

# The Audit Findings Report for The Police and Crime Commissioner for Lancashire and Chief Constable for Lancashire Constabulary

Year ended 31 March 2014

September 2014

**Mike Thomas**

Director

T 0161 214 6368 or 07880 456173

E [mike.thomas@uk.gt.com](mailto:mike.thomas@uk.gt.com)

**Richard McGahon**

Manager

T 0141 223 0889 or 07880 456156

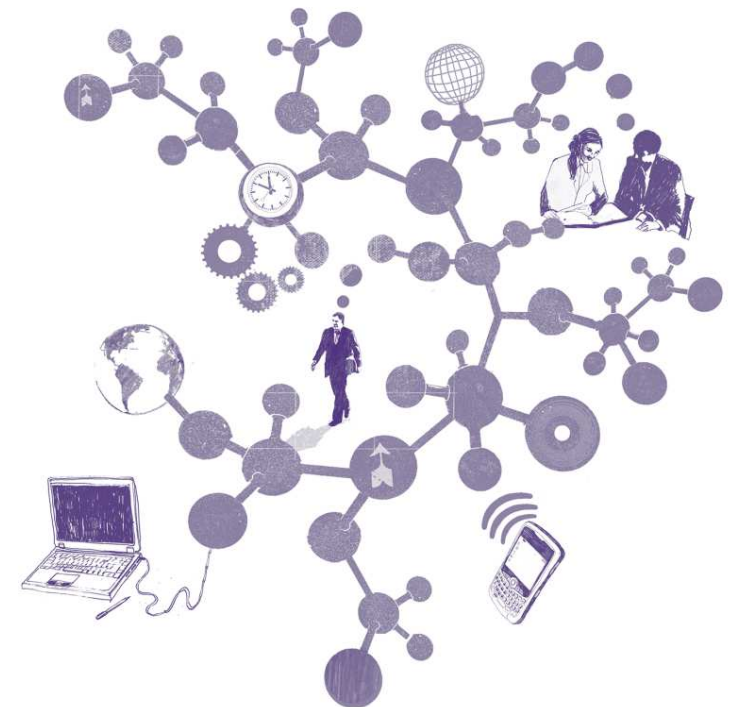
E [richard.a.mcgahon@uk.gt.com](mailto:richard.a.mcgahon@uk.gt.com)

**Peter Buckley**

Executive

T 0161 234 6391

E [peter.g.buckley@uk.gt.com](mailto:peter.g.buckley@uk.gt.com)



---

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

---

# Contents

<b>Section</b>	<b>Page</b>
1. Executive summary	4
2. Audit findings	8
3. Value for Money	23
4. Fees, non audit services and independence	26
5. Communication of audit matters	28
<b>Appendices</b>	
A Audit of the PCC – draft audit opinion	31
B Audit of the Chief Constable – draft audit opinion	33

---

# Section 1: Executive summary

**01. Executive summary**

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

# Executive summary

## **Purpose of this report**

As the external auditor appointed to both the PCC and the Chief Constable for Lancashire we are required by the Audit Commission's Code of Audit Practice to report our audit findings to the PCC and the Chief Constable as the individuals charged with governance for the office of the PCC and the Constabulary respectively. This report (our Audit Findings Report) highlights the key findings and recommendations from our audits of the PCC and the Chief Constable for the year ended 31 March 2014. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing 260 (ISA).

Under the Audit Commission's Code of Audit Practice we are required to report whether, in our opinion, the PCC's and Chief Constable's financial statements for the year ended 31 March 2014 present a true and fair view of the financial position, their expenditure and income for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. We issue separate audit opinions on the financial statements of the PCC and the Chief Constable.

We are also required to report whether the PCC and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ended 31 March 2014, referred to as the Value for Money conclusion. We issue separate conclusions for the PCC and the Chief Constable based on our assessment of the arrangements each has established.

## **Introduction**

In the conduct of our audit we have not had to alter or change our planned audit approach, which we communicated to you in our Audit Plan dated 16 June 2014.

Our audit is substantially complete although we are still finalising our work in the following areas:

- review of the final versions of the financial statements
- obtaining and reviewing the final management letters of representation
- review of final version of the Annual Governance Statements
- updating our post balance sheet events reviews, to the date of signing the opinion, and
- Whole of Government Accounts

We received draft financial statements and accompanying working papers at the start of our audit, in accordance with the agreed timetable.

# Executive summary

## **Key messages – audit of the Police and Crime Commissioner**

### **Financial statements opinion**

We expect to issue an unqualified opinion on the PCC's financial statements, including the group accounting statements which consolidate the financial activities of the Chief Constable.

