

The Joint Audit Findings (ISA 260) Report for West Midlands Police and Crime Commissioner and West Midlands Police Chief Constable

Year ended 31 March 2025

18 September 2025
Provisional Report

**West Midlands Police**

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Birmingham

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18 September 2025

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Dear Police and Crime Commissioner and Chief Constable

Joint Audit Findings for West Midlands Police for the 31 March 2025

This Joint Audit Findings Report presents the observations arising from the audit that are significant to yourselves as those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2024-.pdf).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Laurelin Griffiths

Director
For Grant Thornton UK LLP

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Headlines and status of the audit

Headlines

This table summarises the key findings and other matters arising from the statutory audits of West Midlands Police and Crime Commissioner (the ‘PCC’) and West Midlands Chief Constable and the preparation of the PCC’s and Chief Constable’s financial statements for the year ended 31 March 2025 for those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion the financial statements:

- give a true and fair view of the financial positions of the PCC, Group and Chief Constable’s income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with each set of audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise whether this information appears to be materially misstated.

The majority of our audit work was completed during June to early September. Our findings are summarised within this report. We have not identified any adjustments to the financial statements of either the Chief Constable or PCC that have resulted in an adjustment to the Comprehensive Income and Expenditure Statement. However, as detailed below, our audit is not complete. Audit adjustments are detailed from page 37. Our follow up of recommendations from the prior year’s audit is detailed on page 42.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion for the PCC’s financial statements (including the Group financial statements which consolidate the financial activities of the Chief Constable) or the Chief Constable’s financial statements, subject to the following outstanding matters:

- receipt of assurances from the West Midlands Pension Fund Auditor;
- completion of our work on one grant for £10m (and the related expenditure);
- completion of our work on journals transactions;
- completion of our work on the valuation of land and buildings;
- completion of our work on the implementation of IFRS 16;
- final quality reviews by the Audit Manager and Engagement Lead;
- receipt of signed management representation letters; and
- receipt and review of the final signed sets of financial statements.

We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisations and the financial statements we have audited.

Our anticipated financial statements audit report opinions will be unqualified. We anticipate signing your accounts in October 2025, subject to the completion of the above items.

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance.

We have completed our VFM work, which is summarised on page 46, and our detailed commentary is set out in the separate Joint Auditor's Annual Report, which is presented alongside this report. We are satisfied that the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the ‘Act’) also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work required under the Code. However, we cannot formally conclude the audit and issue our audit certificates in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until confirmation has been received from the NAO that the group audit (Whole of Government Accounts) has been certified by the Comptroller & Auditor General.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Headlines

National context – audit backlog

Government proposals around the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and to enable the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Headlines

Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for police bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised 'on balance sheet' by the lessee except where there are :

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS17 where operating leases were charged to expenditure. The principles of IFRS16 also apply to the accounting for PFI liabilities.

The principles of IFRS 16 also apply to the accounting for PFI liabilities.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

Impact on the PCC, Chief Constable, and group accounts

The Right of Use assets recognised by the PCC in the year totalled £14m, with a closing net book value of £13.6m. We have considered the completeness, accuracy, existence, and valuation of the right of use assets. In particular we have considered the approach adopted by management to ensure that all appropriate assets were captured.

In common with the majority of police bodies, property assets reside with the PCC, although they are used operationally by the staff of the Chief Constable. Management's judgement is that these arrangements do not constitute a lease, even under the expanded public sector definition. We have not concluded our work in this area, but at the time of writing this report we do not consider that this judgement is unreasonable. Had an alternative judgment been made then this would have a material impact on the CC and PCC accounts, hence we consider that this is a critical judgement and should be included as such in the financial statements.

Materiality

Our approach to materiality

As communicated in our Audit Plan dated 25 April 2025, we determined materiality at the planning stage as £15m based on 1.8% of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the draft financial statements. We judged that materiality based on these draft financial statements was not sufficiently different to that set at planning to require an update. Planning materiality was used for final accounts purposes.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PCC and the Chief Constable for the financial year. In the prior year we used the same benchmark. For our audit testing purposes we apply the lowest of these materialities, which is £15m (prior year £12.5m), which equates to 1.8% (1.5% prior year) of the Chief Constable's prior year gross expenditure.
- On receipt of the accounts, we reviewed materiality based on the draft financial statements and judged that we would not change materiality from that set at planning.

Performance materiality

We have determined component performance materialities to be set at between £11.3m and £10.5m. For our audit testing we have applied the lowest of these, which is £10.5m.

Specific materiality

We have set a lower materiality for senior officer remuneration of £37,000.

Reporting threshold

We will report to you all misstatements identified in excess of £0.75m, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our approach to determining materiality is set out below.

