

**Police and Crime Commissioner  
for Suffolk / Chief Constable of  
Suffolk Constabulary**

**Audit Results Report**

Year ended 31 March 2022  
18 December 2023

**DRAFT**



Police & Crime Commissioner for Suffolk and the Chief Constable of Suffolk Constabulary  
Martlesham Heath  
Ipswich  
Suffolk  
IP5 3QS

18 December 2023

Dear Tim and Rachel,

### **2021/22 Audit Results Report**

We are pleased to attach our Audit Results Report, summarising the status of our audit for the forthcoming meeting of Joint Audit Committee.

The audit is designed to express an opinion on the 2021/22 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Police and Crime Commissioner for Suffolk (PCC) and Chief Constable of Suffolk Constabulary (CC)'s accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

We expect to issue an unqualified opinion on the financial statements. While we have significantly completed our audit procedures on the financial statements, our work on value for money arrangements is still ongoing at the date of drafting this report. We are currently considering the potential impact of information provided by the management regarding the data breach issue on dissemination of Freedom Of Information (FOI) responses.

This report is intended solely for the information and use of the Joint Audit Committee and senior management for your respective officers. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Joint Audit Committee meeting on 25 January 2024.

Yours faithfully

*MARK HODGSON*

Mark Hodgson  
Partner  
For and on behalf of Ernst & Young LLP  
Encl

# Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Chief Constable, Police & Crime Commissioner, Joint Audit Committee and management of Suffolk Police in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Chief Constable, Police & Crime Commissioner, Joint Audit Committee, and management of Suffolk Police those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than Chief Constable, Police & Crime Commissioner, Joint Audit Committee and management of Suffolk Police for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.





# 01 Executive Summary

# Executive Summary

## Scope update

In our Provisional Audit Plan dated 12 September 2022, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan. We revisited our materiality calculation and confirm that the level set at planning stage remained appropriate as follows:

	Overall Materiality	Performance materiality	Reporting Threshold
Group	£4.398 million	£3.298 million	£0.220 million
CC	£4.132 million	£3.099 million	£0.207 million
PCC	£1.859 million	£1.395 million	£0.093 million

We have not made any revisions to the audit risks and planned audit procedures set out within the Provisional Audit Plan.

## Status of the audit

Our audit work in respect of the Suffolk PCC/CC's audit opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report:

- ▶ Audit procedures in relation to the consideration the nature and extent of any liability in relation to the data breach issue; and
- ▶ Going concern assessment and procedures.

### Closing Procedures:

- ▶ Subsequent events review;
- ▶ Agreement of the final set of financial statements;
- ▶ Receipt of signed management representation letter; and
- ▶ Final Manager and Engagement Partner reviews.

Subject to satisfactory completion of the outstanding items above, we expect to issue an unqualified opinion on the Suffolk PCC/CC's financial statements. However, until our audit work is complete, further differences may arise.

At the time of drafting this report, our work on value for money arrangement is still ongoing as we have identified a risk of significant weakness in the arrangements for the management of personal data - as we have been notified of a data breach in Suffolk Polices response to Freedom Of Information (FOI) requests. As a result, we need to consider the impact of the issue on our value for money assessment and reporting and the potential impact on the financial statements.

# Executive Summary

## Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are still required to consider whether the Suffolk Police has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to Suffolk Police a commentary against specified reporting criteria (see below) on the arrangements Suffolk Police has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- ▶ Financial sustainability  
How Suffolk Police plans and manages its resources to ensure it can continue to deliver its services;
- ▶ Governance  
How Suffolk Police ensures that it makes informed decisions and properly manages its risks; and
- ▶ Improving economy, efficiency and effectiveness:  
How Suffolk Police uses information about its costs and performance to improve the way it manages and delivers its services.

## Status of the audit - Value for Money

In our Provisional Audit Plan dated 12 September 2022, we reported that we were yet to complete our detailed Value for Money (VFM) risk planning.

We have now completed our VFM risk assessment and have identified a risk of significant weakness in relation to the data breach on dissemination of Freedom Of Information (FOI) responses, based on the information provided by the management.

At the time of drafting this report, our work in relation to this risk is in progress and we have considered the impact of this against the three reporting criteria we are required to consider under the NAO's 2020 Code.

We have concluded that the data breach represents a significant weakness in governance arrangement in 2021/22, and will therefore need to report by exception details of the significant weakness in our auditor's report. This will be subject to consultation with our professional practice team.

We will include detailed commentary on this matter and the remainder of our value for money work in the Auditor's Annual Report which will be issued to the Suffolk PCC/CC within three months of the date of the final 2021/22 audit opinion.

# Executive Summary

## Audit differences

### Uncorrected differences

At the date of issuing this report, there are no uncorrected audit differences identified as part of our audit at the date of this report.

### Corrected differences

At the date of issuing this report, there is a corrected audit difference arising from our audit, which we need to bring to your attention:

**PCC Balance Sheet - Local Government Pension Scheme - Pension Liability - Updated** information became available following the completion of the Suffolk Pension Fund Triennial Valuation. The difference was a result of an update to assumptions underpinning the triennial valuation and their consequential impact on the pension liability as at 31 March 2022. This resulted in an increase to the PCC's Pension Liability by £4.211 million. Further details can be found in Section 04 of this report.

### Disclosure Differences

We also identified a limited number of disclosure amendments in the draft financial statement which Management have chosen to adjust.