The accounts were generally of a good standard and supported by working papers. There is some scope to improve quality assurance arrangements to minimise the number of consistency errors in the draft accounts.

Our audit to date has identified one adjustment to the PCC's financial statements which management has agreed to make. This adjustment did not affect reported financial performance. The change related to a presentational alteration as to where the PCC funding of the CC was shown in the Comprehensive Income and Expenditure Statement (CIES) and was based on new Audit Commission guidance. A number of other adjustments, relating to reclassifications and disclosure changes were made but did not alter the reported financial performance.

We have included further details of our financial statements audit findings, including details of the adjustments referred to above, in section 2 of this report.

### **Value for money conclusion**

Based on our review of the PCC's arrangements to secure economy, efficiency and effectiveness in their use of resources, we expect to give an unqualified Value for money conclusion on the same date as our opinion on the financial statements.

We have set out further details of the findings and recommendations from the work supporting our Value for money conclusion in section 3 of this report.

## **Whole of Government Accounts (WGA)**

We plan to complete our work in respect of the Whole of Government Accounts so that we can certify the audit closed at the same time as we sign the main financial statements

## **Key messages – audit of the Chief Constable**

### **Financial statements opinion**

We expect to issue an unqualified opinion on the Chief Constable's financial statements, including the police officer pension fund accounting statements.

The accounts were generally of a good standard and supported by working papers. There is some scope to improve quality assurance arrangements to minimise the number of consistency errors in the draft accounts.

Our audit to date has identified one adjustment to the Chief Constable's financial statements which management has agreed to make. This adjustment did not affect reported financial performance. The change related to a presentational alteration as to where the PCC funding of the CC was shown in the Comprehensive Income and Expenditure Statement (CIES) and was based on new Audit Commission guidance. A number of other adjustments, relating to reclassifications and disclosure changes were made but did not alter the reported financial performance.

We have included further details of our financial statements audit findings, including details of the adjustments referred to above, in section 2 of this report.

# Executive summary

## **Value for money conclusion**

Based on our review of the Chief Constable's arrangements to secure economy, efficiency and effectiveness in their use of resources, we expect to give an unqualified Value for money conclusion on the same date as our opinion on the financial statements.

We have set out further details of the findings and recommendations from the work supporting our Value for money conclusion in section 3 of this report.

## **Controls**

The PCC and the Chief Constable are responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control. Management has operated a common set of financial systems and controls to produce both sets of financial statements for 2013/14. Our work on material financial systems used to prepare the financial statements has therefore supported our audits of both the PCC and the Chief Constable. Our audit is however not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the PCC and to the Chief Constable.

Our work has not identified any control weaknesses which we wish to highlight for your attention.

We have provided further details of our findings in relation to internal controls in section 2 of this report.

## **The way forward**

The findings contained in this report have been discussed and agreed with the Chief Financial Officer of the PCC and the Director of Resources of the Chief Constable on behalf of the two individuals charged with overall governance for the office of the PCC and the Constabulary respectively.

## **Acknowledgment**

We would like to thank finance staff and other officers in both the office of the PCC and Constabulary for their assistance over the course of this year's audits.

**Grant Thornton UK LLP**  
**September 2014**

---

## Section 2: Audit findings

01. Executive summary

**02. Audit findings**

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters



# Audit findings

In this section we present our findings in respect of matters and risks identified at the planning stage of the audits and additional matters that arose during the course of our work. We set out on the following pages the work we have performed and findings arising from our work in respect of the audit risks we identified in our audit plan, presented to the Combined Audit Committee on 16 June 2014. We also set out the adjustments to the financial statements arising from our audit work and our findings in respect of internal controls.

## **Audit opinion**

We expect to issue an unqualified opinion on both the PCC's financial statements, including the group accounting statements which consolidate the financial activities of the Chief Constable; and the Chief Constable's financial statements, including the police officer pension fund accounting statements.

# Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

	Risks identified in our audit plan	Relevant to PCC / CC / Both	Work completed	Assurance gained and issues arising
1.	<p><b>Improper revenue recognition</b></p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper recognition</p>	Both	<p><b>Both PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>• review and testing of revenue recognition policies</li> <li>• testing of material revenue streams</li> </ul>	<p><b>PCC audit</b></p> <p>Our audit work has not identified any issues in respect of revenue recognition.</p> <p><b>Chief Constable audit</b></p> <p>Our audit work has not identified any issues in respect of revenue recognition.</p>
2.	<p><b>Management override of controls</b></p> <p>Under ISA 240 there is a presumed risk of management override of controls</p>	Both	<p><b>Both PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>• review of accounting estimates, judgements and decisions made by management</li> <li>• testing of journals entries</li> <li>• review of unusual significant transactions</li> </ul>	<p><b>PCC audit</b></p> <p>Our audit work has not identified any evidence of management override of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgments.</p> <p><b>Chief Constable audit</b></p> <p>Our audit work has not identified any evidence of management override of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgments.</p>

# Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.



