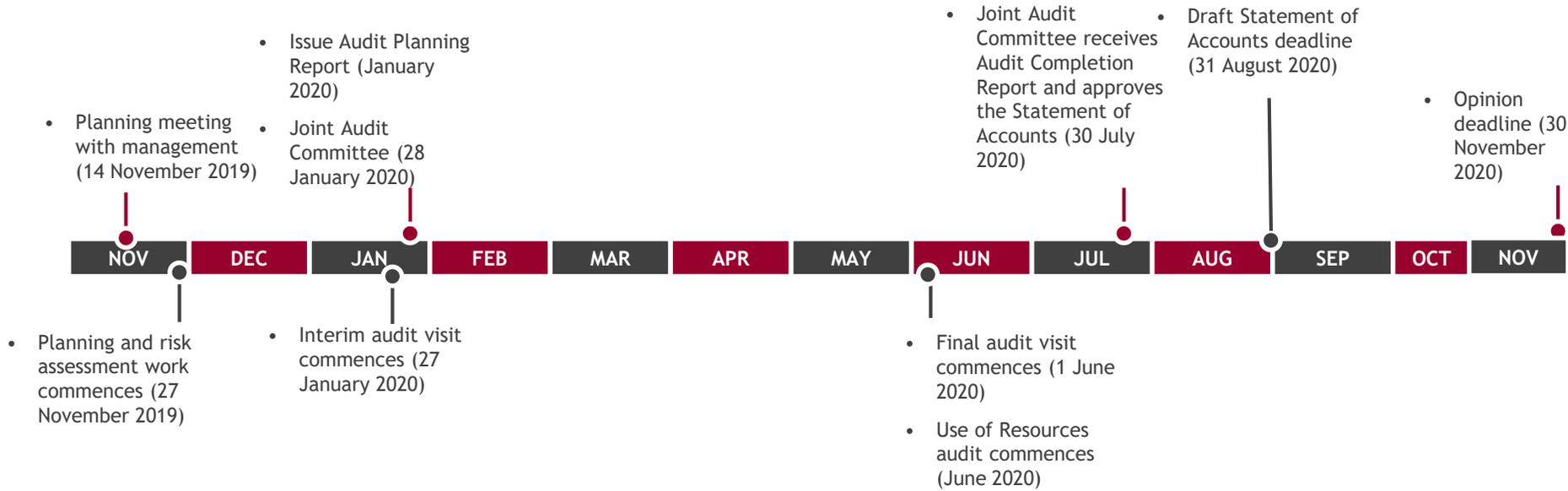
We have met with management throughout the audit process. We have issued regular updates driving the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Communication required	Date (to be) communicated	To whom
Audit Plan	28 January 2020	Joint Audit Committee
Audit Progress Report	29 April 2020	Joint Audit Committee
Audit Completion Report	30 July 2020	Joint Audit Committee

# AUDIT TIMELINE

An overview of the key dates

- Contents
- Appendix contents
- Communication with you
- Audit timeline
- Audit quality



# AUDIT QUALITY

- Contents
- Appendix contents**
- Communication with you
- Audit timeline
- Audit quality



**BDO is totally committed to audit quality**

It is a standing item on the agenda of BDO’s Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream’s objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections.

BDO welcomes feedback from external bodies and is committed to implementing a necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council’s Audit Quality Review team), QAD (the ICAEW Quality Assurance Department) and the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US companies), the firm undertakes a thorough annual internal Audit Quality Assurance Review and as member firm of the BDO International network we are also subject to a quality review visit every three years.

We have also implemented additional quality control review processes for all listed and public interest audits.

More details can be found in our Transparency Report at [www.bdo.co.uk](http://www.bdo.co.uk)

FOR MORE INFORMATION:

**Rachel Brittain**

t: +44(0)20 7893 2362  
m: +44(0)7971 716 487  
e: rachel.brittain@bdo.co.uk

**Matthew Weller**

t: +44(0)1473 320804  
e: matthew.weller@bdo.co.uk

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the Trust and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

BDO is an award winning UK member firm of BDO International, the world's fifth largest accountancy network, with more than 1,500 offices in over 160 countries.

BDO LLP is a corporate establishment under the Limited Liability Partnership Act 2000 and a UK Member Firm of BDO International. BDO Northern Ireland, a separate partnership, operates under a licence agreement. BDO LLP and BDO Northern Ireland are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

©2020 BDO LLP. All rights reserved.

[www.bdo.co.uk](http://www.bdo.co.uk)