	Group	PCC	Chief Constable	Qualitative factors considered
Materiality for the financial statements	£15.3m	£16.2m	£15.0m	Our materiality thresholds equate to approximately 1.8% of the gross operating costs for the group, the PCC and the Chief Constable respectively. This assessment reflects the fact that the group operates in a stable, publicly funded environment, and no significant control deficiencies have been identified in the course of our audit planning. Whilst we calculate separate materiality levels for the group, the PCC and the Chief Constable, we use the lowest of the three (the Chief Constable's materiality) as the basis for our overall financial statements audit.
Performance materiality	£10.7m	£11.3m	£10.5m	We set PM at 70% of materiality
Specific materiality for senior officer remuneration	£37k for all entities			This reflects the wider public interest in the disclosure and its sensitive nature. This threshold has been determined by applying our approximate materiality percentage of 1.8% to the total value of senior officer payments as disclosed within the prior year financial statements.
Reporting threshold	£765k	£810k	£750k	Trivial is 5% of materiality

Overview of significant and other risks identified

Overview of audit risks

The below table summarises the significant and other risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor’s judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Relates to	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	All	Significant	↔	✓	Low	●
Valuation of land and buildings	PCC (& Group)	Significant	↔	✗	High	●
Valuation of the pension fund net liability	CC (& Group)	Significant	↔	✗	High	●
Implementation of IFRS 16	All	Other	↔	✗	High	●

- ↑ Assessed risk increase since Audit Plan

↔ Assessed risk consistent with Audit Plan

↓ Assessed risk decrease since Audit Plan
- Not likely to result in material adjustment or change to disclosures within the financial statements

● Potential to result in material adjustment or significant change to disclosures within the financial statements

● Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Management override of controls</p> <p>Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p>	All	<p>We have:</p> <ul style="list-style-type: none"> evaluated the design and implementation of management's controls over journals analysed the journals listing and determined the criteria for selecting high risk unusual journals identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness 	<p>Our journals testing is currently ongoing.</p> <p>In our journals risk assessment, we judged that the absence of a control around the approval of journals presented an enhanced risk. We acknowledge that management has introduced a documented review of journals posted, which provides some mitigation of the control weakness, however we still consider that this presents a deficiency in the operation of controls.</p> <p>The number of people who are authorized to post journals is limited to those who have licenses; hence a key control is the limitation on those people who are allowed to give approval for the issue of licenses. We consider that there are an excessive number of people who could grant this authorisation.</p> <p>We also noted that some members of the finance team have administrator access. We consider that this provides an enhanced risk and again we consider this to be a control deficiency.</p>

Significant risks

Risk identified	Relates to Audit procedures performed	Key observations
Management override of controls (continued)		<p>We have a concern around the extent of expertise and responsibility focused on one individual, who can post journals, has administrator access, can make changes to Oracle in exceptional circumstances, and also creates the listings of journals for review. Management should consider segregation of duties and the wider risks associated with so much responsibility and knowledge resting on one individual.</p> <p>We considered the stated accounting policies, consistency with prior year and the Code and deemed them to be appropriate. We did not identify instances of non-compliance with stated policies during our testing.</p> <p>We have not noted any material adjustments or findings in relation to override of controls.</p> <p>We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.</p> <p>Having assessed management judgements and estimates individually and in aggregate, subject to completion of the outstanding work, we are satisfied that there is no material misstatement arising from management bias across the financial statements.</p>