Transaction cycle	Relevant to: PCC / CC / Both	Description of risk	Work completed	Assurance gained & issues arising
<b>Operating expenses</b>	Both	Creditors understated or not recorded in the correct period	<b>PCC and Chief Constable audits</b> <ul style="list-style-type: none"> <li>• Documentation of processes and controls</li> <li>• Evaluation and walkthrough of controls</li> <li>• Substantive testing of year end creditor balances.</li> <li>• Review for unrecorded liabilities.</li> <li>• Cut-off testing of the expenditure stream.</li> <li>• Review of year end reconciliations</li> </ul>	<b>PCC audit</b> Our audit work has not identified any significant issues in relation to the risk identified.  <b>Chief Constable audit</b> Our audit work has not identified any significant issues in relation to the risk identified.
<b>Employee remuneration</b>	Both	Employee remuneration accrual understated	<b>PCC and Chief Constable audits</b> <ul style="list-style-type: none"> <li>• Documentation of processes and controls</li> <li>• Evaluation and walkthrough of controls</li> <li>• Review of year end reconciliations</li> <li>• Review for unrecorded liabilities</li> </ul>	<b>PCC audit</b> Our audit work has not identified any significant issues in relation to the risk identified.  <b>Chief Constable audit</b> Our audit work has not identified any significant issues in relation to the risk identified.

## Audit findings against other risks (Cont'd)

Transaction cycle	Relevant to: PCC / CC / Both	Description of risk	Work completed	Assurance gained & issues arising
<p><b>Property, plant &amp; equipment</b></p>	<p>PCC</p>	<p>Revaluation measurement not correct</p>	<p><b>PCC audit</b></p> <ul style="list-style-type: none"> <li>• Documentation of processes and controls</li> <li>• Evaluation and walkthrough of controls</li> <li>• Substantive testing of revaluations</li> </ul>	<p><b>PCC audit</b></p> <p>Our audit confirmed that the revalued amounts of non-current assets are correctly reported in the balance sheet. However, there was a significant disclosure error in Note 16 in terms of how the revaluation movement was reported.</p> <p>The PCC operates a five year rolling programme of asset valuation, designed to cover all asset held by the PCC over this period. In our view, however, this rolling programme does not meet the Code's requirement in paragraph 4.1.2.35 to value items within a class of property, This is explained further on page <b>17</b>.</p> <p>Assurance has been gained that the values at 31 March 2014 are materially correct.</p>
<p><b>Pensions Benefits Payable</b></p>	<p>Both</p>	<p>Benefits improperly computed / Claims liability understated</p>	<p><b>PCC and Chief Constable audits</b></p> <ul style="list-style-type: none"> <li>• Documentation of processes and controls</li> <li>• Evaluation and walkthrough of controls</li> <li>• Sample testing of the accuracy and validity of new pensions in payment (including lump sum values).</li> <li>• We have reviewed pensions paid with reference to changes in pensioner numbers and increases applied in the year together with comparing pensions paid on a monthly basis to ensure that any unusual trends are satisfactorily explained. We will compare the movements on membership statistics to material transactions in the accounting records.</li> </ul>	<p><b>PCC audit</b></p> <p>Our audit work has not identified any significant issues in relation to the risk identified.</p> <p><b>Chief Constable audit</b></p> <p>Our audit work has not identified any significant issues in relation to the risk identified</p>

# Accounting policies, estimates & judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the PCC's and the Chief Constable's financial statements.

