

**Joint Audit Committee**  
**Annual Statement of Accounts 2019/20**

30 July 2020

Responsible Officer:	Impact on Business:		Risk Register Reference & RAG
Ray Bisby (APCC), Matthew Warren, Nick Dean, Jon Lee	High	X	N/a
	Medium		
	Low		
Lead Manager:	Report Type:		
Matthew Warren, Jon Lee	Governance	X	
	Strategic		
	Operational		
Previous papers to Committee:			
Prior year Annual Statement of Accounts for 2018/19 reported to July 2019			

Report summary	Annual Statement of Accounts 2019/20
	<p>The report presents the Annual Statement of Accounts of the Chief Constable's, the PCC's and the Group (combining the Chief Constable's and PCC's accounts) to the Committee for approval subject to the final conclusion of the external audit by BDO.</p> <p>The Constabulary and PCC draft accounts were prepared by the original deadline of the 31 May 2020. This was a significant achievement given the timing of the Covid-19 crisis and the relaxation of the deadline to 31 August for public sector draft accounts. Maintaining the planned timetable enabled the public inspection period of the accounts to proceed and for the external audit by BDO to start on schedule.</p> <p>As a result of lock down and the need to maintain home working as far as possible, both the finance and audit teams have managed the audit work completely remotely. This has been a new experience for both teams and the approach has worked very well with both teams in regular contact. Credit is due to all those involved in delivering these accounts and external audit to the Committee within this timeframe under challenging circumstances.</p>

The accounts presented to the Committee however are not the final accounts for sign off at this stage because the audit of the Cambridgeshire Local Government Pension Fund (LGPS) administered by the County Council has not yet been started. The draft accounts of the Cambridgeshire LGPS are not expected to be released for audit until 31 August and therefore the external audit of those accounts cannot start until September at the earliest. As the Constabulary is a member of the Cambridgeshire LGPS the audit opinion on the Chief Constable's, PCC's and Group accounts cannot be provided by BDO until the external auditors of the Cambridgeshire LGPS (Ernst and Young) have completed their work in the autumn.

The time that will have elapsed between the initial audit work and the audit of the Cambridgeshire LGPS accounts means some aspects of the Constabulary's audit will need to be revisited before sign off. This is to ensure there is no new information that means the accounts may have materially changed. Two of the key areas that will need to be revisited will be property valuations and cut off testing of expenditure and income.

The audit work that is in the Constabulary's control is largely complete. At the time of writing there are some areas of audit work that remain in progress as set out below.

- **Payroll Reconciliation** – work is being finalised to reconcile the pay figures in the accounts to the payroll/reports reconciliations – this is taking time as there are a large number of entries which are complex in some instances.
- **Pension Queries** – there are some ongoing pension queries. Most of these the Constabulary will be able to respond to promptly but some may need information from the Constabulary's pension advisors XPS.
- **Other areas** - some areas are still being reviewed by the auditors such as related parties.

All other main areas have been reviewed and follow up comments/queries resolved or are in the process of being resolved in the following areas:

- 1) Journals, expenditure, income samples;
- 2) Creditors/Debtors - complete with exception of the auditor reviewing revised numbers in final accounts;
- 3) Financial Instruments – amended disclosure note and need to confirm back detailed workings to the auditor;
- 4) Plant, Property and Equipment (PPE) – physical verification – one item outstanding with the Estates team;
- 5) PPE Revaluation – responses provided awaiting auditor clearance; and
- 6) Reserves – a table required showing movements on reserves.

An update on these outstanding items will be provided to the Committee at the meeting as work is still ongoing.

	<p>There were no enquiries or objections from members of the public during the public inspection period which ran from 1 June to 10 July.</p> <p>The Annual Statement of Accounts are accompanied by the external auditor's ISA 260 report to those charged with governance which should be read alongside the accounts. During the course of the audit a number of audit adjustments have been identified and agreed which have been made in the final accounts.</p> <p>The Committee should note that once the final Statement of Accounts are signed off the Annual Governance Statements (previously reported to the April 2020 JAC) will also be finalised and signed.</p> <p>The accounts are being updated and will be released to the Committee in due course ahead of the meeting so they are as up to date as possible.</p>			
<b>Related Police and Crime Plan objective</b>				
<b>Action</b> (tick one box only)	Information <input type="checkbox"/>	Assurance <input type="checkbox"/>	Approval <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
<b>Recommendation</b>	<p>That the Joint Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Approve the Annual Statement of Accounts subject to final sign off by the external auditors; and</li> <li>2. Approve delegated authority to the Chair of the Committee to sign off the final Annual Statement of Accounts subject to their being no material changes that need reporting back to and consideration by the full Committee.</li> </ol>			