

The Joint Audit Findings (ISA260) Report for South Yorkshire Police and Crime Commissioner and Chief Constable

Period ended 6 May 2024

7 April 2025

FINAL REPORT



Introductory note: We note that PCC powers transferred to the South Yorkshire Mayor (SYMCA) as of 6 May 2024 following the election. The PCC no longer exists as a separate legal entity - however, we refer to the former PCC and PCC entity throughout this ISA260 Report given that it was in existence for the period subject to audit.

Contents



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Section

1. Headlines
2. Financial statements
3. Value for money arrangements
4. Independence and ethics

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation – Chief Constable
- H. Management Letter of Representation – PCC
- I. Audit Opinion – Chief Constable
- J. Audit Opinion – PCC

Page

- 4
- 6
- 31
- 33
- 36
- 37
- 38
- 40
- 46
- 47
- 48
- 50
- 53
- 56

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the PCC and Chief Constable or all weaknesses in your internal controls. 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.

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1. Headlines

This table summarises the key findings and other matters arising for those charged with governance from the statutory audits of the Police and Crime Commissioner for South Yorkshire ('the PCC') and the South Yorkshire Police Chief Constable ('the Chief Constable') and the preparation of the financial statements for the period ended 6 May 2024.

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 and Chief Constable's income and expenditure for the period
- 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 the 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 appears to be materially misstated.

We received the PCC's and Chief Constable's draft 2022-23 accounts on 31 July 2024, in line with the expectation that this would be later than the statutory deadline for unaudited accounts given the extended accounting period through to 6 May 2024.

Our audit fieldwork has been conducted remotely from January through to end of March 2025. The audit fieldwork commenced later than originally planned due to discussions between external audit, the former OPCC and SYMCA as the OPCC's successor body, regarding Minimum Revenue Provision (MRP) charges in recent periods. This matter, including its impact on the 2023-24 accounting period, is discussed further on page 23 of this report. Our audit findings are summarised in Section Two of this report.

Our work has identified two proposed audit adjustments impacting on the PCC's useable reserves. The first relates to the MRP matter noted above, whereby discussions with SYMCA and our own auditor's expert highlighted that the £1.2m of MRP included in the draft accounts should, in our view, be increased to £3.7m in order to satisfy the principle of prudence. However, management has opted not to adjust for this since, in their view, it is not material to the 2023-24 financial statements. We have therefore recorded this as a misstatement, which is summarised on page 40 of this report. The second is the misstatement of legacy grant income, resulting in a £0.9m reduction in grant income credited to services. This has been adjusted for and is set out on page 44. Two further misstatements have been identified that relates to a balance sheet misclassification. Neither impacts on the PCC's useable reserves. In the first case, debtor and creditor balances have been equally overstated by £1.3m apiece. This has not been adjusted on the grounds of materiality and is set out on page 41. The second adjustment relates to a £1.2m overstatement to the provision for leasehold dilapidations and corresponding overstatement to the carrying value of land & buildings – leased. This has not been adjusted on the grounds of materiality and is set out on page 42. One further unadjusted misstatement is detailed on page 43. This finding is not deemed to impact on the overall balance sheet as whilst it would increase the LGPS pension asset valuation by £3.1m, the IFRIC 14 adjustment would nullify this increase, bring the LGPS net pension surplus position back to a £nil balance.

Our audit work also identified a number of presentational and disclosure adjustments which are detailed at Appendix D.

We identified one recommendation for management summarised at Appendix B. Our follow up of the four recommendations from the prior year's audit is detailed at Appendix C, and at the date of this report all four of the prior year recommendations have been implemented.

Our audit work is now complete and our final audit opinion accompanies this report. We have revised our Audit Findings (ISA260) report, initially presented to Joint Independent Audit Committee on 27 March 2025, at the time of concluding our work and issuing the audit opinion. Our financial statements audit opinion is an unmodified 'clean' opinion with two Emphasis of Matter paragraphs highlighting that the Police and Crime Commissioner for South Yorkshire demised on 6 May 2024 and the contingent liability that exists in respect of the Hillsborough disaster.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of the Police and Crime Commissioner and Chief Constable and the financial statements we have audited – subject to the other information being updated for all governance matters in existence at the point of sign-off. Some presentational and narrative amendments have been made as detailed at Appendix D and these have been updated by management in the final documents for publication.

Our work on the value for money (VFM) arrangements is complete, and the detailed findings from our VFM work have been reported in our commentary on arrangements in our Auditor's Annual Report (AAR) published alongside this report. Overall, we are satisfied with the arrangements in place for securing economy, efficiency and effectiveness in the use of resources with no statutory or key recommendations identified.

1. Headlines

Value for Money (VFM) arrangements

<p>Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the PCC and Chief Constable have 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 overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.</p> <p>Auditors are required to report their commentary on the arrangements under the following specified criteria:</p> <ul style="list-style-type: none">• Improving economy, efficiency and effectiveness• Financial sustainability• Governance.	<p>Our work on the PCC's and Chief Constable's value for money (VFM) arrangements has been reported in our commentary in our Auditor's Annual Report (AAR).</p> <p>We have been able to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements in securing economy, efficiency and effectiveness in their use of resources. No statutory or key recommendations were identified from our work and a total of two improvement recommendations were reported, which management accepted and the agreed management actions are recorded in the AAR.</p> <p>The findings and overall outcome from our VFM work is summarised on page 31 & 32, and our detailed commentary is set out in the separate AAR, which will be presented to members at the Joint Independent Audit Committee (JIAC) meeting on 27 March 2025.</p>
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Statutory duties

<p>The Local Audit and Accountability Act 2014 ('the Act') also requires us to:</p> <ul style="list-style-type: none">• report to you if we have applied any of the additional powers and duties ascribed to us under the Act• to certify the closure of the audit.	<p>We have not exercised any of our additional statutory powers or duties.</p> <p>We expect to complete the work required from us under the Code in order to be able to certify the completion of the audit shortly after we give our audit opinion (following completion of our WGA work for the NAO).</p>
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Significant matters

<p>We did not encounter any significant difficulties during the performance of the audit. One significant matter was subject to detailed discussion, which was the level of minimum revenue provision charges in recent years including the charge made in 2023-24. This matter was highlighted to Grant Thornton prior to the commencement of our audit fieldwork and this led to a delay in the start of fieldwork procedures whilst our response was considered. Further detail on this matter including our conclusion reached in respect of the 2023-24 accounts is set out on page 22 of this report.</p>

1. Headlines

National context – audit backlog

Government proposals around the backstop

On 30 July 2024, the Minister of State for Local Government and English Devolution, Jim McMahon, provided the following written statement to Parliament [Written statements - Written questions, answers and statements - UK Parliament](#) This confirm the government’s intention to introduce a backstop date for English local authority audits for each of the following financial years up to the 2028 year.

As a consequence of this, there is a requirement for the audit opinion on the Police body’s accounts for this year (2023-24) to be issued by 28 February 2025. However, as a result of a couple of statutory issues (MRP and Pensions abatement) that we were in discussion with management to work through and which may have had an impact on the outcome of our opinion on the annual accounts and our VFM arrangements review, the audit was flagged to key stakeholders that it would go beyond the end of February. An extension was permitted under the backstop regulations. Following this report being presented to JIAC on 27 March 2025, we are aiming to conclude our work and issue the audit opinion by 31 March 2025.

We have included a table below setting out future accounts backstop dates for your reference.

Financial year	Backstop date (audit opinion and Auditor’s Annual Report (VFM) must be issued by this date)
2023-24	28 February 2025
2024-25	27 February 2026
2025-26	31 January 2027
2026-27	30 November 2027
2027-28	30 November 2028

New National Audit Office Code

As part of ongoing reforms to local audit, the National Audit Office has also laid a new Code before Parliament. One of the objectives is the new Code is to ensure more timely reporting of audit work, including Value for Money. The Code requires that from 2025, auditors will issue their Annual Auditor’s Report by November each year.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and support provided by the finance team and other staff during our audit. The audit fieldwork started later than originally planned due to the discussions held with SYMCA and the Force following the MRP issue that was raised at the end of September 2024. As a result, the audit has taken place over a shortened timeline. We would like to thank colleagues for how they have dealt with this and resourced the audit from their side with a number of experienced and helpful finance officers helping to respond to audit requests. The collaborative approach and mindset adopted has been very much appreciated by the GT team.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code').

Its contents have been discussed and agreed with the Chief Finance Officers for the PCC and Chief Constable prior to being presented to the Joint Independent Audit Committee meeting on 27 March 2025. An updated version of this Report will be published at the time of concluding the audit, immediately prior to the audit opinion being issued.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, 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.

Audit approach

Our audit approach was based on a thorough understanding of the PCC's and Chief Constable's activities and is risk based, and in particular included:

- An evaluation of the PCC's and Chief Constable's internal controls environment, including its IT systems and controls
- An evaluation of the component/s of the group based on a measure of materiality considering each as a percentage of the PCC's and Chief Constable's gross revenue expenditure to assess the significance of the component and to determine the planned audit response. From this evaluation we determined that a full audit for both the Police and Crime Commissioner for South Yorkshire (PCC) and the South Yorkshire Police Chief Constable (CC) was required using a materiality level determined for each entity (component materiality). All audit procedures have been completed by the group engagement team (Grant Thornton). This is consistent with our audit approach last year
- Substantive testing on significant transactions and material account balances and disclosures, including the procedures outlined in this report in relation to the key audit risks.

We have not amended our planned audit approach set out in our Audit Plan, dated 10 June 2024 and presented to the JIAC meeting on 19 June 2024.

Conclusion

Our audit work is now complete and our final audit opinion accompanies this report. We have revised our Audit Findings (ISA260) report, initially presented to Joint Independent Audit Committee on 27 March 2025, at the time of concluding our work and issuing the audit opinion.

Our financial statements audit opinion is an unmodified 'clean' opinion with two Emphasis of Matter paragraphs highlighting that the Police and Crime Commissioner for South Yorkshire demised on 6 May 2024 and the contingent liability that exists in respect of the Hillsborough disaster.

2. Financial Statements - Materiality



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan dated 10 June 2024 and presented to Joint Independent Audit Committee on 19 June 2024.

We detail in the table to the right our determination of materiality for the audit engagement.

Materiality area	Chief Constable Materiality (£)	PCC Materiality (£)	Group Materiality (£)	Qualitative factors considered
Materiality for the financial statements	5.83m	6.35m	6.12m	This equates to 1.5% of the Gross Expenditure on Cost of Services presented in the 2022-23 signed financial statements (Total financial resources consumed).
Performance materiality	4.08m	4.45m	4.28m	This has been set at 70% of headline materiality, which is in line with the prior year. This reflects the fact that SYP has a stable financial reporting team with a track record of preparing financial statements, supporting working papers and engaging well throughout the audit process.
Trivial matters	292k	318k	306k	This equates to 5% of headline materiality and represents our threshold for reporting corrected and uncorrected misstatements to the Joint Independent Audit Committee.
Materiality for senior officer remuneration	20k	20k	20k	The senior officer remuneration disclosures in the financial statements have been identified as an area requiring a specific materiality due to its sensitive nature.