The most significant of which are in relation to the disclosures of the following:

1. **Note 8 - Employees' Remuneration.** We identified a misclassification between 'compulsory redundancies' and 'agreed departures' in respect of one of the exit packages.
2. **Note 26 - Leases.** We identified a few issues in relation to the leases as follows:
  - There was a lack of finance lease disclosure for Mildenhall Hub asset, £0.626 million, which went fully operational during the year.
  - Suffolk PCC was the lessee for a number of operating leases, including fire stations and Safer Neighbourhood Team (SNT) stations. Prior to the inception of the leases, Suffolk PCC had made a capital contribution towards the construction of these assets. On the basis that Suffolk Police maintains control over the economic benefits, the capital contributions were capitalised as Property, Plant and Equipment and depreciated over time. We concluded that while the accounting treatment was reasonable, this is a matter of judgement. The net book value for the capitalised amount was £1.953 million for year ended 31 March 2022 which was material and therefore we recommended to disclose this on the accounts as a matter of judgement with supporting rationale.
  - Furthermore, our audit identified that there were no formal signed lease agreements in place for the majority of leases held by Suffolk PCC as lessee. We deemed this to be an area for improvements and have included further details in Section 07 of the report.

We do not deem any other differences to be so significant as to merit bringing to your attention. For further details see Section 04.

Until we have concluded on the outstanding work set out earlier in this report, it is possible that further adjustments will also need to be reported. We will verbally update the Joint Audit Committee at the upcoming meeting.

# Executive Summary

## Areas of audit focus

In our Provisional Audit Plan we identified a number of key areas of focus for our audit of the financial report of Suffolk Police. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Area of Audit Focus	Findings & Conclusions
<b>Fraud risk:</b> Misstatement due to fraud or error - management override of controls	We have completed our work in this area and have no matters to report.
<b>Fraud risk:</b> Risk of fraud in revenue and expenditure recognition - specifically inappropriate capitalisation of revenue expenditure	We have completed our work in this area and have no matters to report.
<b>Inherent risk:</b> Valuation of Pension Liability - Police Pension Scheme and Local Government Pension Scheme (LGPS)	We have completed our work in this area. Suffolk PCC/CC obtained an updated IAS19 report in May 2023 following the release of the March 2022 Triennial Valuation on LGPS and an increase in the pension liability of £4.211 million. See Section 04 of this report for further details.
<b>Inherent risk:</b> Valuation of Property, Plant, and Equipment (PPE)	We have completed our work in this area and have no matters to report.
<b>Inherent risk:</b> Accounting for Private Finance Initiative (PFI)	We have completed our work in this area and have no matters to report.
<b>Area of Focus:</b> Going Concern disclosure	The draft Statement of Accounts included going concern disclosures but the disclosure and supporting going concern assessment will need to be updated to cover a period of at least 12 months from the date of authorisation of the Statement of Accounts. At the time of this report, our work on this is in progress.

We request that you review these and other matters set out in this report to ensure:

- ▶ There are no residual further considerations or matters that could impact these issues
- ▶ You concur with the resolution of the issue
- ▶ There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Chief Constable, Police & Crime Commissioner, Joint Audit Committee or Management.



## Executive Summary

### Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of Suffolk Police. We have no matters to report as a result of this work.

We note that Suffolk PCC/CC have updated the AGS following the identification of the data breach issue related to Freedom Of Information (FOI) requests. We will review the updated AGS once our consideration of this issue has been completed.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on Suffolk Police's WGA return. The extent of our review, and the nature of our report, is specified by the NAO. As Suffolk Police falls below the £2 billion threshold for review as per the NAO's 2021/22 Group Instructions, we are not required to perform any detailed procedures. We have completed ready for submission the required Assurance Statement to the NAO.

### Control observations

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we adopted fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control. We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you.

However, we have identified one area where Suffolk Police could improve its financial reporting arrangements in relation to signed lease documentation and we have included these in Section 07.

### Independence

We have no matters relating to our Independence to bring to your attention. Please refer to Section 08 for our update on Independence.



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## Areas of Audit Focus



## Areas of Audit Focus

### Significant risk

#### Misstatements due to fraud or error

(Group/PCC/CC)

#### What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

One area susceptible to manipulation is the capitalisation of revenue expenditure on Property, Plant and Equipment. The specific procedures undertaken to address this are set out on the next page. This page details standard procedures we undertake to respond to the risk of fraud and error on every engagement.

#### What did we do?

As set out in our Provisional Audit Plan we confirm that we have performed the following procedures:

- ▶ We identified fraud risks during the planning stage;
- ▶ We inquired of management about risks of fraud and the controls put in place to address those risks;
- ▶ We obtained an understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ We considered the effectiveness of management's controls designed to address the risk of fraud;
- ▶ We performed mandatory procedures regardless of specifically identified fraud risks, including;
  - ▶ testing of journal entries and other adjustments in the preparation of the financial statements;
  - ▶ reviewing accounting estimates for evidence of management bias; and
  - ▶ evaluating the business rationale for significant unusual transactions.
- ▶ We utilised our data analytics capabilities to assist with our work, including journal entry testing; and
- ▶ We assessed journal entries for evidence of management bias and evaluate for business rationale.

#### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied through our testing journal entries to date.

We did not identify any other transactions during our audit which appeared unusual or outside of the normal course of business.



## Areas of Audit Focus

### Significant risk

**Risk of fraud in revenue and expenditure recognition - specifically inappropriate capitalisation of revenue expenditure (Group/PCC)**

#### What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

For the Group and PCC single entity, we consider that the risk could specifically manifest itself in the inappropriate capitalisation of revenue expenditure i.e. not recognising expenditure in the Comprehensive Income and Expenditure Statement (CIES) and financing the spend from capital.

#### What judgements are we focused on?

How management decides on appropriate capitalisation of revenue expenditure.  
Confirming additions to property, plant and equipment have been correctly classified as capital.

#### What did we do?

As set out in our Provisional Audit Plan we confirm that we have performed the following procedures:

- ▶ Obtained an analysis of capital addition in the year, reconciled to the Fixed Assets Register (FAR) and reviewed the description for any potential items that could be revenue in nature;
- ▶ Sample tested additions to property, plant and equipment, to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised; and
- ▶ Used our data analytics tool to identify and test journal entries that moved expenditure into capital codes.

#### What are our conclusions?

Our testing has not identified any material misstatements from inappropriate capitalisation of revenue expenditure.

