

Government and Public Sector

December 2007

Kent Police Authority

2006/07 Annual Audit Letter

Members of the Audit and Finance
Kent Police Authority
Gail House
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December 2007

Ladies and Gentlemen

2006/07 Audit Letter

We are pleased to present our Audit Letter on the results of our audit work for 2006/07. We hope that the information contained in this letter provides a useful source of reference for Members.

Yours faithfully

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In March 2005 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and of audited bodies’. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Introduction

The purpose of this report

This letter provides a high level summary of the results of our audit work from our 2006/07 audit of Kent Police Authority's accounts.

We have already reported the detailed findings from our audit work to those charged with governance in the following reports:

- 2006/07 Audit Plan
- Police Data Quality Review 2006/07
- Report on the 2006/07 Best Value Performance Plan
- Audit opinion in relation to the 2006/07 Accounts;
- Auditor's conclusion on whether there are proper arrangements for securing economy, efficiency and effectiveness in the Use of Resources
- Police Use of Resources Evaluation – Feedback report
- Report to those Charged with Governance 2006/07.

The matters reported here are those that we consider are most significant for the Authority.

Scope of work

Our audit work is conducted in accordance with the Audit Commission's

Code of Audit Practice, International Standards on Auditing and other guidance issued by the Audit Commission.

Audited bodies are responsible for preparing and publishing their financial statements, including the statement on internal control. Audited bodies are also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources and the production and publication of an annual best value performance plan.

As auditors we are responsible for:

- forming an opinion on the financial statements and the authority's statement on internal control;
- forming a conclusion on the arrangements that the audited body has in place to secure economy, efficiency and effectiveness in its use of resources;
- forming an opinion as to whether the Best Value Performance Plan complies with statutory requirements; and
- undertaking any other work specified by the Audit Commission.

Our 2006/07 audit work has been undertaken in accordance with the Audit Plan that we issued in June 2006.

Financial statements

Audit opinion

We issued an unqualified opinion on the 2006/07 financial statements.

Audit and accounting Issues

During our audit we identified issues relating to Police Pension Fund disclosures and IT controls. These are outlined below:

Police Pension Fund

Some presentational adjustments were made in respect of the Police Pension Fund Regulations 2007 (SI 2007 No 1932). These came into force on 1 August 2007 and provided a formally constituted arrangement for a police pension fund for 2006/07.

The new regulations control the transactions posted to the Pension Fund and required some changes to the way the accounts were presented. We discussed these changes with the Finance team during the audit and reviewed the updated disclosures made in the accounts, and were satisfied that the changes were appropriate.

IT control issues

As part of our normal audit procedures, which are designed primarily to form a view on the principal accounting controls, we conducted a review of controls relating to the Authority's primary financial application (SAP). We identified areas where security and change management procedures could

be strengthened and made recommendations accordingly to which management has responded.

Use of Resources

Use of Resources Conclusion

We have issued an unqualified use of resources conclusion.

Police Use of Resources Evaluation

The aim of our review is to provide authorities and forces with a review of how well their arrangements for controlling resources, including their public accountability and financial frameworks are working. Our work was completed in accordance with the methodology and guidance issued by the Audit Commission.

The results of our assessment are summarised in the table below:

Area	Assessment
Financial Management	4 – Performing strongly
Internal Control	3 – Performing well
Value for Money	3 – Performing well
Financial Standing	3 – Performing well
Financial Reporting	3 – Performing well

We have reported our detailed findings and conclusions in relation to this work as part of our Police Use of Resources Evaluation – Feedback report.

Data Quality

We concluded that the Force has secured a 'Good' level of data quality management with a 'Stable' direction of travel, using a scale of 'Improved', 'Stable' and 'Deteriorating'. The same judgement has been made for the Authority role. We have indicated in our report areas in which the Force would need to progress in order to demonstrate performance at the next level against the current criteria as part of this report.

The arrangements for securing compliance with national standards around both crime and incident recording are operated as a single process and the Force can therefore demonstrate similar standards of performance around the National Standard for Incident Recording (NSIR).

The Force has scored 'Excellent' for both crime recording and user satisfaction data testing, with a 'Stable' direction of travel in both areas. All Statutory Performance Indicators were found to be fairly stated with no control weaknesses identified and, based on this assessment, we concluded that there are arrangements in place for ensuring data quality.

Best Value Performance Plan

Our work on the 2006/07 Best Value Performance Plan (BVPP), issued by the Authority in July 2006, resulted in the issuing of an unqualified opinion in December 2006. This concluded that Kent Police Authority has prepared and published its plan in all significant respects in accordance with section 6 of the Local Government Act 1999 and statutory guidance issued by the Government. Our report included no statutory recommendations.