2. Financial Statements: Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Relates to	Commentary
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>South Yorkshire Police faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how it reports performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>PCC and Chief Constable</p>	<p>Our work focussed on key estimates and judgements made by management. No entity-specific fraud risks were identified and communicated in our Audit Plan dated 10 June 2024 and none have subsequently been identified from the audit fieldwork procedures performed.</p> <p>In response to this risk, we have conducted testing on journal entries where there has been the potential to manually input adjustments to the general ledger, with a focus placed on closing journal entries in the final accounting period and during the preparation of the financial statements as instructed by relevant auditing standards.</p> <p>We have also conducted a review of key accounting judgements and accounting estimates. No estimates or judgements have been identified as a fraud risk, and due statutory accounting overrides prescribed by the Code, we have not identified any incentives for management to fraudulently misstate relevant transactions and balances. No indicators of management bias have been identified from our work on judgements and accounting estimates.</p> <p>As part of our work, we have:</p> <ul style="list-style-type: none">evaluated the design effectiveness of management controls over journal entriesunderstood the ledger integration with relevant sources and sub-systems to identify how management may be able to intervene in the journals posting process and post fraudulent entriesanalysed the journals listing and determined the criteria to be applied in identifying high risk unusual journalschallenged management’s key judgements and estimates and considered whether these judgements and estimates are individually or cumulatively indicative of management biasidentified and tested journals displaying the following characteristics for appropriateness and corroboration:<ul style="list-style-type: none">unusual material journals made during the year, focussing on those posted at period end and during the accounts production stagejournals posted by senior finance personnel who possess the system access rights to self-authorise their own journalsjournals late in the financial year that were crediting (reducing) non-pay expenditurejournals posted by senior management personneljournals posted by Oracle system administer users (also termed superusers)gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonablenessevaluated the rationale including the existence of underlying incentives for any changes in accounting policies, estimates or significant unusual transactions.

Key findings

Our audit work has not identified any issues in respect of management override of controls.

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>ISA240 revenue risk – risk of fraud in revenue recognition (rebutted)</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Police and Crime Commissioner & Chief Constable, as communicated in our audit plan dated 10 June 2024, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including the Police and Crime Commissioner & Chief Constable, mean that all forms of fraud are seen as unacceptable. 	<p>PCC and Chief Constable</p>	<p>Auditor commentary</p> <p>No changes to our assessment reported in the audit plan subsequently identified. We have undertaken standard audit procedures consistent with ISA(UK) for material streams of transactions, which include the following:</p> <p>Accounting policies:</p> <ul style="list-style-type: none"> • Evaluated the PCC's and Chief Constable's accounting policies for recognition of income for its material income streams and compliance of recognition principles with the CIPFA Code. <p>Grant income</p> <ul style="list-style-type: none"> • For grant income, we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment in line with the CIPFA Code, including the treatment of credited to services and recognition as non-ringfenced other grant income. • For special grant funding received for the purpose of settling legacy matters, we have directly confirmed the conditions and recognition principles with the Home Office and reviewed that these principles have been appropriately applied by the PCC when determining grant income to be recognised. • Income raised from council tax, which is of a predictable nature, has been agreed to set precepts and the collection fund statements of the billing authorities. • Understood the principles applied by the PCC in accruing grant income for the month of April and the six days in May, and satisfied ourselves that the approach applied by management was reasonable and Code compliant. <p>Other income</p> <ul style="list-style-type: none"> • Disaggregated the non-grant income transaction stream, identifying significant and recurrent income sub-streams. Examples include vehicle recovery and Proceeds of Crime Act (POCA) income, over which an understanding has been gained as to the nature of the income and recognition principles. Substantive procedures were performed on these income sub-stream populations to test the occurrence, accuracy and completeness of the income recognised. • Tested, on a sample basis, income transactions to supporting documentation and cash receipts to evidence the occurrence of these transactions. • Designed and carried out appropriate audit procedures to ascertain that recognition of income is in the correct accounting period, for example, using cut off testing, focusing either side of the reporting date of 6 May 2024. <p>Key findings</p> <p>Our work has not identified any issues in respect of the risk of fraud in revenue recognition and our rebuttal of this risk remains appropriate. We noted one misstatement whereby grant income recognised had been overstated by £0.9m. This has been adjusted for by management and is detailed on page 44.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Risk of fraud related to expenditure recognition PAF Practice Note 10 (rebutted)</p> <p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>Having considered the risk factors set out in PAF PN10 and the nature of the revenue streams at the Police and Crime Commissioner & Chief Constable, as communicated in our Audit Plan dated 10 June 2024, we have determined that the risk of fraud arising from expenditure recognition can be rebutted, because:</p> <ul style="list-style-type: none">• expenditure is well controlled and the Police and Crime Commissioner & Chief Constable have a strong control environment• there are plans in place for the Police body to deliver cashable savings, indicating a culture of officers dealing with the challenges faced by the Police body head on, which is considered incompatible with the deliberate suppression of expenditure• there is little incentive to manipulate expenditure for the Police and Crime Commissioner & Chief Constable where services are provided to the public through taxpayers' funds• there are no significant pressures on general fund reserves of the Police and Crime Commissioner• the Police body requires cash to meet its payroll and third-party payment obligations and therefore any manipulation of expenditure between accounting periods does not generate any clear financial benefits• the Police and Crime Commissioner & Chief Constable have clear and transparent reporting of their financial plans and financial position, including regular reporting of budget variance analysis to the Police and Crime Panel and its Joint Independent Audit Committee	<p>PCC and Chief Constable</p>	<p>Auditor commentary</p> <p>No changes to our assessment reported in the audit plan subsequently identified. It our our judgement that the potential increase in future MRP charges has no impact on this assessment based on the draft accounts being published in July 2024 which was prior to the matter around MRP being identified and discussed, which occurred in August & September of 2024. We have undertaken standard audit procedures consistent with ISA(UK) for material streams of transactions, which include the following:</p> <p>Accounting policies:</p> <ul style="list-style-type: none">• Evaluated the PCC's and Chief Constable's accounting policies for recognition of expenditure for its material expenditure streams and compliance of recognition principles with the CIPFA Code. <p>Expenditure</p> <ul style="list-style-type: none">• Agreed, on a sample basis, non-pay expenditure to supporting evidence to demonstrate occurrence and accuracy of expenditure recorded.• Obtained an understanding of the goods received not invoiced (GRNI) and creditors closedown processes implemented to ensure that expenditure is accounted in the period to which it relates.• Undertook a detailed substantive analytical procedure on pay expenditure, including checking that changes in gross pay year on year were supported by underlying data including enacted pay awards and movements in workforce numbers.• Carried out appropriate audit procedures to ascertain that expenditure is recognised in the correct accounting period, for example, using cut off testing, focusing either side of the reporting date of 6 May 2024.• Disaggregated the non-pay expenditure transaction stream, identifying significant and recurrent expenditure sub-streams. Examples include NPAS contributions and contributions to other-force lead regional working arrangements, over which an understanding has been gained as to the nature of the expenditure and recognition principles. Substantive procedures were also performed on these expenditure sub-stream populations to test the occurrence and accuracy of the expenditure recognised.• Inspected a sample of accruals made at period end for expenditure but not yet invoiced to assess whether the value of the accrual was consistent with the value invoiced after the period end.• Assessed the Police & Crime Commissioner and Chief Constable's approach to accruing for expenditure up to the end of the extended accounting period, and checked, on a sample basis, that expenditure accruals have been accurately calculated and included within the general ledger in the correct accounting period.• Tested as sample of debits to expenditure for additional balance sheet provisions that were provided for in 2023-24, and determined whether these were appropriate charges to expenditure based on IAS37 principles being satisfied. <p>Key findings</p> <p>Our work has not identified any issues in respect of the risk of fraud in expenditure recognition. There are no matters to report in respect of the PCC's and Chief Constable's expenditure recognition.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Provisions</p> <p>Included within the PCC's medium to long-term budget (Medium Term Resource Strategy) are a number of costs relating to legacy issues including the Hillsborough disaster and historic Child Sexual Exploitation cases. Dependent on whether the timing and likely value of these costs can be reliably estimated, provisions are recognised or contingent liabilities disclosed within the PCC's financial statements in respect of these issues.</p> <p>The highly unusual and complex nature of the potential and actual claims in respect of these areas makes it very difficult to estimate the quantum and likelihood of potential compensation payments, if any, that may be paid out to individual claimants or in total.</p> <p>We therefore identified completeness of provisions and contingent liabilities as a significant risk of material misstatement.</p> <p>The PCC has also provided for amounts in respect of insurance claims, however, these provisions are routine in nature and as such have not been identified as a matter requiring special audit consideration.</p>	<p>PCC and group</p>	<p>Auditor commentary</p> <p>In respect of the legacy issues, claims for damages in respect of the Hillsborough disaster and Child Sexual Exploitation (CSE) have been in ongoing for several years and SYP's internal legal function has gained significant experience in dealing with these claims. Management has drawn upon this experience to inform the legacy provision balances and disclosures presented in the financial statements. Whilst this data is subject to legal privilege, from discussions held with both finance and legal personnel, it is understood that these remain complex cases with each at varying stages in the legal process. We have obtained assurance that there is an established process in place at the Police and Crime Commissioner to identify amounts to be provided for, with clear collaboration between legal and finance colleagues.</p> <p>As part of our work, we have:</p> <ul style="list-style-type: none"> • updated our understanding of the circumstances of the relevant issues, the current budget forecasts and accounting treatment to date • reviewed each legacy provision or contingent liability to determine whether the treatment is consistent with IAS37 accounting principles and the CIPFA Code • documented and assessed management's processes in place for ensuring that all provisions and contingent liabilities are captured, recognised and classified appropriately in the financial statements. • apprised how management has considered previous settlements and adjusted for relevant forward-looking factors when calculating the values to be provided. • assessed management's judgements and accounting treatment against underlying evidence, legal advice, information from insurers and other supporting information. • held a joint meeting with the internal solicitors and management to discuss and challenge the draft accounts position and treatment using IAS37 principles. Procedures were also conducted during this meeting to verify and agree the number and classification of legacy cases to the legal department's case management software. • assessed the basis for the significant increase (£42m) in legal claims provisions recognised in the accounts and challenged management to demonstrate whether this change in estimate is based on new information available in this accounting period (with the change in estimate to be accounted for prospectively) or whether it represents a failure to reasonably apply information known in prior accounting periods which may require the correction of an error. We are satisfied that new information has been identified based on settlement experience observed during the 2023-24 accounting period has led to this increase in provisions and therefore adjusting for this as a change in estimate at 6 May 2024 is appropriate. <p>Key findings</p> <p>Our audit work in respect of provisions is now complete and we have not identified any issues in respect of legacy provisions (and related contingent liability disclosures). Based on discussions with management and SYP legal officers, we are materially satisfied with the provisions balance presented in the draft financial statements. We note that settlement experience observed in 2023-24 and new information received by the legal function have been used to inform period-on-period increase in legal claims provisions.</p> <p>It should also be noted that there is an inherent level of complexity in respect of legacy provisions that requires an enhanced level of audit procedures to obtain the required assurance, which have now been satisfactorily completed. Whilst material critical accounting judgements have been made by management, these are supported by the evidence obtained and are consistent with IAS37 accounting principles.</p> <p>Our audit opinion includes an emphasis of matter in respect of legacy provisions, similar to that included in the prior year's opinion.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Valuation of land and buildings</p> <p>The Police and Crime Commissioner re-values its land and buildings on a rolling five-yearly basis in line with the Code requirements. In the prior year, a full valuation of all land and buildings was undertaken therefore resetting the five-year valuation cycle.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (some £140m of land & buildings) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value in the PCC’s financial statements is not materially different from the current value or the fair value at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified the closing valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>PCC and group</p>	<p>The audited body engaged an external management expert from NPS Property Consultants to value its land & buildings estate, as in prior years. A total of £122m of land & buildings (or 86%) has been subject to a desktop revaluation during 2023-24. Physical inspection of all land and buildings took place during the prior year and management opted not to reperform the physical inspection during this period. The remaining 14% has not been revalued during the period.</p> <p>The overall carrying value of other land & buildings has increased on the prior year’s £135m valuation as a result of capital additions, linked with the implantation of IFRS 16 leases with additional leased buildings being recorded on the PCC’s balance sheet for the first time in 2023-24. The valuation movement is considered to be materially in line with the movement in the BCIS tender price index, relevant to specialised buildings, which showed annual growth of just under 3% at a headline level (considered to represent a small degree of cost inflation).</p> <p>As part of our work, we have:</p> <ul style="list-style-type: none">• evaluated the design effectiveness of controls in place around the valuation process• evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work• evaluated the competence, capabilities and objectivity of management’s valuation expert• written to the valuer to confirm the basis on which the valuation was carried out• evaluated the appropriateness of the basis of the valuation• challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding• tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the PCC’s CIPFA asset register• confirmed that those assets subject to revaluation were valued as at 6 May 2024• performed indexation on properties not revalued in the year to establish that there was no risk of material movement• engaged, our own RICS registered valuation auditor’s expert to assess the instructions issued to the valuer, the assumptions and estimates applied that underpin the valuation of buildings and give a view on the adequacy and appropriateness of management’s external valuer’s report• agreed, on a sample basis, the internal floor areas (GIAs) to the PCC’s AutoCAD building measurement software• for non-specialised properties valued on the existing use value (EUV) basis, obtained market comparables to assess the appropriateness of market rents and yields selected by management’s expert and used in the valuation calculations <p>Key findings</p> <p>Our audit work has not identified any issues in respect of the valuation of land & buildings. We draw attention to the fact that 86% of land & buildings has been valued during the year, with management undertaking a reasonable assessment on the sub-population of land & buildings not revalued in year (14% by value), which did not identify any material movements. Overall, we have obtained reasonable assurance in respect of the closing valuation of land & buildings.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Valuation of the pension fund liability for Police Pension Scheme (PPS) and the pension fund net surplus for Local Government Pension Scheme (LGPS)