We have not identified any material weaknesses in controls or evidence of material management override in relation to capitalisation of revenue expenditure.

We have not identified any instances of inappropriate judgements being applied.



## Other areas of Audit Focus



### Area of Audit Focus - Other areas of audit focus

#### What is the risk/area of focus?

##### Valuation of Property, Plant and Equipment (Inherent Risk - Group/PCC)

The fair value of Property, Plant and Equipment (PPE) represents significant balances in the PCC and Group accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

The PCC will engage an external expert valuer who will apply a number of complex assumptions to these assets. Annually assets are assessed to identify whether there is any indication of impairment.

As the PCC's asset base is significant (£59.711m for year ended 31 March 2022), and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

#### What we did

As set out in our Provisional Audit Plan we confirm that we have performed the following procedures:

- ▶ considered the work by Suffolk Police's external valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE;
- ▶ reviewed assets not subject to valuation in 2021/22 to confirm that the remaining asset base is not materially misstated;
- ▶ considered changes to useful economic lives as a result of the most recent valuation; and
- ▶ tested that accounting entries have been correctly processed in the financial statements.

#### Conclusion

Having completed the above procedures, we have not identified any misstatements and have no matters to report.





# Other areas of Audit Focus



## Area of Audit Focus - Other areas of audit focus

### What is the risk/area of focus?

#### Valuation of Pension Liability - Local Government Pension Scheme (LGPS) and Police Pension Scheme (Inherent Risk - Group/PCC/CC)

The Local Authority Accounting Code of Practice and IAS19 require the CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Suffolk County Council. The PCC must also do similar in respect of the Police Pension Scheme.

The Group and CC pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the balance sheets of the PCC and CC. At 31 March 2022 these totalled:

- PCC: £0.388 million (PY was £1.116 million); and
- CC: £1,565.709 million (PY was £1,576.495 million).

The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuary to the Suffolk Pension Fund and also the Police Pension Scheme. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

### What we did

As set out in our Provisional Audit Plan we confirm that we have performed the following procedures:

- ▶ Liaised with the auditors of Suffolk Pension Fund and obtained assurances over the information supplied to the actuary in relation to the Suffolk Police Force;
- ▶ Assessed the work of the LGPS Pension Fund actuary (Hymans Robertson) and the Police Pension Scheme actuary (GAD) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the NAO for all Local Auditors, and considering any relevant reviews by the EY actuarial team;
- ▶ Evaluated the reasonableness of the Pension Fund actuary's calculations by engaging our EY Pensions Specialist to recalculate the liability based on the assumptions and data in the IAS19 reports to confirm accuracy.
- ▶ Reviewed and tested the accounting entries and disclosures made within the Group and CC financial statements in relation to IAS19, including any updates to the value of year end assets; and
- ▶ Agreed the accuracy of the data submitted to the Police Pension scheme actuary.

#### Conclusion

We have reviewed the accounting entries and disclosures in the draft financial statements and assessed the work of the actuary. We have received IAS 19 assurances from the Suffolk Pension Fund auditor.

Using our EY Pensions Specialist's model we have been able to independently reconcile our roll forward with the figures produced by the actuaries as at the disclosure date to a difference of less than 2% of the figure for the Local Government Pension Scheme liabilities and less than 1% for the Police Pension Scheme liabilities. The PCC and CC's pension liability fell within our tolerable range following relevant audit procedures, including the reasonableness check performed by our EY Pension Specialist.

Updated information became available following the completion of the Suffolk Pension Fund Triennial Valuation on LGPS. The difference was a result of an update to assumptions underpinning the triennial valuation and their consequential impact on the pension liability as at 31 March 2022. This resulted an increase to the pension liability of £4.211 million.

## Areas of Audit Focus

### Other areas of audit focus (continued)

#### What is the risk/area of focus?

##### Accounting for Private Finance Initiative (PFI) (Inherent Risk - Group/PCC)

The PCC and CC disclose one PFI contract within their financial statements for the use of six Police Investigation Centres (PIC) shared with the Police and Crime Commissioner for Norfolk. At 31 March 2022, the PFI liability associated with the PIC were £21.005 million (PY was £21.448 million).

The liability and payments for services are dependent upon assumptions within the accounting models underpinning the PFI scheme. As such Management is required to apply estimation techniques to support the disclosures within the financial statements.

#### What did we do?

As set out in our Provisional Audit Plan we confirm that we have performed the following procedures:

- ▶ We enquired whether there have been any significant changes within the model since our last specialist review;
- ▶ We undertook a review and assessment of the impact of any changes in assumptions upon the model; and
- ▶ We ensured the accounting entries and disclosures made in the financial statements are consistent with the accounting models.

##### Conclusion

Having completed the above procedures, we have not identified any misstatements and have no matters to report.



## Other areas of Audit Focus



### Area of Audit Focus - Other areas of audit focus

#### What is the risk/area of focus?

##### Going Concern Compliance (Area of Audit Focus - Group/PCC/CC)

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 states that organisations that can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.

However, International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'.

To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

In addition, the unpredictability of the current economic environment and the volatility of the market due to the ongoing impact of Covid as well as the Ukraine-Russia conflict also gives rise to a risk that Suffolk Police may not appropriately disclose the impact of these issues on their going concern assessment. The disclosure should be underpinned by the management's assessment based on the Suffolk Police's actual year end financial position for the going concern period of 12 months from the auditor's report date.

#### What we did

The draft accounts included going concern disclosures but the disclosure and supporting going concern assessment will need to be updated to cover a period of at least 12 months from the date of authorising the financial statements.

At the time of this report, our work on this is in progress.