Significant risks

Risk identified	Relates to	
<p>Presumed risk of fraud in revenue recognition</p> <p>Under ISA (UK) 240, there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.</p>	N/A	<p>It was reported in our Joint Audit Plan that we had determined there was no significant risk of material misstatement relating to revenue recognition.</p> <p>Our work on income and debtors is finished although subject to final review. To date no matters of significance have been noted.</p> <p>We consider our rebuttal of the presumed revenue recognition risk to remain appropriate.</p>
<p>The expenditure cycle includes fraudulent transactions</p> <p>Practice note 10: Audit of financial statements of Public Sector Bodies in the United Kingdom (PN10) states that the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition for public sector bodies.</p>	N/A	<p>It was reported in our Joint Audit Plan that we had determined there was no significant risk of material misstatement relating to expenditure recognition.</p> <p>We are yet to fully consider the responses to our queries in relation to an invoice for £10m on protective equipment in order to conclude our work. Otherwise, our detailed testing is complete, subject to final review.</p> <p>We consider our risk assessment relating to expenditure recognition to remain appropriate.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of land and buildings</p> <p>The PCC revalues its land and buildings on a rolling programme at 31 March each year to ensure that the carrying value is not materially different from current value at the financial statements date.</p> <p>This is done via either full valuations, or on a desktop basis with a full valuation undertaken at least once every five years in accordance with the requirements of the CIPFA Code.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£179.5 million (NBV) as at 31 March 2025) and the sensitivity of the estimate to changes in key assumptions. The valuation also depends on the completeness and accuracy of source data such as floor areas and subjective inputs such as obsolescence factors.</p>	PCC (& Group)	<p>We have :</p> <ul style="list-style-type: none"> documented our understanding of the processes and controls put in place by management to ensure that the PCC's property valuations are not materially misstated and evaluated the design of the associated controls; evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuer, and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; challenged the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; tested, on a sample basis, revaluations made during the year, agreeing key source data used such as floor areas and build costs to suitable independent evidence and confirming that the valuation methodology has been correctly applied; tested revaluations made during the year to see if they had been input correctly into the asset register; and. 	<p>We have noted that the PCC has appointed a new valuer in 2024/25 and they have undertaken a 100% desktop valuation.</p> <p>We have confirmed that the valuer is appropriately qualified and experienced to undertake this work</p> <p>We are satisfied that the work has been undertaken in compliance with the CIPFA Code.</p> <p>We have noted that the valuer has adopted different methodology to his valuations in some areas, and whilst this has resulted in some changes in valuation driven by this change, we are satisfied that the methodology adopted by the valuer is appropriate.</p> <p>Our work is currently ongoing as we are liaising with the external valuer, our own valuer and management on the assumptions and evidence to support our sample items.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of net pension liability</p> <p>The Chief Constable's net pension liability (made up of both the Local Government Pension Scheme [LGPS] and Police Pension Scheme [PPS]), as reflected in its balance sheet, represents a significant estimate in the financial statements.</p> <p>The net pension liability is considered a significant estimate due to the size of the numbers involved (£5.5 billion at 31 March 2025, although the LGPS balance was less than £1m due to the application of the credit ceiling) and sensitivity of the estimate to changes in the key assumptions.</p> <p>Actuarial assumptions used are the responsibility of the entities but should be set on the advice given by the actuary. A small change in key assumptions such as discount rate or life expectancy can have a significant impact on the estimated IAS 19 liability.</p>	<p>Chief Constable (& Group)</p>	<p>We have:</p> <ul style="list-style-type: none"> documented our understanding of the processes and controls put in place by management to ensure that the Chief Constable's pension fund net liability is not materially misstated and evaluated the design of the associated controls; evaluated the instructions issued by management to their management experts (the actuaries for the LGPS and PPS) for this estimate and the scope of the actuaries' work; assessed the competence, capabilities and objectivity of the actuaries who carried out the pension fund valuations; assessed the accuracy and completeness of the information provided to the actuaries to estimate the liabilities; tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuaries; undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; reviewed management's assessment under IFRIC 14 to determine whether an 'asset ceiling' has been appropriately applied to the net pension asset position of the LGPS and whether any additional liability has been identified; and obtained assurances from the auditor of the West Midlands Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary, and the fund assets valuation in the pension fund's financial statements. 	<p>Our work is nearing completion in this area, and we await the report of the pension fund auditor before we are able to conclude on the LGPS element of the pension fund liability.</p> <p>Our work to date allows us to conclude that the process around the valuation of the pension fund are reasonable, that management has appropriately instructed the actuary and accurate information has been shared with them; that the disclosures in the revised draft accounts are consistent with the actuarial reports, and that management has appropriately applied IFRIC 14 in relation to the asset ceiling on the LGPS fund.</p> <p>We have noted a difference of £8.7m in the benefits paid in the accounts (based on the actuary statement estimate) and the actuals and this is referenced in the misstatements section of the report.</p>

Other risks

Risk identified	Relates to	Audit procedures performed	Key observations
Implementation of IFRS 16 2024/25 is the first year of application of IFRS 16, which was implemented from 1 April 2024. As this is a new standard this year, we consider that this presents a risk of error in the financial statements.	All	We have considered the approach adopted by management to implement the new standard. In particular we have reviewed the approach adopted by management to ensure the completeness of lease records and the subsequent balances in the financial statements, as well as the disclosures relating to the new standard in the draft accounts.	<p>We suggested that management should add a critical judgement disclosure in relation to the judgments made around the application of IFRS16 to the group accounts. Land and buildings are owned and held by the PCC, but are used by the CC. This could imply a lease arrangement exists between the two bodies. Management has made the judgement that this is not a lease arrangement and as this judgement could have a material impact on both the PCC and CC accounts, we consider that this is a critical judgement.</p> <p>We have yet to finalise our work in this area and agree with management the final wording in relation to the critical judgement.</p>

Group audit

Group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our final group scoping, as well as the status of work on each component.

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Status	Comments
West Midlands PCC	Yes	Full audit	Full audit	●	Work is currently ongoing as set out in the report
West Midlands Chief Constable	Yes	Full audit	Full audit	●	Work is currently ongoing as set out in the report

- Planned procedures are incomplete and/or significant issues have been identified that require resolution.
- Planned procedures are ongoing/subject to review with no known significant issues.
- Planned procedures are substantially complete with no significant issues outstanding.