The Police Pension Scheme (PPS) liability, as reflected in its balance sheet as an overall defined benefit pension liability, represents a significant estimate in the financial statements. This is an unfunded scheme and therefore there are no pension assets. As a result, the PPS scheme will always represent a liability on the Chief Constable's and PCC's balance sheet. The Police Pension Scheme liability is considered a significant estimate due to the size of the numbers involved (£2.4bn in the PCC's and Chief Constable's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

The PCC and Chief Constable also have a share in the South Yorkshire Pension Fund Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme which is in an IAS19 surplus position. The surplus was £19.3m in 2023 which has increased to £78.3m in 2024. This valuation is stated prior to any IFRIC14 net asset ceiling restriction being applied which will be considered later in this report.

Both schemes represent a significant estimate in the Chief Constable's financial statements, however, the valuation of the PPS scheme liability is significantly greater as a multiple of materiality than the LGPS scheme net surplus. The PCC's share does not give rise to the same level of material misstatement as is the case for the Chief Constable. However, operational audit procedures have been performed on the group's total share in both LGPS and PPS on the grounds of efficiency and consistency.

The sensitivity of the estimate to changes in key assumptions has given rise to a significant risk. The actuarial assumptions used are the responsibility of the entities but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and CPI inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 1.5% effect on the gross liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions, we have therefore identified valuation of the PCC's and Chief Constable's defined benefit pension fund liabilities as a significant risk.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The PCC and Chief Constable also need to consider the impact of IFRIC 14 - IAS 19 - the limit on a defined benefit asset in respect of their share in the South Yorkshire Pension Fund. Because of this, we have assessed the recognition and valuation of the pension surplus as a significant risk.

Relates to Commentary

Chief
Constable
and group

Police Pension Scheme – pension fund net liability - £2.4bn

Auditor commentary

We have observed a fall in the gross PPS liability of £71m year on year. This small improvement in the position has resulted from an increase (0.45%) in the discount rate assumption, would have the effect of reducing liabilities. The favourable impact of the increase in the discount rate has been partially offset by the experience observed in year, which has had the opposite effect of increasing liabilities. The actual CPI pension increase and salary increase were higher than the closing assumption in 2023. The impact of the salary increase assumption is lower since it only impacts liabilities for working-age members and is backed by increased cash contributions, however, a pension increase that is ahead of expectations has a greater impact since all existing liabilities are increased as a result.

As part of our work, we have:

- updated our understanding of the processes and controls put in place by management to ensure that the Chief Constable's police pension scheme liability is not materially misstated and evaluated the design of the associated controls
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assessed the competence, capabilities and objectivity of the actuary (GAD) who carried out the PPS pension fund valuation
- assessed the accuracy and completeness of the information provided to the actuary to estimate the liability
- tested the consistency of the pension fund liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- performed procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performed additional procedures as suggested within the report
- obtained records showing the detailed movements in membership data since the data collection took place for the 2020 full quadrennial valuation, and tested the accuracy and validity of movements, where material changes were identified. Detailed testing was performed in 2020-21 based on the 2020 position, which has been considered and rolled forward in 2023-24 to gain appropriate assurance over the material accuracy of membership data.

Key findings

Our work has not identified any issues in respect of the recognition and valuation of PPS defined benefit pension liabilities. There are no matters to report.

2. Financial Statements: Significant risks

Commentary (continued)

Local Government Pension Scheme – pension fund net surplus – £nil

Auditor commentary

We have observed an improvement in the IAS 19 balance sheet position from a net surplus of £19.3m in the prior year to a net surplus of £78.3m in the current year. The improved position has arisen from an increase in the discount rate alongside an increase in the CPI inflation assumption and salary increase assumption (which were lower in magnitude than the increase in the discount rate). Allowing for recent mortality experience in future actuarial projections reduced liabilities by 0.65% at the period end. One further contributing factor behind the increase in the net pension surplus is the actual return of assets being just under 7% compared with the baseline assumption of 4.75%, which has the effect of increasing pension assets relative to liabilities.

As part of our work, we have:

- updated our understanding of the processes and controls put in place by management to ensure that the Chief Constable's LGPS net surplus is not materially misstated and evaluated the design of the associated controls
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assessed the competence, capabilities and objectivity of the actuary (Hymans Robertson) who carried out the Chief Constable's pension fund valuation
- assessed the accuracy and completeness of the information provided to the actuary to estimate the liability
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- performed procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and we have performed any additional procedures suggested within the report
- obtained assurances from the auditor of the South Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.
- reviewed the basis of recognition for the net pension surplus including considering whether the Chief Constable's future pension funding assumptions would give rise to an economic benefit that would support the recognition of an asset on its balance sheet. The IFRIC 14 net asset ceiling calculation from the actuary indicated that no net surplus position could be recognised on the Chief Constable's and group's balance sheet.
- considered whether asset valuations as at 6 May 2024 were reasonable.

Additional commentary and work undertaken in respect of pension fund surplus position

UK economic and market conditions have continued to give rise to circumstances for an LGPS IAS19 pension fund surplus to exist. The surplus position is consistent with the prior period, although the headline surplus has increased in magnitude due to the factors described at the top of this page.

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. IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

During the preparation of the draft accounts, management obtained an IFRIC 14 calculation from its actuarial expert that satisfies the requirements of the accounting standard. This calculation indicated an asset ceiling that was negative (i.e. less than £0) and per IFRIC14 principles, the asset ceiling has been capped at £nil in the draft financial statements. Accounting for the net pension surplus at £nil is consistent with the LGPS net pension surplus valuation in the signed financial statements for the prior period [2022-23].

2. Financial Statements: Significant risks

Commentary (continued)

Additional commentary and work undertaken in respect of pension fund surplus position (continued)

Our audit work indicated that:

- there is an unfunded defined benefit liability of £1.1m that should be recognised under IAS19 in the 23-24 accounts. This relates to termination benefits made on a discretionary basis upon early retirement in respect of some members of the pension scheme. This amount should be recognised separately on the balance sheet irrespective of the pension fund asset position. Management has continued to account for the unfunded pension liability within pension liabilities at Note 35. We consider this accounting to be appropriate.

The IFRIC 14 (limit on a defined benefit asset) calculation obtained was based on the following assumptions put forward by the actuary, with which are materially satisfied. In addition, these assumptions are consistent with the principles set out in the CIPFA Bulletin 15 guidance note dated November 2023:

- a minimum funding requirement exists in respect of the Local Government Pension Scheme, that is to say that even if a scheme is in a surplus position, the employer body will be required to continue to make contributions to the pension scheme.
- the period over which the net asset ceiling calculation has been performed is assumed to be uncapped based on the principles that the LGPS remains open to new entrants. An annuity in perpetuity approach has been applied to reflect the assumption that LGPS will exist indefinitely.
- Economic benefit arising from negative secondary (past service) contributions has been allowed for calculation. Secondary contributions per the rates and adjustments schedule are (0.6%) in 2024-25 thereby reducing overall contributions in that year but become 0.9% in 2025-26 and beyond. Therefore, the benefit of lower contributions will only be experienced for one year and as a result the economic benefit is insignificant in value, and this is a reason why the IFRIC 14 asset ceiling calculated is lower than the initial IAS 19 net pension surplus.
- Contributions beyond the end of the three-year rates and adjustments schedule have been assumed to continue in perpetuity at the same level as that determined for 2025-26.