**03**

**Audit Report**

**DRAFT**



## Draft audit report - Police and Crime Commissioner for Suffolk and Group

### Our proposed opinion on the financial statements

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

##### Opinion

We have audited the financial statements of the Police and Crime Commissioner for Suffolk for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- ▶ Police and Crime Commissioner for Suffolk and Group Movement in Reserves Statement;
- ▶ Police and Crime Commissioner for Suffolk and Group Comprehensive Income and Expenditure Statement;
- ▶ Police and Crime Commissioner for Suffolk and Group Balance Sheet;
- ▶ Police and Crime Commissioner for Suffolk and Group Cash Flow Statement;
- ▶ Police and Crime Commissioner for Suffolk and Group Expenditure and Funding Analysis and related notes 1 to 33; and
- ▶ Police Pension Fund Accounting Statements.

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 2021/22.

In our opinion the financial statements:

- ▶ give a true and fair view of the financial position of the Police and Crime Commissioner for Suffolk and the Group as at 31 March 2022 and of its expenditure and income for the year then ended;
- ▶ have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22; and
- ▶ have been prepared properly in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Police and Crime Commissioner for Suffolk and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





## Audit Report - continued

### Our proposed opinion on the financial statements

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner and the Group's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Police and Crime Commissioner and the Group's ability to continue as a going concern.

#### Other information

The other information comprises the information included in the 'Group and PCC Statement of Accounts 31 March 2022', other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the 'Group and PCC Statement of Accounts 31 March 2022'.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we report by exception

We report to you if:

- ▶ in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);



## Audit Report - continued

### Our proposed opinion on the financial statements

- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

### Responsibility of the Chief Finance Officer

As explained more fully in the 'Statement of Responsibilities for the Statement of Accounts' set out on page 1, 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 2021/22, and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Police and Crime Commissioner and the Group either intend to cease operations, or have no realistic alternative but to do so.

The Police and Crime Commissioner and the Group are 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.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.



## Audit Report - continued

### Our proposed opinion on the financial statements

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the Group and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014,
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,
- Anti-social behaviour, Police and Crime Act 2014,
- Police Pensions scheme regulations 1987,
- Police Pensions regulations 2006; and
- Police Pensions regulations 2015.

In addition, the Police and Crime Commissioner and the Group have to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

We understood how the Police and Crime Commissioner and the Group is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, Internal Audit, those charged with governance, the Joint Audit Committee and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance.

We corroborated this through our reading of the Police and Crime Commissioner's and the Group's committee minutes, policies and procedures and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Police and Crime Commissioner's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Police and Crime Commissioner's and Group's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was appropriate.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested the appropriateness of the journal and that it was accounted for appropriately.



## Audit Report - continued

### Our proposed opinion on the financial statements

We assessed accounting estimates for evidence of management bias and evaluated the business rationale for significant unusual transactions. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in December 2021, as to whether the Police and Crime Commissioner and the Group had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner and the Group put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

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 and the Group had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Police and Crime Commissioner has made 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 and the Group's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

#### Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Police and Crime Commissioner's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements. Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

#### Use of our report

This report is made solely to Police and Crime Commissioner for Suffolk and the Group, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner for Suffolk and the Group, for our audit work, for this report, or for the opinions we have formed.



## Draft audit report - Chief Constable of Suffolk

### Our proposed opinion on the financial statements

#### INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF SUFFOLK

##### Opinion

We have audited the financial statements of the Chief Constable of Suffolk for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- ▶ Chief Constable of Suffolk Movement in Reserves Statement;
- ▶ Chief Constable of Suffolk Comprehensive Income and Expenditure Statement;
- ▶ Chief Constable of Suffolk Balance Sheet;
- ▶ Chief Constable of Suffolk Cash Flow Statement
- ▶ Chief Constable of Suffolk Expenditure and Funding Analysis and the related notes 1 to 17, and
- ▶ Chief Constable of Suffolk Police Pension Fund Accounting Statements.

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 2021/22.

In our opinion the financial statements:

- ▶ give a true and fair view of the financial position of the Chief Constable of Suffolk as at 31 March 2022 and of its expenditure and income for the year then ended;
- ▶ have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22; and
- ▶ have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Chief Constable for Suffolk in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.





## Audit Report - continued

### Our proposed opinion on the financial statements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Chief Constable's ability to continue as a going concern.

### Other information

The other information comprises the information included in the 'Statement of Accounts 31 March 2022', other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the 'Statement of Accounts 31 March 2022'.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we report by exception

We report if:

- ▶ in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.



## Audit Report - continued

### Our proposed opinion on the financial statements

#### Responsibilities of the Chief Finance Officer

As explained more fully in the 'Statement of Responsibilities for the Statement of Accounts' set out on page 1, 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 2021/22, and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable either intends to cease operations, or has no realistic alternative but to do so.

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.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant are:

- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Audit and Accountability Act 2014,
- The Accounts and Audit Regulations 2015,
- The Police Reform and Social Responsibility Act 2011,



## Audit Report - continued

### Our proposed opinion on the financial statements

- ▶ Anti-social behaviour, Police and Crime Act 2014,
- ▶ Police Pensions scheme regulations 1987,
- ▶ Police Pensions regulations 2006; and
- ▶ Police Pensions regulations 2015.

In addition, the Chief Constable has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment legislation, tax legislation, general power of competence, procurement and health & safety.

We understood how the Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of Management, the Head of Internal Audit, those charged with governance, the Joint Audit Committee and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance.

We corroborated this through reading the Chief Constable's committee minutes, policies and procedures and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified, inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Chief Constable's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was appropriate.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested the appropriateness of the journal and that it was accounted for appropriately. We assessed accounting estimates for evidence of management bias and evaluated the business rationale for significant unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# Audit Report - continued

**DRAFT**

## Our proposed opinion on the financial statements

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in December 2021, as to whether the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that 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 2022.

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.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Chief Constable of Suffolk has made 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.

### Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Chief Constable's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

### Use of our report

This report is made solely to the Chief Constable of Suffolk, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Suffolk, for our audit work, for this report, or for the opinions we have formed.





# 04 Audit Differences







## Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

### Summary of unadjusted differences

At the date of issuing this report, there are no uncorrected audit differences identified as part of our audit at the date of this report.