Accounting area	Relevant to? PCC / CC / Both	Summary of policy	Comments	Assessment
Revenue recognition	Both	<p><b>PCC</b></p> <ul style="list-style-type: none"> <li>The PCC has adopted the standard revenue recognition policies as set out in the Code of Practice. These are set out in accounting policies ii and iii.</li> </ul> <p><b>Chief Constable</b></p> <ul style="list-style-type: none"> <li>The Chief Constable receives no income directly but is funded by a contribution from the PCC as disclosed in the accounting policy in note 9.</li> </ul>	<p><b>PCC audit</b></p> <p>The PCC's policies are in accordance with the requirements of the Code of Practice for Local Government.</p> <p><b>Chief Constable audit</b></p> <p>The CC's policy reflects the actual and expected revenue recognition arrangements in place.</p>	 <b>Green</b>
Cost recognition	Both	<p><b>PCC</b></p> <ul style="list-style-type: none"> <li>The PCC has adopted the standard cost recognition policies as set out in the Code of Practice. These are set out in accounting policies ii and iii.</li> </ul> <p><b>Chief Constable</b></p> <ul style="list-style-type: none"> <li>The policies for cost recognition are set out in accounting policies ii and iii.</li> </ul>	<p><b>PCC audit</b></p> <p>The PCC's policies are in accordance with the requirements of the Code of Practice for Local Government.</p> <p><b>Chief Constable audit</b></p> <p>The PCC's policies are in accordance with the requirements of the Code of Practice for Local Government.</p>	 <b>Green</b>


## Assessment

 Marginal accounting policy which could potentially attract attention from regulators

 Accounting policy appropriate and disclosures sufficient

 Accounting policy appropriate but scope for improved disclosure

# Accounting policies, estimates & judgements



Accounting area	Relevant to PCC / CC / Both	Summary of policy	Comments	Assessment
Judgements and estimates	Both	<p><b>PCC</b></p> <p>Key estimates and judgements are disclosed in notes 3 and 5 and included:</p> <ul style="list-style-type: none"> <li>– uncertainty in future funding</li> <li>– the need to produce group accounts</li> <li>– revaluations and impairments</li> <li>– apportioning pensions costs of civilian staff between the PCC and CC</li> <li>– pension fund valuations and settlements</li> </ul> <p><b>Chief Constable</b></p> <p>Key estimates and judgements are disclosed in notes 3 and 5 and included:</p> <ul style="list-style-type: none"> <li>– pension fund valuations and settlements</li> </ul>	<p><b>PCC audit</b></p> <p>We have reviewed the PCC judgements and estimates against the requirements of the Code of Practice on Local Authority Accounting.</p> <ul style="list-style-type: none"> <li>• Where the PCC has made judgements or estimates in the financial statements these have been supported with robust methodologies and clear explanation of the assumptions applied.</li> <li>• We have recommended additional disclosure around the fact that the statutory override for the Chief Constable, which applies to 2013/14, has also been applied to the 2012/13 comparative figures to aid financial reporting comparability.</li> </ul> <p><b>Chief Constable audit</b></p> <ul style="list-style-type: none"> <li>• Pension liability disclosed in Note 5 with an explanation of the assumptions and effect if result differ.</li> <li>• We have recommended additional disclosure around the fact that the statutory override for the Chief Constable, which applies to 2013/14, has also been applied to the 2012/13 comparative figures to aid financial reporting comparability.</li> </ul>	 <b>Amber</b>

**Assessment**



- Marginal accounting policy which could potentially attract attention from regulators
- Accounting policy appropriate and disclosures sufficient

- Accounting policy appropriate but scope for improved disclosure

# Accounting policies, estimates & judgements

Accounting area	Relevant to PCC / CC / Both	Summary of policy	Comments	Assessment
<b>Judgements and estimates - PPE</b>	<b>PCC</b>	<p><b>PCC</b></p> <ul style="list-style-type: none"> <li>Note 16 of the accounts sets out the PCC's rolling programme of revaluations. This shows that the date of valuations vary between 31 March 2010 and 31 March 2014.</li> <li>In our view, however, this rolling programme does not meet the Code's requirement in paragraph 4.1.2.35 to value items within a class of property, plant and equipment simultaneously.</li> <li>This paragraph of the Code, which is based on IAS 16 Property, Plant and Equipment, does permit a class of assets to be revalued on a rolling basis provided that: <ul style="list-style-type: none"> <li>- the revaluation of the class of assets is completed within a 'short period'</li> <li>- the revaluations are kept up to date</li> </ul> </li> </ul>	<p><b>PCC audit</b></p> <ul style="list-style-type: none"> <li>In our view, we would normally expect this 'short period' to be within a single financial year. This is because the purpose of simultaneous valuations is to 'avoid reporting a mixture of costs and values as at different dates'. This purpose is not met where a revaluation programme for a class of assets straddles more than one financial year.</li> <li>However, this approach adopted by the PCC is similar to many other authorities and we are satisfied that the carrying amount of Property, Plant and Equipment (based on these valuations) does not differ materially from the fair value at 31 March 2014.</li> <li>The PCC may wish to consider an alternative approach to valuations to achieve full compliance with the requirements of the code as currently stated.</li> </ul>	 <b>Amber</b>
<b>Other accounting policies</b>	<b>Both</b>	<p><b>PCC and Chief Constable</b></p> <ul style="list-style-type: none"> <li>We have reviewed the Police and Crime Commissioner's and the Chief Constable's policies against the requirements of the CIPFA Code and accounting standards.</li> </ul>	<p><b>PCC audit</b></p> <p>Our review of accounting policies has not highlighted any issues which we wish to bring to your attention.</p> <p><b>Chief Constable audit</b></p> <p>Our review of accounting policies has not highlighted any issues which we wish to bring to your attention.</p>	 <b>Green</b>