Key findings

The IFRIC 14 net pension asset ceiling has been capped at £nil based on the principle that the future cash contributions to be made to the scheme by the PCC and Chief Constable are greater than the projected service cost to the PCC and Chief Constable from their participation in the pension scheme. This calculation outcome is signalling that South Yorkshire Police is not expected to obtain any economic benefit from its share in South Yorkshire's LGPS pension fund being in surplus. It should be noted that this purely reflects the IAS 19 accounting position, and that the assumptions applied for the purposes of determining the future funding requirements differ from those applied in the IAS19 valuation. There is the potential for the PCC and Chief Constable to obtain some cash benefit following the next triennial valuation in 2025, which may involve reduced future contributions for example, but this cannot be identified with any certainty at this time. We would also highlight that cash contributions are the only element of the defined benefit pension fund accounting that impacts on the PCC's and Chief Constable's general fund reserves position, due to the statutory overrides applied by the CIPFA Code of Accounting.

The pension fund auditor communicated two unadjusted misstatements from their work on the pension fund, which are reported on page 43. We note that due to the net pension surplus being capped at £nil, there is no balance sheet impact for the Chief Constable or PCC.

2. Financial Statements: Significant risks


Risks identified in our Audit Plan	Relates to	Commentary
<p>Extended financial period end – accounting period now ending 6 May 2024</p> <p>As a result of the adoption of the mayoral commissioning model, the 2024 accounting period end is to align with the provisions set out in statutory instrument 2024, 414, which set the date for vesting as 7 May 2024.</p> <p>An extending accounting period (13 months and 6 days) is not something that the finance teams have previously had to contend with. It brings its challenges in respect of accruing an appropriate amount of income and expenditure in the extended period and also in respect of estimating balance sheet assets and liabilities including pensions and provisions, ordinarily accounted for as at 31 March, in line with the wider local government sector.</p>	Chief Constable, PCC and group	<p>Auditor commentary</p> <p>Management engaged with external audit in the run up to accounts closedown, in addition to communicating with other Forces that have undergone a similar transaction, to appropriately prepare for the specific requirements of the transaction. Management also worked with its external experts across land & buildings and pension valuations to ensure that the estimates and disclosures were prepared as at 6 May 2024 to align with the extended period end date. Management also prepared a schedule of requirements for preparing the additional period end accruals, in addition to its accounts closedown procedure note that is prepared annually.</p> <p>As part of our work, we have:</p> <ul style="list-style-type: none"> designed audit procedures to appropriately test the completeness and accuracy of period end accruals up to the period end, including appropriately addressing the cut-off risk (transactions being accounted for in an incorrect accounting period). performed appropriate roll-forward procedures to test the accuracy of the pension asset and liability roll forward up to the period end of 6 May. We tested land & buildings valuation and pension valuation as at the valuation date of the 6 May 2024, and we reviewed the valuations against the relevant indices, build costs, and market data as at the period end date. assessed the disclosures in the financial statements highlighting the transaction has taken place. These form part of the disclosures as per IAS 10 — Events After the Reporting Period. Following the revision to Practice Note 10, which is clear that continuity of services is the overarching requirement when assessing going concern in the public sector, the demise of the PCC is not a going concern issue – as services will be continuing under the remit of the continuing authority being South Yorkshire Mayoral Combined Authority. <p>Key findings</p> <p>We are materially satisfied that due consideration has been given to ensuring that balance sheet estimates have been prepared as at 6 May 2024 and fees and charges income, pay and non-pay expenditure, and grant funding up to 6 May 2024 has been appropriately reflected in the PCC's and Chief Constable's draft accounts. Throughout the work we noted that the accounting function has liaised well with police force finance functions with experience of such a transaction and has it prepared well for the accounting requirements, effectively implementing these during accounts closedown.</p> <p>Our work is complete in respect of the Chief Constable's and PCC's defined benefit pension valuation, and we are materially satisfied with the PCC's and Chief Constable's valuation of the LGPS surplus and PPS liability, and the accounting & disclosures. We have no matters to report.</p> <p>Given the significance of this disclosure detailing the end of the PCC as a separate legal entity and the transfer of the PCC's duties, workforce, assets and liabilities to SYMCA, we will be drawing this out via an 'emphasis of matter' paragraph within our 2023-24 audit opinion (as we did in the prior year). This does not result in a modification to our opinion, rather it emphasises the importance to the reader of the accounts that the PCC has ceased to exist.</p>

2. Financial Statements: Other risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>IFRS 16 leases - early adoption of accounting standard</p> <p>The adoption of the IFRS 16 leases standard for local authorities has been deferred several times by the CIPFA Local Authority Code Board.</p> <p>Adoption is now mandated for local authorities for periods beginning from 1 April 2024, with an impact assessment statement disclosure expected to be presented in the accounts for the period ending 2024.</p> <p>South Yorkshire Police has opted to adopt this standard for the period ending 6 May 2024, ahead of the prescribed timetable for local government bodies.</p> <p>The expected impact of the revised accounting is a reduction in non-pay operating expenditure and a corresponding increase in depreciation and interest charges.</p>	PCC	<p>Auditor commentary</p> <p>South Yorkshire Police and Crime Commissioner is one of the very first local government, police and fire bodies to adopt the IFRS 16 leases standard. From the work performed, we noted that management had properly considered the impact of the standard on the PCC's financial statements and made adequate preparations for implementation. We were able to perform the work described below to the planned timetable and we were provided with sufficient and appropriate evidence to support the accounting treatment in the draft accounts. We would note this represents a good achievement for the PCC noting that this is a new accounting standard for the local government, police and fire sectors.</p> <p>As part of our work, we have:</p> <ul style="list-style-type: none"> • Obtained the PCC's contracts register and copies of signed lease agreements, to assess the completeness of contracts identified as being within the scope of the IFRS 16 leases accounting standard. • Agreed disclosures presented in the financial statements to underlying accounting records and calculations. • Reviewed management's lease accounting calculations, and assessed the accuracy and appropriateness of the inputs and assumptions used including lease term, discount rate and annual rentals. We concluded that the assumptions used were appropriate and reasonable. • Considered management's accounting for leases with little to no consideration payable annually, termed peppercorn leases, of which the PCC has one. We concluded that this lease had been properly accounted for as per IFRS 16. • Assessed management's accounting of previously leasehold dilapidations including assessing and challenging the reasonableness of the in-house surveyors estimates of the dilapidations payable at the end of the lease. <p>Key findings</p> <p>Having properly applied the short-life and low value lease exemptions, there were three leases identified as being within the scope of IFRS 16 with a total value of £4.7m. This aligns with our knowledge of the PCC's asset base given that operational vehicles are purchases using cash balances. We obtained reasonable assurance that these leases had been appropriately accounted for in line with the requirements of the IFRS 16 leases standard. We have not identified any findings arising from our work.</p> <p>It is worth noting that because the PCC has early adopted this standard, there is a risk that subsequent guidance could be issued that impacts on 2024-25 (when the vast majority of local authority bodies will be implementing the standard), that could contradict the accounting treatment that the PCC has implemented in 2023-24.</p> <p>As a result of our work on IFRS 16 leases, we have identified an overstatement of the balance sheet provision for leasehold dilapidations totalling £1.2m. This is reported on page 42 and does not impact on the PCC's useable reserves. This has not been adjusted by management on the grounds of materiality. Were this adjustment to be made, there would be no overall balance sheet impact with a reduction in the carrying value of land & buildings (right of use - leased) and corresponding reduction in the value of provisions – finance lease.</p>

2. Financial Statements: key judgements and estimates

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

Significant estimate	Summary of management's approach	Audit Comments	Assessment
<p>Land and Building valuations – £140m</p> <p>Specialised/DRC - £101m</p> <p>Non-specialised/EUV - £39m</p>	<p>Other land and buildings comprises specialised assets such as police stations and custody suites, which are required to be valued at depreciated replacement cost (DRC) at period end, reflecting the cost of a modern equivalent asset necessary to deliver the same service potential.</p> <p>The remainder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at period end based on market comparables such as the capitalisation of passing rent (income approach). EUV assets included the Carbrook House offices and vehicle workshop.</p> <p>The land portfolio, comprising the land on which the police stations and other buildings are sited, has been valued on the existing use basis with reference to open market comparables from the South Yorkshire area.</p> <p>The PCC has engaged their own 'management expert', NPS Property Consultants, to complete the valuation of properties as at 6 May 2024. Operational property valuations are undertaken on a five yearly cyclical basis, as stipulated by the CIPFA Code of practice. Land and buildings have been revalued on a desktop basis as at 6 May 2024.</p> <p>A total of 21 buildings (£128m) have been valued in year. As noted above, this valuation has been undertaken on a desktop basis. This follows on from all land & buildings being inspected and fully valued during the prior period (2022-23).</p> <p>Management has undertaken an exercise in respect of land and buildings that have not been formally revalued during the period. This has considered the movements observed on those revalued in year, and multiplied the carrying values of those not revalued by the percentage change observed. This exercise has been undertaken to assess the potential for material movements in the current values of those not revalued during the period. Management did not identify any material movements and has not adjusted the carrying values or opted to revalue any additional land and buildings based on the review performed.</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of controls in place around the valuation evaluated management's processes and assumptions for the estimate, the instructions issued to the valuation experts and the scope of their work evaluated the competence, capabilities and objectivity of management's valuation expert (external RICS-registered valuers), concluding that they are competent, capable and objective evaluated the challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding & written to the valuer to confirm the basis on which the valuation was carried out tested revaluations made during the year to see if they had been input correctly into the PCC's asset register reviewed the assumptions used by the expert in the calculations, including the accuracy of internal floor areas. We agreed, on a sample basis, the internal floor areas to electronic floorplan records held by the estates surveyor for land valued on the existing use value (EUV) basis, obtained local market comparables to assess the appropriateness of land values selected by management's expert and used in the valuation calculations reviewed the completeness and accuracy of the underlying information used to determine the valuation estimate considered the valuation basis and method used to revalue assets, and ensured that the method is suitable for the type of land or building engaged our own RICS-registered valuation expert to comment on the consistency of the process and valuation report with relevant RICS UK Red Book valuation standards confirmed that land & buildings had been valued as at 6 May 2024 in relation to assets not revalued in the year, we have reviewed relevant cost- and market-based indices (e.g. BCIS & MSCl) to assess the appropriateness of management's assessment that the assets' carrying value is not materially different from their current value at the period end. This included considering changes in local market rents and yields for EUV assets (obtaining South Yorkshire-based data where available). 	<p> Green</p> <p>We consider management's process is appropriate and key assumptions are neither optimistic or cautious</p>