### Summary of adjusted differences

We highlight misstatement greater than our reporting threshold (Group/PCC/CC) which have been corrected by management that were identified during the course of our audit.

Our audit identified an audit difference, which we need to bring to your attention:

#### **Local Government Pension Scheme (LGPS) - PCC Balance Sheet**

An updated information became available following the completion of the Suffolk Pension Fund Triennial Valuation on LGPS. The difference was a result of an update to assumptions underpinning the triennial valuation and their consequential impact on the pension liability as at 31 March 2022. This resulted in an increase to the pension liability of £4.211 million.

This has the following impact:

- Dr Re-measurement of the net defined liability within the total comprehensive income and expenditure, £4.211 million
- Cr Net Pension Liability on the Balance Sheet, £4.211 million



## Audit Differences (cont.)

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

### Summary of adjusted differences

#### Disclosure Differences

We identified a limited number of disclosure amendments in the draft financial statement which management have chosen to adjust. The most significant of which is in relation to the disclosures of exit packages and leases:

1. **Note 8 - Employees’ Remuneration.** We identified a misclassification between ‘compulsory redundancies’ and ‘agreed departures’ in respect of one of the exit packages.
2. **Note 26 - Leases.** We identified a few issues in relation to the leases as follows:
  - There was a lack of finance lease disclosure for Mildenhall Hub asset, £0.626 million, which went fully operational during the year.
  - Suffolk PCC was the lessee for a number of operating leases, including fire stations and Safer Neighbourhood Team (SNT) stations. Prior to the inception of the leases, Suffolk PCC had made a capital contribution towards the construction of these assets. On the basis that Suffolk Police maintains control over the economic benefits, the capital contributions were capitalised as Property, Plant and Equipment and depreciated over time. We concluded that while the accounting treatment was reasonable, this is a matter of judgement. The net book value for the capitalised amount was £1.953 million for year ended 31 March 2022 which was material and therefore we recommended to disclose this on the accounts as a matter of judgement with supporting rationale.
  - Furthermore, our audit identified that there were no formal signed lease agreements in place for 9 leases out of the 11 leases held by Suffolk PCC as lessee. We deemed this to be an area for improvements and have included further details in Section 07 of the report.

We do not deem other differences to be so significant as to merit bringing to your attention.

Until we have concluded on the outstanding work set out earlier in this report, it is possible that further adjustments will also need to be reported. We will verbally update the Joint Audit Committee at the upcoming meeting.



05

## Value for Money



# Value for money

## Suffolk Police's responsibilities for value for money (VFM)

Suffolk Police is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, Suffolk Police is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, Suffolk Police tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

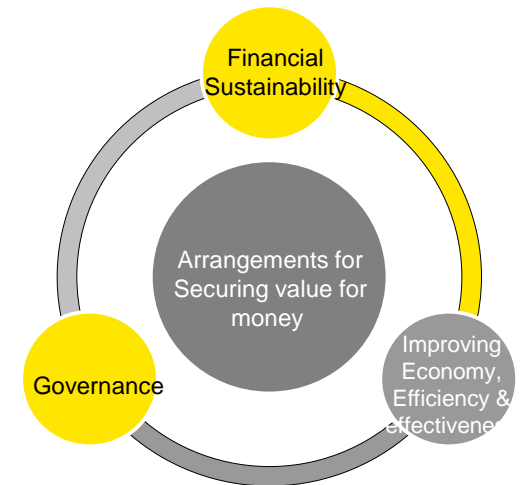
## Risk assessment

We have now completed our VFM risk assessment and have identified a significant risk in relation to a data breach within responses to Freedom of Information (FOI) requests. We were advised of the breach by Management who also referred the matter to the Information Commissioner (ICO).

The data breach issue consists of two incidents:

The first data breach incident was discovered in November 2022, concerning a FOI request which dated back to 2018. Suffolk Police responded to the FOI request for crime statistics between January 2015 and March 2018. Suffolk Police published the information on their website in accordance with their approach at the time. However, it was identified that the published data erroneously included personal information relating to victims, witnesses, or suspects of crimes.

The second data breach incident was discovered in January 2023, concerning FOI requests which were made by journalists or researchers, relating to various crime statistics between January 2015 and April 2022. This data breach incident involved more data complexity due to a static version of the raw data was linked to a database using SQL (Structure Query Language) in the document which was then used for the FOI response.



## Status of our VFM work

Our work in relation to this risk is currently in progress and we have considered the impact of this against the three reporting criteria we are required to consider under the NAO's 2020 Code.

We have concluded that the data breach represents a significant weakness in the governance arrangement in place during 2021/22 at both the PCC and CC, and will therefore need to report by exception details of the significant weakness in our auditor's report. This will be subject to consultation with our professional practice team.

We will include detailed commentary on this matter and the remainder of our value for money work in the Auditor's Annual Report which will be issued to the Suffolk PCC/CC within three months of the date of the final 2021/22 audit opinion.





## 06 Other reporting issues

## Other reporting issues

# Other reporting issues

### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Narrative Report with the audited financial statements. Financial information in the Narrative Report and published with the financial statements was consistent with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

We have reviewed the Annual Governance Statement and can confirm that it is consistent with other information from our audit of the financial statements and we have no matters to report. We note that the Suffolk PCC/CC has updated the AGS following identification of the data breach issue (as per Section 06 of this report) and how the matter has been dealt with since it was initially identified. We will review the updated AGS once our consideration of this issue has been completed.

### Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on Suffolk Police's WGA return. The extent of our review, and the nature of our report, is specified by the NAO.

As the Suffolk Police falls below the £2 billion threshold for review as per the NAO's group instructions, we are not required to undertake detailed procedures on your consolidation schedule. We will be able to submit the required Assurance Statement to the NAO confirming this.

### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest").

We did not receive any correspondence or objections from any members of the public.