**Assessment**

-  Marginal accounting policy which could potentially attract attention from regulators
-  Accounting policy appropriate and disclosures sufficient

-  Accounting policy appropriate but scope for improved disclosure

# Adjusted misstatements – Police and Crime Commissioner financial statements

Our audit identified one adjustment to the PCC's draft financial statements. We are required to report all non-trivial misstatements to the PCC, and whether or not the financial statements have been adjusted by management. The table below summarises the adjustments arising from the audit of the PCC's accounts which management has agreed to amend for. There are no unadjusted errors.

The PCC is also required to prepare group accounts consolidating the activities of the PCC and Chief Constable entity financial statements. Adjustments to the group accounts are included here.

## Impact of adjusted misstatements

All adjusted misstatements are set out below along with the impact on the key statements and the reported financial position.

Detail	Comprehensive Income and Expenditure Account (CIES) £'000	Balance Sheet £'000	Impact on total net expenditure £000
<p>1 To improve the comparability of police accounts the Audit Commission has issued guidance to auditors for 2013/14. Within this guidance is confirmation that PCC funding of the CC should be shown within the CIES within the cost of services. For 2013/14 this would mean:</p> <ul style="list-style-type: none"> <li>• Adding in a line above 'Net cost of services' called 'Funding provided by PCC to CC' showing expenditure of £326,088,000</li> <li>• Removing £326,088,000 from 'Financing &amp; Investment Income &amp; Expenditure (Note 10)' so show a revised figure of £562,000.</li> </ul> <p>The accounts have been amended to correct this but it has no overall effect on the reported financial position.</p> <p>For comparison purposes a similar adjustment will need to be made for 2012/13 with an adjustment of £333,754,000.</p>	0	0	0
<b>Overall impact</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>



# Adjusted misstatements – Chief Constable financial statements

Our audit identified one adjustment to the Chief Constable's draft financial statements. We are required to report all non-trivial misstatements to the Chief Constable, and whether or not the financial statements have been adjusted by management. The table below summarises the adjustments arising from the audit of the Chief Constable's accounts which management has agreed to amend for. There are no unadjusted errors.

## Impact of adjusted misstatements

All adjusted misstatements are set out below along with the impact on the key statements and the reported financial position.

Detail	Comprehensive Income and Expenditure Account (CIES) £'000	Balance Sheet £'000	Impact on total net expenditure £000
<p>1 To improve the comparability of police accounts the Audit Commission has issued guidance to auditors for 2013/14. Within this guidance is confirmation that PCC funding of the CC should be shown within the CIES within the cost of services. For 2013/14 this would mean:</p> <ul style="list-style-type: none"> <li>• Adding in a line above 'Net cost of services' called 'Funding received by CC from PCC' showing income of £326,088,000</li> <li>• Removing line 'Intragroup Funding for PCC resources consumed at the request of the CC'.</li> </ul> <p>The accounts have been amended to correct this but it has no overall effect on the reported financial position.</p> <p>For comparison purposes a similar adjustment will need to be made for 2012/13 with an adjustment of £333,754,000.</p>	0	0	0
<b>Overall impact</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

## Misclassifications & disclosure changes

The table below provides details of misclassification and disclosure changes to the PCC's financial statements, including the group consolidation and the Chief Constable's (CC) financial statements, we identified during the audit and which management have adjusted for.

