
Government and Public Sector
***Cambridgeshire Police
Authority***

Annual Audit Letter

2010/11 Audit

November 2011

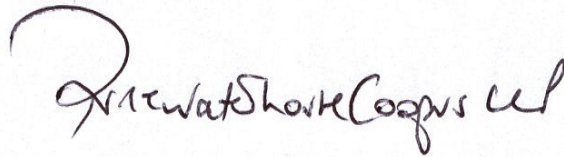
The Members
Governance and Audit Committee
Cambridgeshire Police Authority
Cambridgeshire Constabulary Headquarters
Hinchingsbrooke Park
Huntingdon
Cambridgeshire
PE29 6NP

November 2011

Ladies and Gentleman

We are pleased to present our Annual Audit Letter summarising the results of our 2010/11 audit. We look forward to presenting it to Members on 7 December 2011.

Yours faithfully



PricewaterhouseCoopers LLP

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

In March 2010 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.

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Introduction

The purpose of this letter

The purpose of this letter is to provide a high level summary of the results of the 2010/11 audit work we have undertaken at Cambridgeshire Police Authority that is accessible for the Authority and other interested stakeholders.

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

- Audit report for the 2010/11 Statement of Accounts, incorporating the value for money conclusion;
- Report to those charged with Governance (ISA (UK&I) 260); and
- Report to management on the Statement of Accounts 2010/11.

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 (UK and Ireland) and other guidance issued by the Audit Commission.

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements;
- reviewing the Annual Governance Statement;
- forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- undertaking any other work specified by the Audit Commission.

Our 2010/11 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2011.

Audit Findings

Accounts

We audited the Authority's Statement of Accounts in line with approved Auditing Standards and issued an unqualified audit report on 18 October 2011. This was after the recommended date of 30 September 2011 due to the Authority seeking guidance in relation to disclosures within the accounts.

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the "Code") requires that the Authority's accounts be produced in accordance with IFRS. 2010/11 is the first year in which the Authority has been required to produce IFRS compliant accounts with compliant comparatives. This has been a significant challenge for the Authority and we are pleased that the track record the Authority has established of producing good quality working papers has continued.

There were a small number changes to the draft accounts approved by the Treasurer in June 2011. Most of these changes related to the presentation of the accounts or disclosures, however there were some minor amendments resulting in a change to the reported results.

Our 2010/11 Report to Management on the Statement of Accounts included a number of recommendations designed to further improve controls and accounts closedown procedures. These issues have been discussed with the Treasurer and the Director of Finance and will be followed up as part of our work in 2011/12. There are no points that we wish to draw to the attention of Members.

The most significant matters that we discussed with management during the course of our work were in relation to the valuation of the Authority's properties, component accounting and injury pensions. The work on injury pensions was undertaken in conjunction with our work on the transition to IFRS. This resulted in an amendment to the financial statements for the 1 April 2009 and 31 March 2010 balance sheets as well as the 2009/10 comprehensive income and expenditure statement. There was no impact on taxpayers' equity and the matter was discussed with the Governance and Audit Committee on 20 September 2011.

Economy, efficiency and effectiveness

Our Use of Resources Code responsibility required us to carry out sufficient and relevant work in order to conclude on whether you have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

In accordance with guidance issued by the Audit Commission, in 2010/11 our conclusion was based on two criteria:

- The organisation has proper arrangements in place for securing financial resilience; and
- The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Unlike in previous years, we were not required to reach a scored judgment in relation to these criteria and the Audit Commission has not developed 'key lines of enquiry' for each criteria. Instead, we have determined a local programme of audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities.

We issued an unqualified value for money conclusion.

Annual Governance Statement

Local authorities are required to produce an Annual Governance Statement (AGS) that is consistent with guidance issued by CIPFA/SOLACE. The AGS accompanies the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Summary of recommendations

We provide an annual summary of recommendations to the Treasurer and his team. Our 2010/11 annual summary of recommendations included three recommendations in relation to internal control and a follow up of those raised in previous years. None of these are considered to be significant deficiencies. We did not report any recommendations within our Report to those charged with Governance (ISA (UK&I) 260).

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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