We have considered the need to exercise our formal powers in relation to the financial mis-reporting matter that is set out within this report. We concluded, that on the basis of our reporting 'by exception' within our Value for Money responsibilities, the disclosures made within the Annual Governance Statement and the response to the Internal Audit recommendations from their review, appropriate action was being taken and that there had been sufficient transparency of the issue within the public domain, we did not need to exercise our formal powers.

After due consideration, we have not deemed it necessary to issue a report in the public interest.



## Other reporting issues

# Other reporting issues

### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- ▶ Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- ▶ Any significant difficulties encountered during the audit;
- ▶ Any significant matters arising from the audit that were discussed with management;
- ▶ Written representations we have requested;
- ▶ Expected modifications to the audit report;
- ▶ Any other matters significant to overseeing the financial reporting process;
- ▶ Related parties;
- ▶ External confirmations;
- ▶ Going concern;
- ▶ Consideration of laws and regulations; and
- ▶ Group audits.

We have noted the data breach on the dissemination of Freedom of Information (FOI) responses. We are currently considering the impact of the issue on our opinion and reporting in relation to the Suffolk PCC/CC's value for money arrangements as well as in relation to our statutory responsibilities where we identify or become aware of non-compliance with laws and regulations.

We have no other matters to report as of the date of this report.



07

## Assessment of Control Environment



# Assessment of Control Environment

## Financial controls

It is the responsibility of Suffolk Police (PCC & CC) to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether Suffolk Police has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your respective financial statements. However, we have identified scope for improvements in the following area of accounts preparation:

### Leases

As outline on page 7, our audit identified that most of the leases held by Suffolk PCC as a lessee did not have formal signed lease agreements in place.

**Recommendation:** The Suffolk PCC should ensure that all leases agreements are approved and signed before the commencement of the lease to which they relate.





08

Independence

## Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and Suffolk Police, and its members and senior management and its affiliates, including all services provided by us and our network to Suffolk Police, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

### Services provided by Ernst & Young

The next page includes a summary of the fees that you have paid to us in the year ended 31 March 2022 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are in the next page.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

## Other communications

### EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)

## Relationships, services and related threats and safeguards

### Services provided by Ernst & Young

	Planned fee 2021/22	Scale fee 2021/22	Final Fee 2020/21
Description	£'s	£'s	£'s
Total Fee - Code work	35,984	35,984	35,984
Determined Scale Fee Variation (Note 1)			31,393
<b>Revised Proposed Scale Fee</b>	<b>35,984</b>	<b>35,984</b>	<b>67,377</b>
<b>Additional work:</b>			
Changes in work required to address professional and regulatory requirements and scope associated with risk (Note 2)	43,370		
Other additional procedures required to address audit risks to enable the conclusion of the audit (Note 3)	TBC		-
<b>Total fees</b>	<b>TBC</b>	<b>TBC</b>	<b>67,377</b>

*All fees exclude VAT*

**Note 1** - PSAA Ltd determined the Fee Variation for 2020/21 in January 2023.

**Note 2** - We proposed an increase to the base scale fee of £35,984 for 2020/21 to reflect the cost of increased regulatory requirements as well as to reflect the additional work required to address specific risks. PSAA have determined a final additional fee for 2020/21 of £31,393 in relation to these areas. For 2021/22, the scale fee has again been re-assessed to take into account the same recurring risk factors as in 2019/20 and 2020/21 and is subject to determination by PSAA Ltd - subject to any further notified annual price uplifts.

**Note 3** - As set out in this report, we have had to perform additional audit procedures to respond to the associated audit risks identified, including the need to respond to the risk of significant weakness in Value for Money arrangements pertinent to the data breach incidents. As we are concluding our work in relation to these areas, we cannot quantify the fee impact at this time. We will provide an update on the additional fee implications at the conclusion of the audit and report this within the Annual Audit Letter.








09

## Appendices






## Appendix A

# Required communications with the Joint Audit Committee

There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

		 Our Reporting to you
<b>Required communications</b>	 <b>What is reported?</b>	 <b>When and where</b>
Terms of engagement	Confirmation by the CC and PC of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Provisional Audit Plan - 12 September 2022 presented to the Joint Audit Committee on 09 December 2022
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Provisional Audit Plan - 12 September 2022 presented to the Joint Audit Committee on 09 December 2022
Significant findings from the audit	<ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024  Auditor's Annual Report - April 2024

## Appendix A - continued




		 Our Reporting to you
 Required communications	 What is reported?	  When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Misstatements	<ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ Material misstatements corrected by management</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Subsequent events	<ul style="list-style-type: none"> <li>▶ Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Fraud	<ul style="list-style-type: none"> <li>▶ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ Unless all of those charged with governance are involved in managing the Authority any identified or suspected fraud involving:               <ol style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements.</li> </ol> </li> <li>▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▶ Any other matters related to fraud, relevant to Audit Committee responsibility.</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024



# Appendix A - continued





		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the Authority</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Provisional Audit Plan - 12 September 2022 presented to the Joint Audit Committee on 09 December 2022</p> <p>Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024</p> <p>Auditor's Annual Report - April 2024</p>

## Appendix A - continued

		 Our Reporting to you
Required communications	 What is reported?	 When and where
External confirmations	<ul style="list-style-type: none"> <li>▶ Management’s refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	<p>We have received all requested confirmations.</p> <p>Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024</p>
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of</li> </ul>	<p>Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024</p>
Internal controls	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit</li> </ul>	<p>Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024</p> <p>Auditor’s Annual Report - April 2024</p>



## Appendix A - continued

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> <li>▶ Written representations we are requesting from management and/or those charged with governance</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> <li>▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Auditors report	<ul style="list-style-type: none"> <li>▶ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024
Fee Reporting	<ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the Audit Plan is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	Provisional Audit Plan - 12 September 2022 presented to the Joint Audit Committee on 09 December 2022  Audit Results Report - 27 November 2023 presented to the Joint Audit Committee on 25 January 2024





# Appendix B – Request for a Management Representation Letter

## Request for a Management Representation Letter



Ernst & Young LLP  
One Cambridge Business Park  
Cambridge  
CB4 0WZ  
Tel: + 44 1223 394400  
Fax: + 44 1223 394401  
ey.com



Colette Batson  
Chief Finance Officer  
Office of the Police & Crime Commissioner for Suffolk

Kenneth Kilpatrick  
Chief Finance Officer to the Chief Constable,  
Suffolk Police Headquarters.