Other findings

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors

Key judgement or estimate	Relates to	Summary of management's approach	Auditor commentary	Assessment
Valuation of land and buildings £179.4m at 31 March 2025 (PY 163.3m)	PCC & Group	<p>Land and buildings comprises £91.97m of specialised assets such as custody suites, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of land and buildings (£57m) are not specialised in nature and are required to be valued at existing use value (EUV) at year end.</p> <p>The PCC has engaged Sanderson Weatherall to complete the valuation of properties as at 31 March 2025, and on a five yearly cyclical basis. 100% of assets were revalued during 2024/25 on a desk top basis.</p>	<p>Please see reference on page 19 for details of our considerations of the valuation process and our work undertaken and conclusions.</p> <p>Our detailed sample testing is not yet complete.</p> <p>We note that the point raised in prior years around the lack of substantive evidence to support the floor areas used in the DRC valuations remains. A spreadsheet, which we understand was prepared by valuers for the purpose, is used as the basis of floor areas in the DRC valuations. However, we have no evidence to support the source of this document. The new valuers have used this document as the basis of the floor areas in the DRC valuations again this year. On a sample basis we are agreeing these floor areas to asset records to determine if there is a significant variation that would materially impact on valuations.</p>	TBC

Other findings – key judgements and estimates

Key judgement or estimate	Relates to	Summary of management's approach	Auditor commentary	Assessment
Valuation of land and buildings (continued)	PCC & Group		<p>We note that there is no documented review of the reasonableness of the valuations provided by Sanderson Weatherall. It would be appropriate for management to undertake some form of sensitivity analysis around the assumptions and the outcomes to be assured that the basis of the valuations is reasonable and any significant changes are understood, before incorporating the valuations in the asset register and accounts.</p> <p>We have raised a recommendation on this on page 41.</p>	TBC

Other findings – key judgements and estimates

















Key judgement or estimate	Relates to	Summary of management’s approach	Auditor commentary	Assessment																								
LGPS net pension liability/asset £0.7m at 31 March 2025 (£237m surplus before IFRIC 14 adjustment) (Prior year £0.8m (£86m surplus before asset ceiling adjustment) IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the Balance Sheet and whether any additional liabilities are required in respect of onerous funding commitments.	Chief Constable (& Group)	<p>Both the PCC’s and CC’s LGPS positions are subject to asset ceiling calculations preventing the recognition of an unrealisable surplus. The PCC’s gross assets and gross liabilities are much lower in value than the Chief Constable’s, and are therefore at lower risk of material misstatement.</p> <p>The PCC and Chief Constable use Hymans Robertson to provide actuarial valuations of the PCC's and Chief Constable’s assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2022/23. Given the significant value of the net pension fund liability (surplus), small changes in assumptions can result in significant valuation movements. There has been a £22.9m net actuarial gain during 2024/25.</p>	<ul style="list-style-type: none">• We have no concerns from our assessment of management’s expert.• We have relied on the auditor expert PwC to support our assessment of the actuary’s approach and assumptions: <table><tr><th>Assumption</th><th>Actuary</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.80%</td><td>5.80 – 5.85%</td><td>Reasonable</td></tr><tr><td>Pension increase rate</td><td>2.75%</td><td>2.70 - 2.80%</td><td>Reasonable</td></tr><tr><td>Salary growth</td><td>3.75%</td><td>3.25 - 5.25%</td><td>Reasonable</td></tr><tr><td>Life expectancy – Males currently aged 45/65</td><td>45: 21.5 yrs 65: 20.6 yrs</td><td>n/a</td><td>Reasonable</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>45: 25.2 yrs 65: 23.4 yrs</td><td>n/a</td><td>Reasonable</td></tr></table> <p><i>Note that PwC has not provided ranges for the mortality assumptions of Hymans Robertson as the actuary uses individual employer-level life expectancies. PwC has confirmed that the methodology used is reasonable.</i></p> <ul style="list-style-type: none">• We are satisfied on the completeness and accuracy of the underlying information used to determine the estimate.• We are satisfied on the reasonableness of the PCC and Chief Constable’s share of LGPS pension assets.• We are satisfied on the adequacy of disclosure of estimate in the financial statements.	Assumption	Actuary	PwC range	Assessment	Discount rate	5.80%	5.80 – 5.85%	Reasonable	Pension increase rate	2.75%	2.70 - 2.80%	Reasonable	Salary growth	3.75%	3.25 - 5.25%	Reasonable	Life expectancy – Males currently aged 45/65	45: 21.5 yrs 65: 20.6 yrs	n/a	Reasonable	Life expectancy – Females currently aged 45/65	45: 25.2 yrs 65: 23.4 yrs	n/a	Reasonable	<div>TBC</div> <div>(upon receipt of Pension Fund auditor assurances)</div>
Assumption	Actuary	PwC range	Assessment																									
Discount rate	5.80%	5.80 – 5.85%	Reasonable																									
Pension increase rate	2.75%	2.70 - 2.80%	Reasonable																									
Salary growth	3.75%	3.25 - 5.25%	Reasonable																									
Life expectancy – Males currently aged 45/65	45: 21.5 yrs 65: 20.6 yrs	n/a	Reasonable																									
Life expectancy – Females currently aged 45/65	45: 25.2 yrs 65: 23.4 yrs	n/a	Reasonable																									