2. Financial Statements: key judgements and estimates

Significant estimate	Summary of management’s approach	Audit Comments	Assessment																								
<div>LGPS Net pension surplus</div> <div>£nil (draft A/cs)</div> <div>(Prior year: net pension surplus £nil)</div>	<p>The Chief Constable’s and PCC’s Local Government Pension Scheme net pension surplus at 31 March 2024 is £78.3m (PY £19.3m) comprising the South Yorkshire Pension Fund Local Government Pension Scheme obligations.</p> <p>The Chief Constable continues to engage Hymans Robertson to provide actuarial valuations of the assets and liabilities derived from this scheme. A full actuarial valuation is required every three years which was undertaken as at 31 March 2022 for LGPS.</p> <p>A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy, discount rates, salary growth and investment return.</p> <p>Given the significant value of the net pension surplus, small changes in assumptions can result in significant valuation movements.</p> <p>This improved position is largely a result of an increase in the discount rate with a smaller increase in the CPI inflation/pension increase assumption, and pension asset returns in year greater than the baseline assumption.</p>	<p>We have:</p> <ul style="list-style-type: none">Assessed the competence, capability and objectivity of management’s expert, Hymans Robertson (LGPS).Assessed the actuary’s approach taken and deemed it reasonable.Used PwC as an auditor’s expert to assess the actuary and the assumptions applied – please see the table below for our PwC’s assessment of actuarial assumptions. The PwC report has also indicated that they are comfortable with Hymans Robertson’s methodologies used to establish assumptions and they will produce reasonable assumptions as at 31 March 2024 for all employers. We also corroborated the £119m actuarial gain to PwC’s commentary.Confirmed the completeness and accuracy of the underlying information used to determine the estimate including performing additional tests in relation to the accuracy of contribution figures, benefits paid, and investment returns to gain assurance over the roll forward calculation carried out by the actuary.Confirmed the reasonableness of the Chief Constable’s and PCC’s share of pension assets.Confirmed the adequacy of the disclosure of the estimate in the financial statements and confirmed the consistency of the pension fund assets and liability disclosures in the notes to the financial statements with the IAS19 report from the actuary.Obtained assurances from the auditor of the South Yorkshire Pension Fund as at the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.Obtained assurances from our GT in-house actuary to confirm the reasonableness of the actuarial assumptions used at 6 May 2024, noting that this extended period beyond the end of March was not covered by the PwC report.Confirmed that asset valuations as at 6 May 2024 were reasonable.Performed analytical procedures on pension assets to assess the appropriateness of the indexation applied by management’s actuary for the period of 1 April 2024 to 6 May 2024. <table><tr><th>Assumption</th><th>LGPS Actuary Value (Hymans Robertson)</th><th>PwC comments</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.25%</td><td>Assumption appears reasonable.</td><td>● Green</td></tr><tr><td>Pension increase rate</td><td>2.80%</td><td>Assumption appears reasonable.</td><td>● Green</td></tr><tr><td>Salary growth</td><td>3.40%</td><td>Assumption appears reasonable.</td><td>● Green</td></tr><tr><td>Life expectancy – Males currently aged 45 / 65</td><td>21.4/20.6</td><td>Assumption appears reasonable.</td><td>● Green</td></tr><tr><td>Life expectancy – Females currently aged 45 / 65</td><td>25.0/23.6</td><td>Assumption appears reasonable.</td><td>● Green</td></tr></table> <p>Our work has not identified any evidence to conclude that key assumptions are not appropriate, in line with the table shown above. We are materially satisfied with management’s interpretation of the Actuary’s IFRIC 14 asset ceiling calculation, which has resulted in the LGPS net pension surplus being capped at £nil on the Chief Constable’s and PCC’s balance sheet. The pension fund auditor communicated two unadjusted misstatements from their work on the pension fund, which are reported on page 43. We note that due to the net pension surplus being capped at £nil, there is no balance sheet impact for the Chief Constable or PCC.</p>	Assumption	LGPS Actuary Value (Hymans Robertson)	PwC comments	Assessment	Discount rate	5.25%	Assumption appears reasonable.	● Green	Pension increase rate	2.80%	Assumption appears reasonable.	● Green	Salary growth	3.40%	Assumption appears reasonable.	● Green	Life expectancy – Males currently aged 45 / 65	21.4/20.6	Assumption appears reasonable.	● Green	Life expectancy – Females currently aged 45 / 65	25.0/23.6	Assumption appears reasonable.	● Green	<div>● Green</div> <div>We consider management’s process is appropriate and key assumptions are neither optimistic or cautious</div>
Assumption	LGPS Actuary Value (Hymans Robertson)	PwC comments	Assessment																								
Discount rate	5.25%	Assumption appears reasonable.	● Green																								
Pension increase rate	2.80%	Assumption appears reasonable.	● Green																								
Salary growth	3.40%	Assumption appears reasonable.	● Green																								
Life expectancy – Males currently aged 45 / 65	21.4/20.6	Assumption appears reasonable.	● Green																								
Life expectancy – Females currently aged 45 / 65	25.0/23.6	Assumption appears reasonable.	● Green																								

2. Financial Statements: key judgements and estimates

Significant estimate	Summary of management's approach	Audit Comments	Assessment																								
Police pension scheme liability £2.4bn (Prior year: pension liability £2.5bn)	<p>The Chief Constable's Police Pension Scheme liability at 31 March 2024 is £2.4bn (PY £2.5bn). The Chief Constable operates three pension schemes for police officers, these are the 1987, 2006 and 2015 Police Pension Schemes.</p> <p>The Police body engages Government Actuary's Department to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years.</p> <p>Whilst the last full actuarial valuation was completed in 2020 this was only reported in December 2023 and so experience observed has been reflected in the estimate as at March 2024. The estimate of the pension liability at 31 March 2024 is based on a roll forward of this 2020 valuation.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p> <p>There has been an £71m net actuarial gain during 2023-24. This is due to and increase in the discount rate assumption year-on-year. The favourable impact of this change has been reduced due to the CPI inflation and salary increase experience observed, with actual inflation and salary increases being actuals greater than assumed at the prior year end.</p>	<p>We have:</p> <ul style="list-style-type: none"> Assessed the competence, capability and objectivity of management's expert, Government Actuary's Department (PPS) Assessed the actuary's approach taken and deemed it reasonable Used PwC as an auditor's expert (consulting actuary) to assess the actuary and assumptions made by actuary (see table below) Confirmed the completeness and accuracy of the underlying information used to determine the estimate Assessed the reasonableness of the increase in the liability estimate Reviewed the adequacy of the disclosure of the estimate in the financial statements Obtained records showing the detailed movements in membership data since the data collection took place for the 2020 full quadrennial valuation, and tested the accuracy and validity of movements, where material changes were identified. Detailed testing was performed in 2020-21 based on the 2020 position, which has been considered and rolled forward in 2023-24 to gain appropriate assurance over the material accuracy of membership data. Obtained assurances from our GT in-house actuary to confirm the reasonableness of the actuarial assumptions used at 6 May 2024, noting that this extended period beyond the end of March was not covered by the PwC report. <table border="1"> <thead> <tr> <th>Assumption</th><th>FPS Actuary Value (GAD)</th><th>* PwC comments</th><th>Assessment</th></tr> </thead> <tbody> <tr> <td>Discount rate</td><td>4.75%</td><td>See below</td><td>● Green</td></tr> <tr> <td>Pension increase rate</td><td>2.60%</td><td>See below</td><td>● Green</td></tr> <tr> <td>Salary growth</td><td>3.85%</td><td>See below</td><td>● Green</td></tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td><td>22.9/21.3</td><td>See below</td><td>● Green</td></tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td><td>22.9/21.3</td><td>See below</td><td>● Green</td></tr> </tbody> </table> <ul style="list-style-type: none"> PwC has commented on the GAD assumptions as follows: "We are comfortable that the methodologies used by GAD to establish assumptions will produce reasonable assumptions as at 31 March 2024 for all employees." <p>Our work has not identified any evidence to conclude that key forward-looking assumptions are not appropriate, in line with the table shown above. In addition, we have not identified any issues in respect of the recognition and valuation of PPS defined benefit pension liabilities. There are no matters to report.</p>	Assumption	FPS Actuary Value (GAD)	* PwC comments	Assessment	Discount rate	4.75%	See below	● Green	Pension increase rate	2.60%	See below	● Green	Salary growth	3.85%	See below	● Green	Life expectancy – Males currently aged 45 / 65	22.9/21.3	See below	● Green	Life expectancy – Females currently aged 45 / 65	22.9/21.3	See below	● Green	<p>● Green</p> <p>We consider management's process is appropriate and key assumptions are neither optimistic or cautious</p>
Assumption	FPS Actuary Value (GAD)	* PwC comments	Assessment																								
Discount rate	4.75%	See below	● Green																								
Pension increase rate	2.60%	See below	● Green																								
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2. Financial Statements: key judgements and estimates

Significant judgement & estimate	Summary of management's approach	Audit Comments	Assessment
Legacy Provisions	<p>Management has recognised both a provision and a contingent liability in respect of the Hillsborough disaster.</p> <p>A provision has been recognised in relation to claims not yet settled as at 6 May 2024. The expected settlement per claim has been determined by Legal Services, informed by the circumstances and the complexity of each case, and also considers previous settlements, where appropriate.</p> <p>The provision covers part of the Hillsborough future liability, however, the remainder remains as a contingent liability, disclosed at Note 40, being an obligation arising from a past event where the amount to settled cannot be reliably estimated at the balance sheet date. This accounting treatment represents a significant judgement on the part of management.</p>	<p>As part of our work we have discussed the latest position in respect of the settlement of legacy cases with in-house solicitors, the CFOs and Chief Accountant, and reviewed the information and evidence supporting the accounting entries in the draft accounts.</p> <p>Management has included some narrative at Note 4 Critical judgements in applying accounting policies, to explain the judgement made based on the circumstances that it was not possible to reliably estimate the future liability with material accuracy.</p> <p>Claims against South Yorkshire Police are split into several tiers, linked with their circumstances and complexity. Whilst data is available as to past case outcomes and settlements made, from our work to date, it has been noted that previous settlement values cannot be meaningfully applied to provide for all cases that remain ongoing. This is due to the differing circumstances and specific factors presented on the schedule of loss for each case.</p> <p>Consistent with prior periods, management has presented a rationale that since the majority of claimants (>90%) have yet to submit their application for damages with supporting evidence, any future cash outflows to settle cannot be reliably estimated at the reporting date. As external auditors, we have seen supporting evidence from our testing and the electronic case management database to support the assertion that applications for damages remain outstanding in the vast majority of cases.</p> <p>We also understand from inspecting the authorisation process and final settlements reached and paid in 2023-24, and in prior years, that in many instances cases will be subject to additional procedures prior to settlement which often lead to an extended period of time between a claim being received and settled. Such steps in the process include internal review, discussions with counsel and the potential for challenging the schedule of loss and in some cases, a process of negotiation. Moreover, the damages categories are extensive and wide ranging, covering a period of up to 30 years.</p> <p>From our enquiry procedures, we have also identified that the nature of cases and potential settlement values for outstanding cases at 6 May 2024 differ from those provided for and settled in prior periods. This presents additional challenges in estimating a provision since management's ability to use previous outcomes to inform the valuation of the period end provision appears to be limited.</p> <p>For the first time, a small number of the highest complexity cases have now been settled. The settlement values involved are greater than those historically observed, which was in line with expectations given their complex nature and designation as the higher tier claims. The settlement experience has enabled a core element of legal costs and damages to be estimated and accounted for as a provision for all claims, which has led to the material increase in legal claims provisions being observed. The range of potential settlement outcomes remains high, and in cases the range of outcomes can be several multiples of the actual settlement value agreed. Therefore, it is management's view that there remains an element of a contingent liability in relation to these cases, on the grounds that management is unable to reliably estimate the probable settlement outcome in every case with sufficient precision so as to satisfy the requirements of the provisions accounting standard, IAS37.</p> <p>From the work performed, we do not consider the assertions and rationale presented by management to be unfounded and overall, the judgements made do not appear to be unreasonable.</p> <p>We will report any findings arising and give our assessment on the overall estimate made in an updated version of this report prior to issuing our audit opinion. At the time of writing, as in previous years, we expect to draw readers attention to the contingent liability disclosure with an emphasis of matter paragraph in our audit opinion. Note this does not constitute a qualification of the audit opinion.</p>	<div>●</div> <div>Green</div>