Adjustment type	Value £'000	Account balance	Impact on the financial statements	PCC	CC	PCC Group
1 Misclassification	Various	PPE	<p>Note 16 – PPE Movements in 2013/14 includes the change in value of revalued land and buildings assets. Included within the 'Cost or Valuation' section of this note should be the revaluation adjustment which is the difference between the previous Gross Book Value (GBV) and the new GBV assets. Any accumulated depreciation for the revalued assets should be written out in the 'Accumulated Depreciation &amp; Impairment' section. In this way the revalued asset movement between new GBV and the Net Book Value (NBV) is correctly disclosed. Unfortunately, the difference between the new GBV and NBV has been put through the 'Cost and Valuation' section. This has overstated 'Cost &amp; Valuation' and 'Accumulated Depreciation &amp; Impairment'. To balance to the amounts in the asset register a balancing figures have been shown in both sections using a line 'De-recognition – other'. Correct entries are:</p> <p><b>Cost and Valuation</b></p> <ul style="list-style-type: none"> <li>Revaluation increase/(decrease) recognised in the Revaluation Reserve £10,256,000</li> <li>Revaluation increase/(decrease) recognised in the surplus / deficit on the provision of services £2,359,000</li> <li>De-recognition – other should be nil</li> </ul> <p><b>Accumulated Depreciation and Impairment</b></p> <ul style="list-style-type: none"> <li>Depreciation written out to the Revaluation Reserve £6,733,000</li> <li>Depreciation written out to the surplus / deficit on the provision of services £239,000</li> <li>De-recognition – other should be nil</li> </ul>	√		√

## Misclassifications & disclosure changes

The table below provides details of misclassification and disclosure changes to the PCC's financial statements, including the group consolidation and the Chief Constable's (CC) financial statements, we identified during the audit and which management have adjusted for.

Adjustment type	Value £'000	Account balance	Impact on the financial statements	PCC	CC	PCC Group
2 Misclassification	8,592	PPE	Note 16 – PPE Movements in 2013/14 shows the movement in Vehicles, Plant, Furniture and Equipment. In this class of assets there is an equal and opposite amount of £15,082,000 in the line 'De-recognition – other' in both the 'Cost or Valuation' and 'Accumulated Depreciation & Impairment' sections of the note. These have both been reduced by £8,592,000 as this amount should have been shown with the lines 'Other movements in cost or revaluation' and 'Other movements in depreciation and impairment'.	√		√
3 Misclassification	11,869	PPE	Note 16 – PPE Movements in 2013/14 incorrectly showed the depreciation charged for the year of £11,869,000 on the line 'Depreciation written out to the surplus / deficit on the provision of services'. This has been amended to show £11,869,000 on the line 'Depreciation charge'.	√		√
4 Disclosure	Various	PPA	<p>The PPA (Note 2 in both sets of accounts) showed that value of the two adjustments but it did not disclose all the required information. The note has been amended to show:</p> <ul style="list-style-type: none"> <li>the original amount of the relevant line in the audited 2012/13 accounts and the re-stated amount</li> <li>the impact of the PPA on the Cashflow Statement and the Movement in Reserves Statement (MiRS).</li> </ul>	√	√	√

## Misclassifications & disclosure changes

The table below provides details of misclassification and disclosure changes to the PCC's financial statements, including the group consolidation and the Chief Constable's (CC) financial statements, we identified during the audit and which management have adjusted for.

Adjustment type	Value £'000	Account balance	Impact on the financial statements	PCC	CC	PCC Group
5 Disclosure	Various	Officers' Remuneration	This note (PCC Group Note 15 and CC Note 8) has been produced on the basis of posts but should be based on individuals. This note has been amended e.g. the Deputy Chief Constable post has been covered by two officers in 2013/14 and therefore the disclosure shows the amount each officer has received whilst undertaking this post.	√	√	√
6 Disclosure	N/A	Various	Various changes were made to supporting notes to improve presentation and ensure consistency.	√	√	√
7 Disclosure	N/A	Annual Governance Statement	Additional disclosures made including declaration of compliance with the CIPFA Guidance on the role of the CFO and that governance framework has been in place up for the year and up to the date of approval of the statement of accounts.	√		
8 Disclosure	N/A	Annual Governance Statement	Additional disclosure made to declare compliance with the CIPFA Guidance on the role of the CFO.		√	

## Internal controls

The purpose of an audit is to express an opinion on the financial statements. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

We have not identified any significant control deficiencies which merit being reported PCC or the Chief Constable in accordance with auditing standards.

## Other communication requirements

We set out below details of other matters which we are required by auditing standards to communicate to the PCC and to the Chief Constable before we conclude our audits.

