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External audit progress report and technical update

Joint Independent Audit Committee

May 2015



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Progress report

External audit progress report – May 2015

This document provides the Joint Independent Audit Committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverables is provided in Appendix 1 of this report.

Summary of work performed since the last meeting of this Committee	<p>Since the last meeting of the Joint Independent Audit Committee meeting we have:</p> <ul style="list-style-type: none"> completed the interim audit work which involved testing significant financial systems and assessment of the financial control environment. We have identified no significant risks and have gained the planned level of assurance from our work. undertaken work to support our VFM conclusion following guidance specified by the Audit Commission in terms of the scope and focus of the work. prepared our technical update (see overleaf). 		
Summary of upcoming work	<p>Our upcoming work ahead of the next meeting of the Joint Independent Audit Committee includes:</p> <ul style="list-style-type: none"> undertaking the financial statements audit which is scheduled for June - July 2015. We will assess your closedown arrangements, plan and perform substantive audit procedures and review the Annual Governance Statement. We will conclude on critical accounting matters and identify and report audit adjustments. completing the review of your value for money arrangements against the two criteria specified by the Audit Commission, and forming our VFM conclusion. 		
Actions	<p>We ask the Joint Independent Audit Committee to:</p> <ul style="list-style-type: none"> NOTE this progress report and technical update. 		
Contacts	The key contacts in relation to our audit are:		
	<p>Sue Sunderland Director +44 (0)115 945 4490 sue.sunderland@kpmg.co.uk</p>	<p>Helen Brookes Manager +44 (0)115 945 4476 helen.brookes@kpmg.co.uk</p>	<p>Jon Machej Assistant Manager +44 (0)115 935 3430 jon.machej@kpmg.co.uk</p>



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Technical update

We present below recent policy announcements and publications which we would like to draw to the attention of the Joint Independent Audit Committee.

KPMG Publications: Audit Committee Institute – Global Audit Committee Survey

To help identify the key challenges and concerns facing audit committees, boards, and their companies today, KPMG's Audit Committee Institute surveyed some 1,500 audit committee members in more than 36 countries.

A range of timely issues were explored including:

- The audit committee's workload and agenda
- Risk and information quality
- Oversight of auditors
- Audit committee effectiveness and mechanics

Our survey identifies broad international trends and provides detailed country data on audit committee challenges and concerns in different geographies.

Whilst focused on a company setting, the issues are relevant within the NHS setting and our survey findings can serve as an important reference – for benchmarking current practices, identifying gaps and emerging risks, and sparking fresh conversations about how audit committees and boards are strengthening their oversight and keeping pace in an uncertain and, at times, volatile business environment.

The survey can be viewed at: <https://www.kpmg-institutes.com/content/dam/kpmg/auditcommitteeinstitute/pdf/2015/2015-global-audit-committee-survey.pdf>



Issue	Impact on the Trust and insight from KPMG
<p>Criminal Justice System continues to fail disabled victims</p> <p>A follow up review by HMIC into how the police, the Crown Prosecution Service and the probation service deal with disability hate crime reports that all three organisations have failed to comply and act on recommendations made in a previous report from March 2013. That report, "Living in a different world: A joint review of Disability Hate Crime" made seven recommendations for police, CPS and probation trusts to implement within a specific timescale. These included the need for a single and clear definition of disability hate crime and the requirement for police to ensure every opportunity is taken to identify victims. Police, prosecutors and probation officers were also recommended to undertake training around disability hate crime to improve their investigative, tribunal and rehabilitation skills.</p> <p>The recommendations were designed to improve performance and embed good working practices, acknowledging that disability hate crime should be treated the same as other hate crimes such as race, religion, sexual orientation or transgender.</p> <p>Although this follow up report has identified some examples of good practice relating to awareness-raising at a national level, neither the police nor the CPS has succeeded in significantly improving performance at an operational level.</p> <p>The report can be accessed here http://www.justiceinspectorates.gov.uk/hmic/publication/joint-review-of-disability-hate-crime-follow-up/</p>	<p>The Joint Independent Audit Committee should be aware of this follow up review.</p>
<p>Crime and Policing Comparator</p> <p>HMIC has published the Crime and Policing Comparator which allows a comparison of data on recorded crime and anti-social behaviour (ASB), quality of service, finances and workforce numbers for all police forces in England and Wales. HMIC validates and publishes this data, which is submitted by police forces. It can be accessed here http://www.justiceinspectorates.gov.uk/hmic/crime-and-policing-comparator/</p>	<p>The Joint Independent Audit Committee may wish to enquire as to how this comparative data is used.</p>
<p>Criminal Justice Joint Inspection Joint Business Plan 2015/16</p> <p>Criminal Justice Joint inspection is carried out by the four Criminal Justice inspectorates, HM Inspectorate of Constabulary, HM Crown Prosecution Service Inspectorate, HM Inspectorate of Probation and HM Inspectorate of Prisons. The Business Plan for 2015/16 was published in March 2015.</p> <p>A joint inspection programme is required by statute (Police and Justice Act 2006) and this programme has been subject to consultation (with Ministers and other inspectorates) during the period November 2014 – January 2015.</p> <p>The cross-cutting areas of focus are: community safety; bringing offenders to justice; offender management; custodial conditions; the victim and witness experience; equality and diversity (in the CJS); and, overall and throughout each individual inspection, consideration of value for money. The document can be accessed here http://www.justiceinspectorates.gov.uk/hmic/news/news-feed/criminal-justice-joint-inspection-joint-business-plan-2015-16/</p>	<p>This item is brought to the attention of the Joint Independent Audit Committee for information.</p>

Issue	Impact on the Trust and insight from KPMG
<p>HMIC inspection programme 2015/16</p> <p>Following consultation earlier this year, HMIC has now published its inspection programme for the year ahead. To help forces with planning, they will publish an up-to-date schedule every month, showing the inspections they are carrying out, and what stage they are at. For the first time, this shows how the schedule for each inspection is split between planning, fieldwork, and reporting stages. The programme can be accessed at http://www.justiceinspectorates.gov.uk/hmic/publication/hmic-inspection-programme-2015-16/</p>	<p>The Joint Independent Audit Committee should be aware of the inspection programme.</p>



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Appendix

Appendix 1 – 2014/15 Audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year	April 2014	Complete
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	March 2015	Complete
Interim			
Interim report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the PCC's and CC's arrangements for securing value for money in the use of its resources.	If required	Not required
Substantive procedures			
Report to those charged with governance (ISA+260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on value for money arrangements.	September 2015	TBC
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2015	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2015	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	November 2015	TBC



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