Other findings – key judgements and estimates





Key judgement or estimate	Relates to	Summary of management’s approach	Auditor commentary	Assessment																								
Police Pension Scheme liability £5,506.6m at 31 March 2025 (Prior Year £6,107m)	Chief Constable & Group	<p>The Chief Constable’s Police Pension Scheme liability at 31 March 2025 is £5,506.6m. The Chief Constable operates three pension schemes for police officers, these are the 1987,2006 and 2015 Police Pension Schemes.</p> <p>The Chief Constable uses GAD to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years.</p> <p>Whist the last full actuarial valuation was completed in 2020, the estimate of the pension liability at 31 March 2025 is based on up-to-date membership data and assumptions.</p> <p>Given the significant value of the pension liability, small changes in assumptions can result in significant valuation movements.</p>	<p>Please see earlier pensions section for detail on our work done to date. Our work is not yet final.</p> <ul style="list-style-type: none">• We have no concerns from our assessment of management’s expert.• We have relied on the auditor expert PwC to support our assessment of the actuary’s approach and assumptions: <table><tr><th>Assumption</th><th>Actuary</th><th>PwC</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.65%</td><td>5.65%</td><td>Reasonable</td></tr><tr><td>Pension increase rate</td><td>2.70%</td><td>2.70%</td><td>Reasonable</td></tr><tr><td>Salary growth</td><td>3.45%</td><td>3.45%</td><td>Reasonable</td></tr><tr><td>Life expectancy – Males currently aged 45/65:</td><td>45: 23.3 yrs 65: 21.9 yrs</td><td>23.0-23.6 21.4-22.0</td><td>Reasonable</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>45: 25.2 yrs 65: 23.9 yrs</td><td>23.0-25.1 21.4-23.6</td><td>Reasonable</td></tr></table> <ul style="list-style-type: none">• We are satisfied on the completeness and accuracy of the underlying information used to determine the estimate.• We are satisfied on the adequacy of disclosure of estimate in the financial statements.	Assumption	Actuary	PwC	Assessment	Discount rate	5.65%	5.65%	Reasonable	Pension increase rate	2.70%	2.70%	Reasonable	Salary growth	3.45%	3.45%	Reasonable	Life expectancy – Males currently aged 45/65:	45: 23.3 yrs 65: 21.9 yrs	23.0-23.6 21.4-22.0	Reasonable	Life expectancy – Females currently aged 45/65	45: 25.2 yrs 65: 23.9 yrs	23.0-25.1 21.4-23.6	Reasonable	TBC (subject to final quality reviews)
Assumption	Actuary	PwC	Assessment																									
Discount rate	5.65%	5.65%	Reasonable																									
Pension increase rate	2.70%	2.70%	Reasonable																									
Salary growth	3.45%	3.45%	Reasonable																									
Life expectancy – Males currently aged 45/65:	45: 23.3 yrs 65: 21.9 yrs	23.0-23.6 21.4-22.0	Reasonable																									
Life expectancy – Females currently aged 45/65	45: 25.2 yrs 65: 23.9 yrs	23.0-25.1 21.4-23.6	Reasonable																									

Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Network (active directory)	Detailed ITGC assessment (Roll forward)	 Green	 Green	 Black	 Black	General control environment
Oracle Cloud (General Ledger)	Detailed ITGC assessment (Roll forward)	 Red	 Red	 Green	 Green	General control environment
i-Trent (Payroll)	Detailed ITGC assessment (Roll forward)	 Red	 Red	 Red	 Black	N/a
Altair	Detailed ITGC assessment (Roll forward)	 Green	 Green	 Green	 Green	Pensions valuation (PPS)

Assessment:

-  [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  [Black] Not in scope for assessment

Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Police and Crime Commissioner and Chief Constable and Joint Audit Committee, and no frauds have been brought to our attention. We have not been made aware of any other incidents in the period and no issues have been identified through our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	<p>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations.</p> <p>As part of the disclosure on senior officer remuneration we considered the arrangements for the retire and rehire of the Chief Constable. We have yet to complete our review of documentation.</p> <p>We have not yet reviewed all the requested information to support the procurement arrangements associated with a £10m payment to a third party for the future supply of personal protective equipment.</p>
Written representations	Letters of representation will be requested from both the PCC and the Chief Constable. We do not currently expect that we will be requesting any specific representations.