2. Financial Statements: key judgements and estimates

Significant judgement & estimate	Summary of management's approach	Audit Comments	Assessment
<p>Grants Income Recognition and Presentation - £272m</p> <p>The PCC receives a number of grants and contributions and is required to follow the requirements set out in sections 2.3 and 2.6 of the Code.</p> <p>The main considerations are to determine whether the PCC is acting as principal/ agent, and if there are any conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income.</p> <p>The PCC also needs to assess whether grants are specific, and hence credited to service revenue accounts, or of a general or capital nature in which case they are credited to taxation and non-specific grant income.</p>	<p>In circumstances where the PCC has determined that it is acting as the principal, it has credited the grants, contributions and donations to the Comprehensive Income and Expenditure Statement.</p> <p>The PCC has also received a number of grants, contributions and donations, principally special grant funding from the Home Office relating to legacy settlements, that have yet to be recognised as income as they have conditions attached to them which remain unsatisfied at the balance sheet date. These have been recorded on the balance sheet as Grants received in advance.</p> <p>For other grants where the PCC has determined that it does not exercise control over the grant award, these have been excluded from the financial statements except to the extent that the PCC holds a net debtor/creditor position with the counterparty.</p> <p>For the extended period of one month and six days, management has opted to apply the principle of matching grant funding to actual expenditure in respect of its main revenue budget and legacy costs. Several options were considered which included recognising 36/365 of the annual grant funding or matching to actuals, including a hybrid of both options.</p> <p>It was recognised by management following consideration of the draft outturn that apportioning the grant income for the extended period could create material distortions between the accounting period being audited (2023-24) and the subsequent period (2024-25) with an underspend in one period offset with an overspend in the other (up to £5m).</p> <p>The reason for this is that the Force does not spend money equally across the year. The extended period of one month and six days is relatively short and in month one of any financial year, new revenue bids and growth schemes are often not at fully capacity, similarly given the time taken to settle legacy, one month and six days is unlikely to be sufficient for a number of claims to be satisfied.</p> <p>Based on the reasons described above, and following presentation of the proposals to external audit, management opted to match grant income to expenditure actuals for April 2024 and the six days in May 2024 to prevent such distortions from occurring.</p>	<ul style="list-style-type: none"> For grant income, we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment in line with the CIPFA Code, including the treatment of credited to services and recognition as non-ringfenced other grant income. For special grant funding received for the purpose of settling legacy matters, we have directly confirmed the conditions and recognition principles with the Home Office and reviewed that these principles have been appropriately applied by the PCC when determining grant income to be recognised. We have reviewed the determination as to whether the PCC is acting as the principal or agent and considered if the principles applied are consistent with section 2.6 of the Code. Checked grants recognised are consistent with those recognised in the prior period and expectations to satisfy completeness. Understood the principles applied by the PCC in accruing grant income for the month of April and the six days in May, and satisfied ourselves that the approach applied by management was reasonable and Code compliant. Inspected underlying information for a sample of grants to identify conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income. 	<p>● Green</p>

2. Financial Statements: key judgements and estimates

Significant estimate	Summary of management’s approach	Audit Comments	Assessment															
<p>Minimum Revenue Provision - £1.2m</p> <p>Those charged with governance are required to monitor the MRP charge annually, and understand the long-term impact of the charge’s profiling, as a matter relevant to their oversight of the financial reporting process.</p>	<p>The Police and Crime Commissioner is responsible on an annual basis for determining the amount charged for the repayment of debt know as its Minimum Revenue Provision (MRP). The basis for the charge is set out in the regulations and statutory guidance.</p> <p>The PCC publishes an MRP policy annually as part of its annual budget setting process, which is reviewed for compliance against statutory guidance and approved if concluded to be appropriate. The policy and proposed charge for the 2023-24 accounting period was agreed as part of the 2023-24 budget setting, approved by the Public Accountability Board in February 2023.</p> <p>The annual MRP charge presented in the draft accounts for 2023-24 was £1.2m compared with £0.95m in the prior year. The increase is due to the effect of the extended accounting period (£90k) and due to the adoption of the IFRS 16 leases standard in 2023-24 giving rise to an MRP charge on right of use assets (£160k).</p> <p>Following a transfer of the PCC’s duties to the Mayor for South Yorkshire in May 2024, we understand that work began to combine the PCC’s profile of future capital financing with that of SYMCA. On 27 September 2024, SYMCA commented publicly to highlight its concerns with the amount of MRP that had been provided for by the PCC since 2019 that had resulted in what SYMCA deemed to be an under provision of MRP totalling £15.6m up to the end of 2023-24.</p> <p>This amount was calculated based on £65m of capital expenditure between 2019 and 2024 which had been omitted from the MRP calculation. Individual asset lives were determined for each capital asset at the time that the matter was identified in July/August 2024. SYMCA identified a high proportion of short-life assets including vehicles, IT & operational equipment with the majority being assigned an asset life of under 10 years. Based on its initial calculations, SYMCA determined that a charge of £5.3m was required in 2023-24 in addition to the £1.2m referenced above.</p> <p>Following commencement of audit fieldwork, SYMCA communicated that it had revised its original assessment of the £5.3m charge suggested. SYMCA colleagues subsequently presented an MRP calculation that indicated an additional charge of £1.7m in 2023-24 (on top of the £1.2m currently in the accounts), however, it has opted not to adjust the PCC’s and group’s accounts for this on the grounds of materiality.</p> <p>The basis of this calculation was that assets with less then or equal to 25-year life are charged on a straight-line basis over 25 years. Those with a longer asset life use their original asset lives on an annuity basis. It is understood that the rationale for the 25 years is to align with other interventions being taken to support the Policing Budget and Medium Term Resource Strategy in line discussions with the Home Office.</p> <p>The calculation of MRP has been undertaken on an annuity basis based on the individual asset lives of the assets acquired. This takes into the account the time value of money with greater charges occurring in later years.</p>	<p>The entity must make sufficient MRP provision to comply with secondary legislation which states that ‘a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.’ In addition, the Police body must ‘have regard’ the statutory guidance.</p> <p>Upon review of the SYMCA’s comments, we established that there was no precedent to reopen a prior accounting period to adjust the the amount of MRP charged to useable reserves. There have been no legal challenges relating to MRP and therefore no precedents established in case law that would clarify the interpretation of the minimum statutory requirements. In addition, there is no statute to rule that PCC’s discretion in determining the MRP policy and method and calculation has transferred to a successor person or body following the Mayor for South Yorkshire assuming the commissioning role from 6 May 2024.</p> <p>Therefore, the potential for a prior period adjustment was ruled out and we concluded that any under provision identified by SYMCA would be require correction on a prospective basis – thereby leading to an increase in future MRP charges.</p> <p>It is our view that asset lives used in the calculation should be shortened forthwith in order to satisfy relevant secondary legislation which states that ‘local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent’.</p> <p>We performed detailed work to assess a range of asset lives that could be applied to the capital assets purchased between 2019 and 2023, and have taken a mid-point estimate to inform our judgements. The lives applied in our calculation were reduced from the 50-year estimate but in a number of cases, were longer than the original SYMCA estimate published in the press release in September 2024.</p> <p>Our calculation has indicated that an additional £2.5m of MRP would be appropriate to be charged in 2023-24 (in excess of the current £1.2m disclosed in the accounts) to reasonably satisfy the principle of prudence. We have opted to report this here as an unadjusted misstatement – and have graded this issue as ‘amber’ on the basis that the current MRP charge in the accounts is not materially imprudent.</p> <p>In addition, we note that management has obtained an understanding from government that it will be permitted to charge the omitted MRP over a period of 25 years commencing 2025-26.</p>	<div><div></div><div>Amber</div><div>(noting the unadjusted misstatement)</div></div>															
<table><tr><th>MRP charge</th><th>Amount</th><th>Difference to Accounts</th></tr><tr><td>Draft 6 May 2024 accounts</td><td>£1.2m</td><td>£-</td></tr><tr><td>SYMCA original estimate</td><td>£6.5m</td><td>£5.3m</td></tr><tr><td>SYMCA revised estimate</td><td>£2.9m</td><td>£1.7m</td></tr><tr><td>GT accounts estimate</td><td>£3.7m</td><td>£2.5m</td></tr></table>			MRP charge	Amount	Difference to Accounts	Draft 6 May 2024 accounts	£1.2m	£-	SYMCA original estimate	£6.5m	£5.3m	SYMCA revised estimate	£2.9m	£1.7m	GT accounts estimate	£3.7m	£2.5m	
MRP charge	Amount	Difference to Accounts																
Draft 6 May 2024 accounts	£1.2m	£-																
SYMCA original estimate	£6.5m	£5.3m																
SYMCA revised estimate	£2.9m	£1.7m																
GT accounts estimate	£3.7m	£2.5m																

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23

2. Financial Statements: Information Technology


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

IT system	Level of assessment performed	Overall ITGC rating	ITGC control area rating				Related significant risks / other risks
			Cybersecurity	Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Cybersecurity	Design and Implementation Effectiveness	<div><div></div></div> Red	<div><div></div></div> Red	N/A	N/A	N/A	N/A
Oracle EBS	Design and Implementation Effectiveness	<div><div></div></div> Red	N/A	<div><div></div></div> Red	<div><div></div></div> Red	<div><div></div></div> Red	N/A

Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements (red)
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk (amber)
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope (green)
- Not in scope for testing (grey)