18 December 2023

Ref:  
Your ref:  
Direct line: 01223 394547  
Email: MHodgson@uk.ey.com

Dear Colette & Kenneth,

### Office of the Police & Crime Commissioner for Suffolk / Chief Constable for Suffolk – 2021/22 financial year- Request for a letter of representation

International Standards on Auditing set out guidance on the use by auditors of management representations (ISA (UK&I) 580) and on possible non-compliance with laws and regulations (ISA (UK&I) 250). I have interpreted this guidance as it affects Local Government and Police bodies and I expect the following points to apply:

- auditors may wish to obtain written representation where they are relying on management's representations in respect of judgemental matters (for example the level of likely incidence of a claim), which may not be readily corroborated by other evidence;
- auditors are likely to request written representations on the completeness of information provided;
- auditors may wish to obtain written representation on issues other than those directly related to the Statement of Accounts;
- the letter is dated on the date on which the auditor signs the opinion and certificate;
- the letter is signed by the person or persons with specific responsibility for the financial statements; and
- the letter is formally acknowledged as having been discussed and approved by the Police and Crime Commissioner and Chief Constable, as those charged with governance respectively.

I would expect the letter of representation to include the following matters.

#### General statement

That the letter of representations is provided in connection with our audit of the financial statements of the Office of the Police & Crime Commissioner for Suffolk (PCC) and Group / Chief Constable (CC) for Suffolk ("the PCC/CC") for the year ended 31 March 2022.

That you recognise that obtaining representations from you concerning the information contained in this letter is a significant procedure in enabling us to form an opinion as to whether the financial statements give a true and fair view of the financial position of the PCC and CC as of 31 March 2022 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 Moorgate Place, London EC2A 4PU, the firm's principal place of business and registered office.



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You understand that the purpose of our audit of your financial statements is to express an opinion thereon and that our audit is conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent we considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, you make the following representations, which are true to the best of your knowledge and belief, having made such inquiries as you considered necessary for the purpose of appropriately informing ourselves:

#### A. Financial Statements and Financial Records

1. That you have fulfilled your responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts & Audit Regulations 2015 (as amended in 2020 for Covid-19) and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
2. That you acknowledge as members of management of the PCC/CC, your responsibility for the fair presentation of the PCC/CC's financial statements. You believe the PCC/CC's financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the PCC/CC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and are free of material misstatements, including omissions. You have approved the PCC/CC financial statements.
3. That the significant accounting policies adopted in the preparation of the Group/PCC and CC financial statements are appropriately described in the Group/PCC and CC financial statements.
4. As members of management of the PCC/CC, you believe that the PCC/CC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, that are free from material misstatement, whether due to fraud or error. You have disclosed to us any significant changes in your processes, controls, policies and procedures that you have made to address the effects of the COVID-19 pandemic on our system of internal controls.
5. That there are no unadjusted audit differences.
6. That you have disclosed to us any significant changes in our processes, controls, policies and procedures that you have made to address the effects of the conflict and related sanctions in Ukraine, Russia and/or Belarus on your system of internal controls. That you do not believe that there are any significant changes.



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### B. Non-compliance with law and regulations, including fraud

1. That you acknowledge that you are responsible to determine that PCC/CC's activities are conducted in accordance with laws and regulations and that you are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. That you acknowledge that you are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. That you have disclosed to us the results of our assessment of the risk that the PCC/CC's financial statements may be materially misstated as a result of fraud.
4. You have no knowledge of any identified or suspected non-compliance with laws and regulations, including fraud that may have affected the PCC/CC (regardless of the source or form and including without limitation, any allegations by "whistleblowers") including non-compliance matters:
  - involving financial statements;
  - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the PCC/CC's financial statements;
  - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the PCC/CC's activities, its ability to continue to operate, or to avoid material penalties;
  - involving management, or employees who have significant roles in internal controls, or others; or
  - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

### C. Information Provided and Completeness of Information and Transactions

1. You have provided us with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
  - Additional information that we have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.
2. That all material transactions have been recorded in the accounting records and are reflected in the PCC/CC's financial statements, including those related to the COVID-19 pandemic and to the conflict and related sanctions in Ukraine, Russia and/or Belarus.



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3. That you have made available to us all minutes of the meetings of the PCC/CC and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 25 January 2023.
4. That you confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of PCC/CC related parties and all related party relationships and transactions of which you are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the PCC/CC's financial statements.
5. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
6. That you have disclosed to us, and the PCC/CC has complied with, all aspects of contractual agreements that could have a material effect on the PCC/CC's financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. That from the date of your last management representation letter to us, through the date of this letter, you have disclosed to us any unauthorized access to your information technology systems that either occurred or to the best of your knowledge is reasonably likely to have occurred based on your investigation, including of reports submitted to you by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to your information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

### D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to us and are appropriately reflected in the PCC/CC's financial statements.
2. That you have informed us of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. That you have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the PCC/CC's financial statements (please specify the Notes) all guarantees that you have given to third parties.

### E. Subsequent Events

1. That other than the disclosure described in Note 30 and 7 to the PCC/CC's financial statements respectively, there have been no events, including events related to the COVID-19 pandemic, or related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.



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### F. Other information

1. You acknowledge your responsibility for the preparation of the other information. The other information comprises the Narrative Report included in the respective PCC and CC and Group Statement of Accounts 2021/22.
2. You confirm that the content contained within the other information is consistent with the financial statements.