Other communication requirements

Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the PCC’s banking and treasury partners. This permission was granted, and the requests were sent. All were returned with positive confirmation and no alternative procedures were deemed necessary.
Disclosures	Our review found no material omissions in the financial statements. We have made some recommendations for improvement to disclosures.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	No significant challenges arose during the audit which are likely to lead to delays in completion.
Other matters	No matters have been identified that are relevant to the fulfilment of the body’s responsibilities.

Other responsibilities

Issue	Commentary
Going concern	<p data-bbox="428 278 2443 464">In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <ul data-bbox="428 478 2443 799" style="list-style-type: none"> • Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • The use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities • For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the PCC and Chief Constable’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p data-bbox="428 813 2443 963">Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the PCC and Chief Constable meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul data-bbox="428 978 2443 1156" style="list-style-type: none"> • the nature of the PCC and Chief Constable and the environment in which they operates • the PCC and Chief Constable’s financial reporting framework • the PCC and Chief Constable’s system of internal control for identifying events or conditions relevant to going concern • management’s going concern assessment. <p data-bbox="428 1170 2443 1206">On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul data-bbox="428 1220 2443 1299" style="list-style-type: none"> • a material uncertainty related to going concern has not been identified for either the PCC or the Chief Constable • management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Narrative Reports and Annual Governance Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified/or set out here any inconsistencies. We plan to issue unmodified opinions in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none">• if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit,• if we have applied any of our statutory powers or duties.• where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>

Other responsibilities

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the Group does not exceed the threshold.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2024/25 audits of West Midlands PCC and Chief Constable in the audit reports, as we cannot formally conclude the audits and issue our audit certificates in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until confirmation has been received from the NAO that the group audit (Whole of Government Accounts) has been certified by the Comptroller & Auditor General.</p>

Audit adjustments (adjustments identified to date)

Audit adjustments – Group/CC/PCC

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

No adjusted misstatements have been identified through our work to date.

To be updated on completion of audit.

Impact of unadjusted misstatements

Those charged with governance are required to approve management's proposed treatment of any unadjusted misstatements. No such misstatements have been identified at the time of writing this report.

To be updated on completion of audit.

Audit adjustments – Group/CC/PCC

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	PCC or CC?	Misclassification or change identified	Adjusted?
Accounting policy	PCC	Following a review of the UEL within the depreciation SAP, we would recommend that the UEL policy should be updated to more accurately reflect the assets in the FAR.	Agreed
Critical judgments	Both	Management to add a critical judgement relating to the determination that assets which are used by the Chief Constable for operational purposes, such as police vehicles and buildings used for police stations, do not constitute right of use assets under the public sector interpretation of IFRS 16.	Agreed
Group MIRS	PCC	Total usable reserves in the Group MIRS amount to (£98,784k), however as the general fund balance of £94m was missing brackets statement did not total correctly. Management to add brackets to correct this calculation.	Agreed
Note 8 WMROCU	Both	Within disclosures relating to the ROCU grant, the grant should be split £2.2m non core and £4.9m ROCU core grant (only entity share). collaboration - both income and expenditure understated £2.1m, collaboration note narrative to update to show that it does not include all ROCU income and expenditure.	Agreed
Note 16 Pensions	Both	Amendments have been made to the table detailing the pension transactions within the comprehensive income and expenditure statement, to bring this into alignment with the actuarial reports. In particular, changes have been made to the actuarial gains and losses arising on changes in demographic assumptions, and the retirement benefits payable to pensioners.	Agreed
Note 16 Pensions	Both	Under IAS 19, it is a requirement to disclose a scheme's duration, which was not disclosed within the draft accounts.	Agreed

Audit adjustments – Group/CC/PCC

Misclassification and disclosure changes (continued)

Disclosure	PCC or CC?	Misclassification or change identified	Adjusted?
Note 16 Pensions	CC (and Group)	The estimated figure for benefits paid per the IAS 19 report was £23.769m, however the actual figure at year end came to £32.502m. The actuary has confirmed that the impact of this difference is that both the gross pension assets and gross pension liabilities would be c£9m lower had the actual figure been used. The impact on the balance sheet would be negligible.	Management will consider in the round once the audit of the pension liability is complete.
Note 17 Leases	PCC	A reconciliation in note 17 shows how the PCC moves from prior year closing balance of Operating Lease commitments to the IFRS 16 balance as at 1 April 2024. This reconciliation should include the impact of low value leases, short term leases, peppercorn leases, etc.	Agreed
Throughout	Both	A small number of typographical errors have been identified throughout the financial statements.	Agreed
Throughout	Both	A number of immaterial accounting policies and disclosures have been included in the financial statements. These should be removed to avoid obscuring material information within the financial statements.	Agreed

Impact of unadjusted misstatements in the prior year – PCC

There was one adjustment proposed by audit which was not adjusted for in the final version of the 2023/24 accounts. The amount was not material, and related to a negative provision for motor damage claims which we judged was not the appropriate accounting treatment.