2. Financial Statements: Information Technology




Assessment	Issue and risk	Recommendations
 Red	<p>Lack of an appropriate cybersecurity team</p> <p>Cybersecurity is an increasing risk within all organisations. The review carried out identified that the IT Security Team, responsible for designing, implementing and monitoring cybersecurity controls, is made up of two people which is considered to be light given the risks and size of SYP.</p> <p>We noted that this issue was also prevalent in FY23. The management comments provided last year stated that the vacant role would be filled by June 2024. Due to the nature of the risk and length of time that it has been existing for we have determined it to be a significant deficiency.</p> <p>Risk</p> <p>A small cybersecurity team may not have the resources needed to implement the latest security technologies or respond to incidents effectively. This can lead to delays in incident response and an increased risk of damage from cyber-attacks.</p>	<p>SYP should consider increasing the resource within the IT Security team to provide additional coverage in this area. Cybersecurity training and education should be provided for existing staff. Additionally, a fully documented, up-to-date and approved incident response plan should be in place, so that the team can respond quickly and effectively in the event of a cyber-attack.</p> <p>Management response</p> <p><i>The IT Shared Service are currently undergoing a review. This review will define how the IT Department for South Yorkshire Police will look moving forward and baselining is currently taking place. Growth in any team or specific skill area will be done as part of this planning. The planning stage is due to finish in April 2025. The current Cyber Security team have received training within the last year and completed the following courses:</i></p> <p><i>CISSP training provided to the whole Security Team.</i></p> <p><i>Certified Information Security Manager to the IT Security Manager.</i></p>
	<p>Inadequate cybersecurity training</p> <p>Training is required to keep employees up to date and aware of current threats that the organisation is facing. We noted that cybersecurity training is provided to employees on a three yearly basis which is not sufficient to keep employees up-to-date on emerging cyber threats and how to mitigate cyber threats.</p> <p>We noted that this issue was also prevalent in FY23. The management comments provided last year stated that training provided by SYP would be reviewed and feedback would be provided by March 2024. Due to the nature of the risk and length of time that it has been existing for we have determined it to be a significant deficiency.</p> <p>Risk</p> <p>Without regular training, employees may:</p> <ul style="list-style-type: none"> not be aware of the latest security risks, leaving the organisation more vulnerable to cyber-attacks. make mistakes that compromise the organisation's security, such as falling for phishing scams 	<p>SYP should provide regular (annually as a minimum) cybersecurity training to all employees, including training on the latest security threats and best practices for identifying and mitigating those threats. This training should be tailored to employees' roles and responsibilities and should be mandatory for all employees.</p> <p>Management response</p> <p><i>This is a Force issue and would require input from the Data Office and Learning & Development. IT Management will share this finding with these teams to develop a plan on how this can be addressed. The College of Policing provide the updates to the Managing Information College Learn Package (last updated on the 12th of March 2024) so the latest version is always available.</i></p>

2. Financial Statements: Information Technology

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Red</div></div>	<p>Inadequate policies around cybersecurity.</p> <p>Good governance practice includes having adequate policies and procedures in place, this would help with setting employee expectations, compliance, points of contact, expected behaviour etc.</p> <p>During our cybersecurity review we noted that whilst the policies below were documented by South Yorkshire Police, they were either in draft form or lacking final approval.</p> <ul style="list-style-type: none">• Cyber Security Strategy• Asset Management Policy• Access Control Policy• Backup Policy• Cyber Incident Response Policy• Configuration Management Policy• Network Management Policy• GDPR• Data Classification, retention and monitoring Policy <p>We noted that this issue was also prevalent in FY23. The management comments provided last year stated that the policies would be reviewed, published and distributed by March 2024. Due to the nature of the risk and length of time that it has been existing for we have determined it to be a significant deficiency.</p> <p>Risk</p> <p>Compliance violations: Laws, regulations, and industry standards are constantly evolving, and outdated policies may not reflect the latest requirements. This can lead to compliance violations and legal penalties.</p> <p>Security vulnerabilities: Technology is constantly changing, and outdated policies may not address new security risks. This can leave the organisation vulnerable to cyber-attacks, data breaches, and other security incidents.</p>	<p>Policies and procedures should all be finalised and signed off before being communicated with the appropriate teams and departments at SYP.</p> <p>Due to the ever-evolving nature of technology, policies should be reviewed annually to ensure they are up to date and reflect the current cyber environment.</p> <p>Whilst the list of policies identified in this finding is a snapshot, and the policies require further review and updating, this recommendation would apply to all policies and procedures within the organisation.</p> <p>Management response</p> <p><i>IT are working closely with the Force Information Security Officer to complete the Security Assessment Principles (SYAP) which is used to rate each Force in terms of the Cyber Security position. The SYAP contains scoring around Policy and Procedures as well as Technical Risk. The SYAP is a Live document which is regularly reviewed, and the score adjusted by the Police Digital Service. As part of the SYAP the documents listed here will be monitored and updated accordingly.</i></p>

2. Financial Statements: Information Technology

Controls for which assurance could not be provided Oracle EBS

Assessment	Control Name and Description	Reason/Justification
1.  RED	Inadequate control over privileged user and generic accounts within Oracle EBS (Security Management).	<p>There was a lack of sufficient and appropriate evidence to support or test these controls for FY24.</p> <p>We noted that this issue was also prevalent in FY23. The management comments provided last year stated that privileged access would be reviewed by March 2024. Due to the nature of the risk and length of time that it has been existing for we have determined it to be a significant deficiency.</p> <p>Management response</p> <p><i>South Yorkshire Police are currently moving from EBS to Oracle Fusion. The go-live date for Fusion is the 31st of October 2024. Due to this migration work on EBS has been kept at a minimum and new changes reflected within the configuration of Fusion. Following discussion with Grant Thornton the requirement for additional auditing around the move to a new system has been raised with appropriate parties.</i></p>
2.  RED	Segregation of duties conflicts as developers have access to the production environment (Change Management).	<p>There was a lack of sufficient and appropriate evidence to support or test these controls for FY24.</p> <p>We noted that this issue was also prevalent in FY23. The management comments provided last year stated privileged access and the process for developing and deploying changes would be reviewed and feedback would be provided by March 2024. Due to the nature of the risk and length of time that it has been existing for we have determined it to be a significant deficiency.</p> <p>Management response</p> <p><i>South Yorkshire Police are currently moving from EBS to Oracle Fusion. The go-live date for Fusion is the 31st of October 2024. Due to this migration work on EBS has been kept at a minimum and new changes reflected within the configuration of Fusion. Following discussion with Grant Thornton the requirement for additional auditing around the move to a new system has been raised with appropriate parties.</i></p>
3.  RED	Lack of proactive monitoring of concurrent programs within Oracle EBS (Batch Management).	<p>There was a lack of sufficient and appropriate evidence to support or test these controls for FY24.</p> <p>We noted that this issue was also prevalent in FY23. The management comments provided last year stated that proactive monitoring for Oracle EBS would be reviewed and feedback would be provided by March 2024. Due to the nature of the risk and length of time that it has been existing for we have determined it to be a significant deficiency.</p> <p>Management response</p> <p><i>South Yorkshire Police are currently moving from EBS to Oracle Fusion. The go-live date for Fusion is the 31st of October 2024. Due to this migration work on EBS has been kept at a minimum and new changes reflected within the configuration of Fusion. Following discussion with Grant Thornton the requirement for additional auditing around the move to a new system has been raised with appropriate parties.</i></p>

2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Joint Independent Audit Committee. We have not been made aware of any significant incidents in the period and no other issues have been identified during the course of 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 appropriately disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Mayor as the successor to the Police and Crime Commissioner and Chief Constable, which will be presented to management and those charged with governance prior to giving the audit opinion. Specific representations will be requested from management in respect of the legacy-related provisions recorded on the balance sheet, the demise of the PCC as a separate legal entity, and the valuation of the LGPS net pension surplus. The proposed letters of representation are detailed at Appendices G & H.
Audit evidence and explanations	All information and explanations requested from management were provided.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the PCC's banks and counterparties that hold the PCC's deposits. This permission was granted and the requests were sent, with appropriate responses received.
Accounting practices	We have evaluated the appropriateness of the PCC's and Chief Constable's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements. Some presentational changes were identified and reported to management – these are noted at Appendix D.
Audit evidence and explanations / significant difficulties	All information and explanations requested from management. We would like to thank the Chief Finance Officers and their teams for their help and support during the audit process.

2. Financial Statements: other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>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 2020). The Financial Reporting Council 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> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> 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’s and Chief Constable’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>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 style="list-style-type: none"> the nature of the PCC and Chief Constable and the environment in which they operate the PCC’s and Chief Constable’s financial reporting framework the PCC’s and Chief Constable’s system of internal control for identifying events or conditions relevant to going concern management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul 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 both sets of financial statements is appropriate. <p>Now that the transfer of the PCC’s role to the Mayor and integration of the Office of the Police and Crime Commissioner with SYMCA has now taken place, we are planning to report an emphasis of matter in the audit opinion to highlight these circumstances to readers (as we did in our 2022-23 opinion). Note this is an unqualified opinion and noting Practice Note 10 referenced above, such circumstances do not impact on the application of the going concern basis of preparation.</p>

2. Financial Statements: other responsibilities under the Code

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 Annual Governance Statement and Narrative Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No material inconsistencies have been identified. We plan to issue an unmodified 'clean' opinion in this respect. Our proposed opinions are detailed at Appendices I & J.</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>
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>As in prior years, only limited work is expected to be required on this, as the South Yorkshire Police group is not expected to exceed the audit threshold in 2023-24.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2023-24 audit of South Yorkshire PCC and Chief Constable in the audit reports, until we have completed our work on the WGA consolidation exercise mentioned above. We aim to certify completion of the audit before the end of April 2025.</p>



3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2023-24

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor’s Annual Report, which is to be presented alongside this report to the Joint Independent Audit Committee on 27 March 2025.

As part of our work, we considered whether there were any significant weakness in the PCC’s and Chief Constable’s arrangements for securing economy, efficiency and effectiveness in their use of resources.

Overall, we are satisfied that the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

No Statutory or Key Recommendations were identified from our work, however, we did raise two improvement recommendations as set out below. The successor external auditor may opt to assess the progress made to implement these two recommendations as part of their work in 2024-25.

Recommendation	Actions agreed by Management
The Mayor and Chief Constable should ensure that further progress is being made to reach a decision on the future delivery model for information systems in a timely manner.	Work is well underway to look at the hybrid option, as agreed by both forces. A programme team has been established and supporting governance to ensure progress. This is also regularly monitored by both command teams and we have also recently double checked that the drivers for change for both forces were still appropriate. The plan is to bring back a business case for consideration.
The Mayor and Chief Constable should ensure that further progress is being made to respond to findings identified from the pending ICO Body Worn Video investigation report.	The ICO report has not been issued hence this recommendation remains in situ.

4. Independence considerations

Independence and Ethics

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, directors, senior managers & managers). There are no such matters to report.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed at Appendix E.