	Issue	Commentary
1.	<b>Matters in relation to fraud</b>	We have previously discussed the risk of fraud with the PCC and Chief Constable. One instance of actual fraud has been appropriately dealt with through an investigation by the Professional Standards Department (PSD). We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
2.	<b>Matters in relation to laws and regulations</b>	We are not aware of any significant incidences of non-compliance with relevant laws and regulations.
3.	<b>Written representations</b>	A letter of representation has been requested from the PCC and the CC.
4.	<b>Disclosures</b>	Our review found no material omissions in the financial statements.
5.	<b>Matters in relation to related parties</b>	We are not aware of any related party transactions which have not been disclosed
6.	<b>Going concern</b>	Our work has not identified any reason to challenge the PCC's or Chief Constable's decision to prepare the financial statements on a going concern basis.
7.	<b>Audit certificate on the PCC's 2012/13 accounts.</b>	We delayed issuing the audit certificate on the PCC's 2012/13 accounts as we were made aware of an investigation into allegations made against the Police and Crime Commissioner. Our considerations and discussions have confirmed that there are no issues relevant to 2012/13 for us to consider under our responsibilities. Therefore, we issued our certificate on the PCC's 2012/13 audit on 2 September 2014.

---

## Section 3: Value for Money

01. Executive summary

02. Audit findings

**03. Value for Money**

04. Fees, non audit services and independence

05. Communication of audit matters

# Value for Money

## Value for money conclusion

The Code of Audit Practice 2010 (the Code) describes the PCC's and the Chief Constable's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources;
- ensure proper stewardship and governance; and
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give our VFM conclusion based on two criteria specified by the Audit Commission which support our reporting responsibilities under the Code. These criteria are:

- **The PCC and the Chief Constable each has proper arrangements in place for securing financial resilience** - the PCC and the Chief Constable each has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables them to continue to operate for the foreseeable future.
- **The PCC and the Chief Constable each has proper arrangements for challenging how they secure economy, efficiency and effectiveness** - the PCC and the Chief Constable are prioritising their resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

## Key findings - PCC

### Securing financial resilience

We have considered the PCC's arrangements to secure financial resilience against the following themes:

- Key financial performance indicators
- Financial governance
- Financial planning
- Financial control

Overall our work highlighted that the PCC has continued to maintain sound financial systems and effective financial planning mechanisms during 2013/14. Key financial performance indicators are within acceptable ranges and show an organisation with good financial controls and planning in place. Consultation has taken place with the public and partners over spending priorities and these are clearly reflected in plans. Significant financial challenges lay ahead following the most recent Comprehensive Spending Review. The medium term financial plan has appropriate reserves included to build resilience against short term financial challenges whilst supporting future invest to save opportunities

### Challenging economy, efficiency and effectiveness

We have considered the PCC's arrangements to challenge economy, efficiency and effectiveness against the following themes:

- Prioritising resources
- Improving efficiency & productivity

The PCC has put in place a Police and Crime Plan that is underpinned by clear priorities which are supported by clear financial and operational plans for delivery. The plans have been agreed with the Chief Constable and arrangements put in place for ensuring strong scrutiny, challenge and monitoring of delivery.

The PCC and CC have committed to deliver savings to meet the current financial gap and the 'Futures group' is charged with developing service proposals to meet the gap.

### Overall VFM conclusion - PCC

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the PCC has put in place proper arrangements to secure economy, efficiency and effectiveness in his use of resources for the year ending 31 March 2014.



# Value for Money

## Key findings – Chief Constable

### Securing financial resilience

We have considered the Chief Constable's arrangements to secure financial resilience against the following themes:

- Key financial performance indicators
- Financial governance
- Financial planning
- Financial control

Financial indicators show a good level of financial resilience. There is an agreed medium term financial plan that reflects the challenging and uncertain financial environment in which the service is operating. The medium term financial plan has appropriate reserves included to build resilience against short term financial challenges whilst supporting future invest to save opportunities.

The Constabulary has delivered against challenging financial savings plans since the Comprehensive spending review (CSR) in 2010. The CSR 2013 and subsequent funding settlement has meant savings of £80 million will be required over the period 2011/12 – 2017/18 of which £61 million have already been achieved. Whilst £19 million of savings still need to be identified, plans are in place for these savings to be achieved albeit against a background of some degree of uncertainty about further future financial challenges.

The Constabulary continues to display strong financial governance and internal control. This is reflected in the work of the Combined Audit Committee and the conclusions of the internal audit service. It is also reflected in the range of positive Her Majesty's Inspectorate of Constabulary (HMIC) inspection results that the Constabulary has achieved during 2013/14.

### Challenging economy, efficiency and effectiveness

We have considered the Chief Constable's arrangements to challenge economy, efficiency and effectiveness against the following themes:

- Prioritising resources
- Improving efficiency & productivity

The Constabulary managed the transition to the new arrangements in a programmed and co-ordinated manner. It has continued to manage and develop its use of resources post transition. There is positive engagement with the PCC regarding priorities and the underpinning finances needed to deliver them. Key documents have been updated and refreshed to integrate with the requirements of the Futures Programme including a revised procurement strategy, workforce plan, IT strategy and asset management plan.