The adjustment is between balance sheet entries between provisions and debtors for £1.7m.

Management has corrected the accounting in 2024/25, so there is no issue to report within the 2024/25 Balance Sheet.

Action plan – PCC & CC

We set out here our recommendations for the PCC and Chief Constable which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Key

- High – Significant impact on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Recommendations

Assessment	PCC/ CC	Issue and risk	Recommendations
● High	Both	Within Oracle we identified 8 users with elevated access to configure the system parameters and 1 user with the ability to both configure the system parameters and administer the enduser security. This is considered a segregation of duties conflict, and creates a risk that system-enforced controls could be bypassed.	Access should be based on the principle of least privilege and commensurate with job responsibilities. Management should consider the appropriate level of access of all individuals and remove any unnecessary access.
● High	Both	Within iTrent we identified issues with access controls, activity monitoring, and a lack of regular reviews to mitigate risks associated with administrative access rights within the system. A combination of administration and financial privileges, including generic accounts and third-party accounts, creates a risk that system-enforced internal controls can be bypassed.	Access should be based on the principle of least privilege and commensurate with job responsibilities. Management should consider the appropriate level of access of all individuals and remove any unnecessary access.
● Medium	Both	During our review of iTrent we identified that internal change requests can be raised and approved without appropriate documented Approvals. Without a formal change request approval process, there are a variety of risks that could arise including unauthorised changes, a lack of accountability, and operational disruptions.	Management should undertake a stricter approval process for internal change request to ensure proper oversight. Improvements could also be made to the storage of change documentation.
● Medium	PCC	On receipt of valuations from the external valuer, management will review these valuations prior to applying the valuations to the fixed asset register (and the accounts). There is limited documentary evidence of this review and challenge of the valuer by management.	Management should more fully document this review, and any challenge and management has confirmed that a sensitivity analysis will be performed for the 2025/26 audit sufficient to reassure management that the assumptions are reasonable and lead to valuations which are not materially misleading for the reader of the accounts

Follow up of prior year recommendations

We identified the following issues in the audit of the Group's 2023/24 financial statements, which resulted in three recommendations being reported in our 2023/24 Audit Findings Report. We set out an update below.

Assessment

- ✓ Action completed
- ✗ Not yet addressed

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>PCC Valuation of land and buildings:</p> <p>We noted that the valuer had adopted an approach to valuation different to prior years. This involved valuation of the entire asset and subtract an estimate of the land value. This resulted in a number of building assets being valued at nil. This approach was confirmed as being Code compliant although we understand that RICs has issued updated guidance on this matter to be applied in future years.</p> <p>We understand new valuers are to be appointed in 2024/25. Management should ensure that assets that have nil building values are considered for inclusion in the sample of desk top review of valuations by the incoming valuer to ensure the valuations approach is consistent with updated RICs guidance.</p>	<p>New valuers have been appointed and we have not identified any issues in relation to the valuation approach and we have not identified and nil value buildings this year, however this work is not yet final. There are differences in the valuation methodology that has impacted on the overall valuation – and this is referenced in more detail in the body of the report.</p> <p>We have noted that the current valuer does not include amounts for agent fees, legal fees and stamp duty percentages which were included in the valuations in 2023/24 and this has impacted on the overall valuation.</p>
✗	<p>PCC Valuation of land and buildings:</p> <p>Some of the valuations were based on a spreadsheet of floor areas supplied by the force to the external valuer for gross internal area (GIA). The spreadsheet was prepared several years ago but cannot be linked back to any 3rd party source documentation such as the terms of engagement for the surveyor or any other correspondence.</p>	<p>In the main, the new valuer has used the floor areas used by the previous valuer. We are unclear from correspondence with the valuer whether they have taken any floor measurements where they have inspected assets.</p>
✓	<p>PCC & CC Valuation of the pension fund liability:</p> <p>Management was unable to provide evidence of the challenge made of the actuary of the key assumptions made.</p>	<p>Management has been able to demonstrate that there was some consideration of the assumptions that the actuary was using and the reasonableness of these.</p>

Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

In undertaking this work we have not identified any significant weaknesses in arrangements. Our Joint Auditor's Annual Report was reported to management for comment on 29 August 2025 and the final report will be issued along with the final Audit Findings Report.

Independence considerations

Independence considerations

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Chief Constable, PCC and Group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Chief Constable, PCC and Group.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below sets out the total fees for audit and non-audit services that we have been engaged or charged from the beginning of the financial year to date, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

None of the below services were provided on a contingent fee.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to West Midlands Police. No non-audit services have been provided. We will confirm these fees below on completion of the audit fieldwork.