### G. Accounting Estimates

1. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements:
  - That you believe the measurement processes, including related assumptions and models, you used in determining accounting estimates is appropriate and the application of these processes is consistent.
  - That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
  - That the assumptions you used in making accounting estimates appropriately reflects your intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
  - That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

### H. Expenditure Funding Analysis

1. You confirm that the financial statements reflect the operating segments reported internally to the PCC/CC.

### I. Going Concern

1. That the PCC/CC has prepared the financial statements on a going concern basis and that Note 32/17 to the respective financial statements discloses all of the matters of which you are aware that are relevant to the PCC/CC's ability to continue as a going concern, including significant conditions and events, your future financial plans and the veracity of the associated future funding allocations from the Home Office, the sufficiency of cash flows to support those financial plans.

### J. Ownership of Assets

1. That except for assets recognised as right-of-use assets in accordance with IFRS 16 Leases, the PCC/CC has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the PCC/CC's assets, nor has any asset been pledged as collateral. All assets to which the PCC/CC has satisfactory title appear in the balance sheet(s).



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### K. Reserves

1. You have properly recorded or disclosed in the PCC/CC's financial statements the useable and unusable reserves.

### L. Valuation of Property, Plant and Equipment Assets

1. That you agree with the findings of the experts engaged to evaluate the valuation of PCC/CC's Property, Plant and Equipment and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included within the PCC/CC's financial statements and the underlying accounting records. That you did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and that you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.
2. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
3. You confirm that the significant assumptions used in making the valuation of Property, Plant and Equipment appropriately reflect your intent and ability to carry out specific courses of action on behalf of the entity.
4. You confirm that the disclosures made in the PCC/CC's financial statements with respect to the accounting estimate(s) are complete, including the effects of the Covid-19 pandemic on Property, Plant and Equipment valuations and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
5. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the PCC/CC's financial statements due to subsequent events, including due to the Covid-19 pandemic.
6. You confirm that you have performed a desktop review of all assets not subject to revaluation as part of the 5 year rolling programme for valuations and that each asset category is not materially misstated.
7. You confirm that for assets carried at historic cost, that no impairment is required.

### M. Retirement benefits

1. That on the basis of the process established by you and having made appropriate enquiries, you are satisfied that the actuarial assumptions underlying the pension scheme liabilities are consistent with your knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.
2. You agree with the findings of the specialists that you engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the PCC/CC's financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.



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3. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
4. You confirm that the significant assumptions used in making the valuation of the pension scheme liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
5. You confirm that the disclosures made in the PCC/CC's financial statements with respect to the accounting estimate(s) are complete, including the effects of the Covid-19 pandemic on the Pension Scheme Liability and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
6. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the PCC/CC's financial statements due to subsequent events, including due to the Covid-19 Pandemic, or related to the conflict and related sanctions in Ukraine, Russia and/or Belarus.

#### N. Group audits

1. There are no significant restrictions on your ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the PCC, subsidiary undertakings (Chief Constable) and associated undertakings.
3. You confirm that entities excluded from the Group financial statements are immaterial on a quantitative and qualitative basis.

#### P. Specific Representations

We do not require any specific representations in addition to those above.

I would be grateful if you could provide a letter of representation which covers the Group, PCC and CC, which is appropriately signed and dated (by both the respective s151 officer, the PCC and the CC) on our proposed audit opinion date (date to be advised) on formal headed paper.

Yours sincerely


Mark Hodgson  
Partner  
Ernst & Young LLP  
United Kingdom

## Appendix C

### Implementation of IFRS 16 Leases

In previous reports to the Audit Committee, we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

IFRS 16 does not come into effect for Suffolk Police until 1 April 2024. However, officers should be acting now to assess the Authority's leasing positions and secure the required information to ensure the Authority will be fully compliant with the 2024/25 Code. The following table summarises some key areas officers should be progressing.

IFRS 16 theme	Summary of key measures 
Data collection	Management should: <ul style="list-style-type: none"> <li>▶ Put in place a robust process to identify all arrangements that convey the right to control the use of an identified asset for a period of time. The adequacy of this process should be discussed with auditors.</li> <li>▶ Classify all such leases into low value; short-term; peppercorn; portfolio and individual leases</li> <li>▶ Identify, collect, log and check all significant data points that affect lease accounting including: the term of the lease; reasonably certain judgements on extension or termination; dates of rent reviews; variable payments; grandfathered decisions; non-lease components; and discount rate to be applied.</li> </ul>
Policy Choices	The Police needs to agree on certain policy choices. In particular: <ul style="list-style-type: none"> <li>▶ Whether to adopt a portfolio approach</li> <li>▶ What low value threshold to set and agree with auditors</li> <li>▶ Which asset classes, if any, are management adopting the practical expedient in relation to non-lease components</li> <li>▶ What is managements policy in relation to discount rates to be used?</li> </ul>
Code adaptations for the public sector	Finance teams should understand the Code adaptations for the public sector. The Code contains general adaptations, (e.g. the definition of a lease); transitional interpretations (e.g. no restatement of prior periods) and adaptations that apply post transition (e.g. use of short-term lease exemption).
Transitional accounting arrangements	Finance teams should understand the accounting required on first implementation of IFRS 16. The main impact is on former operating leases where the authority is lessee. However, there can be implications for some finance leases where the Police is lessee; and potentially for sub-leases, where the Police is a lessor, that were operating leases under the old standard.
Ongoing accounting arrangements	Finance teams need to develop models to be able to properly account for initial recognition and subsequent measurement of right of use assets and associated liabilities. This is more complex than the previous standard due to more regular remeasurements and possible modifications after certain trigger events.
Remeasurements and modifications	Finance teams need to familiarise themselves with when the 'remeasurement' or 'modification' of a lease is required and what to do under each circumstance. A modification can lead to an additional lease being recognised. It is also important to know when remeasurements require a new discount rate is to be applied to the lease.

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