The 'Sustaining Excellence' programme has been re-evaluated and developed into a broader review programme the 'Futures Programme'. Whilst this re-branding retains the same ambition for the Constabulary to be the 'best performing in the country' it will do this with a different emphasis on public engagement, staff involvement and buy-in, and greater partnership and collaboration working for the future. The programme is to be driven by a set of seven key principles that will underpin the change

The Constabulary was recently reviewed by HMIC as part of the Valuing the Police 4 review programme and received a judgement of 'Outstanding' with regard to its response to the financial austerity agenda.

## Overall VFM conclusion – Chief Constable

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Chief Constable has put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2014.

---

## Section 4: Fees, non audit services and independence

01. Executive summary

02. Audit findings

03. Value for Money

**04. Fees, non audit services and independence**

05. Communication of audit matters

# Fees, non audit services and independence

We confirm below our final fees charged for the audits and confirm there were no fees for the provision of non audit services.

## Fees

	Per Audit plan £	Actual fees £
Police and Crime Commissioner audit	42,890	42,890
Chief Constable audit	25,000	25,000
<b>Total audit fees</b>	<b>67,890</b>	<b>67,890</b>

## Fees for other services

Service	Fees £
None	Nil

## Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

---

## Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

# Communication of audit matters to the Police and Crime Commissioner and to the Chief Constable

International Standard on Auditing (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

## Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).

We have been appointed as the PCC's and the Chief Constable's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the PCC and the Chief Constable to ensure that proper arrangements are in place for the conduct of their business, and that public money is safeguarded and properly accounted for. We have considered how the PCC and the Chief Constable are fulfilling these responsibilities.

	Audit Plan	Audit Findings
<b>Our communication plan</b>		
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Compliance with laws and regulations		✓
Expected auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

# Appendices

# Appendix A: Audit opinion – PCC and PCC Group

**We anticipate we will provide the PCC with an unmodified audit report**

## INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

### Opinion on the financial statements

We have audited the financial statements for the Police and Crime Commissioner for Lancashire for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Police and Crime Commissioner Single Entity and Group Movement in Reserves Statement, the Police and Crime Commissioner Single Entity and Group Comprehensive Income and Expenditure Statement, the Police and Crime Commissioner Single Entity and Group Balance Sheet, the Police and Crime Commissioner Single Entity and Group Cash Flow Statement, the related notes and include the police pension fund financial statements comprising the Police Pension Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the Police and Crime Commissioner for Lancashire in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Police and Crime Commissioner Single Entity and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Lancashire as at 31 March 2014 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the Group as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and applicable law.

### Opinion on other matters

In our opinion, the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA / SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Police and Crime Commissioner to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

**Conclusion on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in the use of resources**

**Respective responsibilities of the Police and Crime Commissioner and the auditor**

The Police and Crime Commissioner is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Police and Crime Commissioner has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Police and Crime Commissioner has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014. We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Police and Crime Commissioner had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**Conclusion**

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, the Police and Crime Commissioner for Lancashire put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

**Certificate**

We certify that we have completed the audit of the financial statements of the Police and Crime Commissioner for Lancashire in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Michael Thomas  
Director

for and on behalf of Grant Thornton UK LLP, Appointed Auditor  
Royal Liver Building  
Liverpool  
L3 1PS

September 2014



# Appendix B: Audit opinion – Chief Constable

**We anticipate we will provide the Chief Constable with an unmodified audit report**

## **INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF LANCASHIRE CONSTABULARY**

### **Opinion on the financial statements**

We have audited the financial statements of the Chief Constable for Lancashire Constabulary for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the related notes and include the police pension fund financial statements comprising the Police Pension Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA /LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the Chief Constable for Lancashire Constabulary in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Chief Finance Officer and auditor**

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Chief Constable's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable for Lancashire Constabulary as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and applicable law.

### **Opinion on other matters**

In our opinion, the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we report by exception**

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Chief Constable to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

**Conclusion on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources**

**Respective responsibilities of the Chief Constable and the auditor**

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Chief Constable has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**Conclusion**

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, the Chief Constable for Lancashire Constabulary put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

**Certificate**

We certify that we have completed the audit of the financial statements of the Chief Constable for Lancashire Constabulary in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Michael Thomas  
Director

for and on behalf of Grant Thornton UK LLP, Appointed Auditor  
Royal Liver Building  
Liverpool  
L3 1PS

September 2014



© 2014 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

**[grant-thornton.co.uk](http://grant-thornton.co.uk)**