Audit fees	PCC	Chief Constable
Scale fee	£142,810	£81,522
Use of expert – PPE valuations*	£3,000	-
IFRS16	£1,000	-
Total audit fees (excluding VAT)	£146,810	£81,522

* Note that the fee for the valuations expert is an estimate at the time of writing this report.

Fees and non-audit services

Total audit and non-audit fee

Audit fee		Non-audit fee	
PCC	£146,810	PCC	£0
Chief Constable	£81,522	Chief Constable	£0

- The above fees are exclusive of VAT.
- The fees reconcile to the financial statements as follows:
- fees per financial statements £227k
 - IFRS 16 £1k
 - total fees per above £228k





This covers all services provided by us and our network to the group, PCC and Chief Constable, its directors and senior management and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		
Non-compliance with laws and regulations		
Unadjusted misstatements and material disclosure omissions		
Expected modifications to the auditor's report, or emphasis of matter		

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

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

Our team and communications

Grant Thornton core team

Laurelin Griffiths
Engagement Lead/
Key Audit Partner

- Key contact for senior management and Audit Committee
- Overall quality assurance

Zoe Thomas
Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Jack Harris
Audit Senior / In-charge

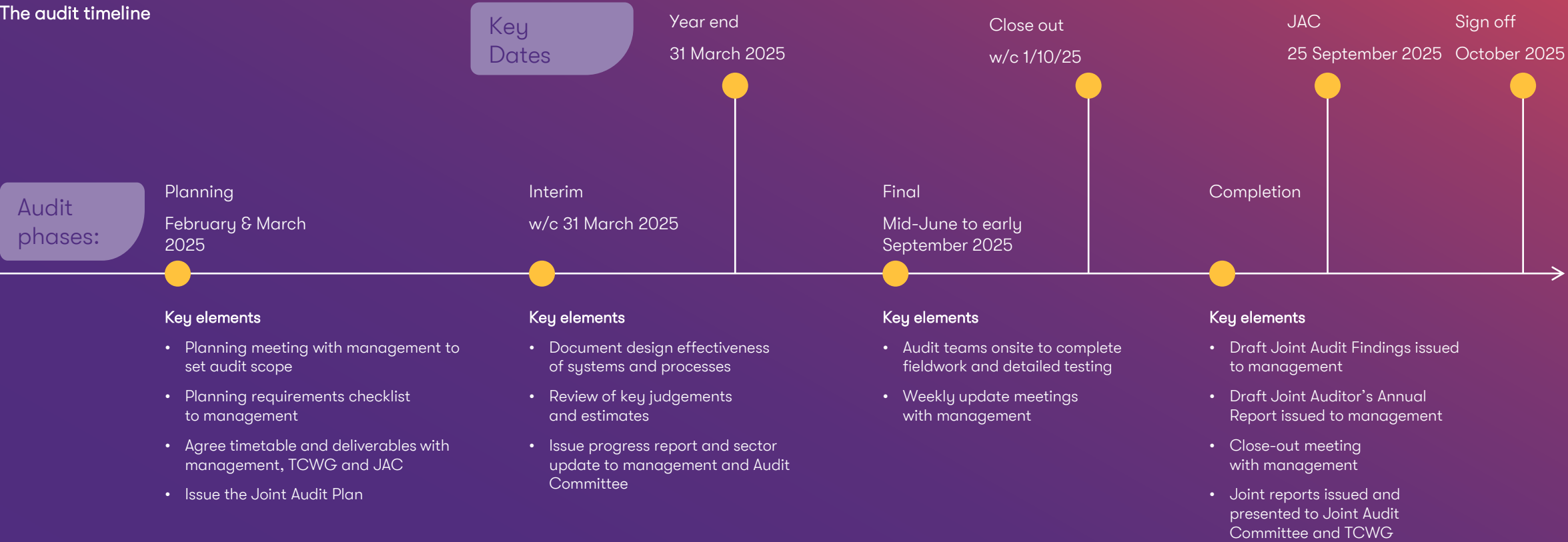
- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

Pool of specialists and other technical specialists (e.g. IT audit)

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none">• Client service review	<ul style="list-style-type: none">• The Audit Plan• Audit Progress and Sector Update Reports• The Audit Findings• Auditor’s Annual Report	<ul style="list-style-type: none">• Audit planning meetings• Audit clearance meetings• Communication of issues log	<ul style="list-style-type: none">• Technical updates
Informal communications	<ul style="list-style-type: none">• Open channel for discussion		<ul style="list-style-type: none">• Communication of audit issues as they arise	<ul style="list-style-type: none">• Notification of up-coming issues

Logistics

The audit timeline





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