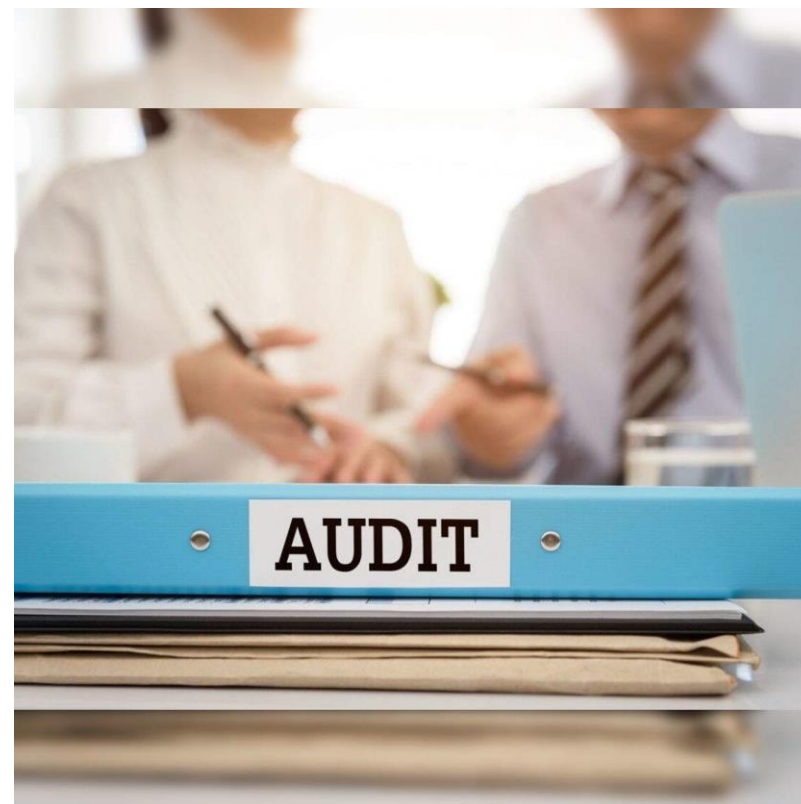
Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the South Yorkshire Police group.

No audit-related or non-audit services have been identified as being provided for the South Yorkshire Police group.



4. Independence considerations

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

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the South Yorkshire Police 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 South Yorkshire Police group or investments in the South Yorkshire Police group held by individuals.
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 South Yorkshire Police 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 South Yorkshire Police group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place. No non-audit services are provided to the South Yorkshire Police group.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the South Yorkshire Police group, its senior management or staff.

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.

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action Plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation – Chief Constable
- H. Management Letter of Representation – PCC
- I. Audit Opinion – Chief Constable
- J. Audit Opinion – PCC

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	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	•	•
Views about the qualitative aspects of South Yorkshire Police 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		•
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 (ISA260) report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to 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 all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified one recommendation as a result of issues identified during the course of our audit and other key issues to consider prior to next year end. We have concluded this matter is of sufficient importance to merit being reported to you in accordance with auditing standards and these have been agreed with management. We have agreed this recommendation with management and the successor external auditor may revisit progress on implementing the recommendation during the course of the 2024-25 audit.

Assessment	Issue and risk	Recommendations
 Medium	<p>Presentation of Cash Flow Statement</p> <p>Our audit procedures on the statement of cash flows identified that adjustments had not been made to the balance sheet movements to reflect the underlying cash movements. One example is the purchase of property, plant and equipment, whereby it is expected that an adjustment is made to reflect the opening and closing capital creditors. After adjusting for the movement in creditors, for example, the adjusted value would then reflect the actual cash paid in year for the acquisition of property, plant and equipment. Similar adjustments are also likely to be required in respect of interest paid, interest received, among others. These are necessary adjustments to be made during the preparation of the cash flow statement so that the amounts presented in the statement reflect underlying cash movements.</p> <p>Whilst this is a primary statement in the accounts, we are content that the adjustments highlighted above would not lead to material adjustments on the face of the cash flow statement. However, it is important to consider enhancing the preparation of the cash flow statement so as to ensure future statements of accounts are fully compliant with Code requirements.</p>	<p>We recommend that the audited body's processes to the cash flow statement in future accounting periods be revised so as to appropriately capture the need to make adjustments to headline balance sheet movements to reflect year on year movements in the debtor and creditor position at an individual cash flow statement line item level.</p> <p>Management response</p> <p><i>Agreed. The finance accounting team will consider implementing this recommendation in order to enhance the cash flow statement presented in the 2024-25 draft accounts.</i></p>

C. Follow up of prior year recommendations

We identified the following issues in the audit of South Yorkshire Police and Crime Commissioner’s and Chief Constable’s 2022-23 financial statements, which resulted in four recommendations being reported in our 2022-23 Audit Findings report. We are pleased to report that management has implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Completion and retention of new starter and leaver forms:</p> <p>During our 2022-23 audit, we identified that several new starter and leaver forms were not furnished to audit, which did not demonstrate that the appropriate approval had occurred and these did not bear the signature of the supervisory manager.</p> <p>Our recommendation was that the Force and Office of the Police and Crime Commissioner should revisit and assess whether its existing procedures for completion and retention of starter and leaver forms are sufficient. Where appropriate procedures are already integrated in the relevant process flows, compliance requirements should be communicated and reinforced internally. Procedures should also be followed and documented, and checklist steps completed for non-standard leavers such as where a dismissal may occur.</p>	<p>External audit comments:</p> <p>During this audit we received appropriate evidence to support the instances of starters and leavers identified for detailed testing. We are therefore satisfied that forms are being completed, authorised and retained appropriately. We consider this recommendation to be resolved and closed.</p>
✓	<p>Closer liaison and joined up working approach between financial accounts, legal and IT personnel:</p> <p>During the audit fieldwork, we encountered some challenges in gaining timely access to speak to the relevant colleagues and obtaining the evidence required in a timely manner have both posed challenges during the audit fieldwork process. IT and legal are two teams that are required to liaise and provide information to external audit considering the legacy provisions significant risk identified, and also the depth and scope of IT audit work required. We identified improvement opportunities in the IT and legal team’s approach to liaison with the core finance team and external audit.</p> <p>We recommended that arrangements and collaboration between the finance function, legal and IT are strengthened and enhanced. Our recommendation also suggested enhancing accountability arrangements to ensure these changes are appropriately implemented and the benefits realised.</p>	<p>External audit comments:</p> <p>Firstly, we note the IT audit was completed to the planned table, with responses received from the responsible officers ahead of the required deadline. Improvements have been observed during 2023-24 acknowledging that the IT function remains in a transition period with some partial service redesign possible with the introduction of some local service provision. We consider that there is likely further potential for improvement in access to the IT service and optimising response times although we do acknowledge this may only be possible post service redesign once the IT service is at full operational capacity.</p> <p>The engagement with the Force’s legal service has also been noticeably better in this year’s audit, and the information received in a timely manner with a reduced amount of friction in the process to achieve the information and outputs required by the auditors. We consider this to have been addressed and the recommendation closed.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Follow up of prior year recommendations

We identified the following issues in the audit of South Yorkshire Police and Crime Commissioner's and Chief Constable's 2022-23 financial statements, which resulted in four recommendations being reported in our 2022-23 Audit Findings report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Expected transfer of PCC's function to South Yorkshire Mayoral Combined Authority and its related impact on the 2023-24 financial statements:</p> <p>It was confirmed that the SYMCA mayoral transaction was to take place in May 2024. For the transfer of the PCC's role to the South Yorkshire Mayor to be coterminous with local mayoral elections, we understood that the accounting period would likely be extended up to this date. There are complexities associated with a period greater than 12 months including the need to obtain property and defined benefit pension valuations at a date other than 31 March.</p> <p>From our liaison meetings held from May 2023 to the date of our prior year audit report there had been a good level of discussion on this matter in conversations held with the Police and Crime Commissioner, Chief Executive and Chief Constable and also the Chief Finance Officers. We highlighted the need for the good level of communication to continue throughout the autumn and into winter 2023 between the CC and PCC and external audit on this matter.</p> <p>We also reported that there are various planning steps that needed to occur on both sides to prepare for the non-standard period end date and it was important to ensure that all parties had sufficient time to progress the relevant matters prior to May 2023.</p>	<p>External audit comments:</p> <p>We are pleased to report that the core finance team maintained an excellent level of engagement and discussion on matters pertaining to the extended period end. Regular liaison meetings also continued with the Chief Finance Officers, former PCC and Chief Constable in attendance, and these meetings also aided with preparations. We also note that the chief officer decision to delay the implementation of Oracle Cloud has been welcomed by external audit given the existing complication of the extended period end. Overall, we note that the OPCC and Force has prepared and engaged well ahead of the audit fieldwork and would like to place on record our thanks for this. We have no further comments to make and consider the recommendation closed.</p>
✓	<p>Planned implementation of Oracle Cloud general ledger in March 2024:</p> <p>The Oracle E-Business suite general ledger was scheduled to be replaced with a new general ledger/ERP system during 2023-24. Oracle Cloud (web-based platform) was planned to go live in March 2024. Additional complexity to the implementation programme arose as a result of the potential integration of the PCC's function into SYMCA on 8 May 2024. If the Oracle Cloud ledger implementation occurred as planned on 31 March, then two general ledger systems would be in use during this accounting period.</p> <p>We recommended that as discussions between the PCC, Home Office and SYMCA progress, the OPCC should continue to communicate internally on the expected transfer to occur on 8 May 2024. Given we understand this date is now confirmed, considerations should be made as to whether Oracle Cloud ledger implementation date can be aligned with the date of any transfer of the PCC's function to SYMCA.</p> <p>Early engagement with Grant Thornton in respect of the new ledger is important as specialist technology audit colleagues will need to be engaged to undertake work on the ledger transfer to obtain appropriate assurance over the transfer of transactions and balances to the new Oracle Cloud ledger.</p>	<p>External audit comments:</p> <p>The implementation of Oracle Cloud has been delayed until the following financial year (2024-25). This has resulted in only one general ledger being in use for the accounting period under audit, thereby mitigating against additional complexities being introduced in the performance of our specialist IT audit work and other substantive audit procedures. This recommendation is considered closed with no further comments from us.</p>

D. Audit Adjustments

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 unadjusted misstatements

The table below provides details of adjustments identified during the 2023-24 audit which have not been made within the final set of financial statements. The Joint Independent Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £	Statement of Financial Position £	Impact on total net expenditure £	Impact on general fund (useable reserves) £
<p>Amount of Minimum Revenue Provision charged in 2023-24</p> <p>Consistent with our comments earlier in this report, South Yorkshire Mayoral Combined Authority (SYMCA) the successor body to the former Officer of the Police and Crime Commissioner informed Grant Thornton of two issues with the existing calculation of MRP charges. Firstly, they noted that £65m of capital spend had not been profiled into the calculation of MRP charges. Secondly, it is SYMCA's view that the 50-year asset life adopted by the PCC in the MRP calculation is not sufficiently prudent given the number of vehicles and equipment owned, that could be described as short-life assets.</p> <p>We performed detailed work to assess a range of asset lives that could be applied to the capital assets purchased between 2019 and 2023, and have taken a mid-point estimate to inform our judgements. The lives applied in our calculation were reduced from the PCC's 50-year estimate but in a number of cases, were longer than the original SYMCA estimate published in the press release in September 2024.</p> <p>Our calculation has indicated that an additional £2.5m of MRP is required to be charged in 2023-24. Management has opted not to adjust for this on the grounds of materiality. We have reported this here as an unadjusted misstatement. Given the current £1.2m MRP charge in the 2023-24 accounts is not materially imprudent, and that there are no other unadjusted items, this does not preclude us from issuing an unqualified audit opinion.</p>	£nil	£nil	£nil	£2.5m debit (reduction) to general fund reserves
Overall impact	£nil	£nil	£nil	£2.5m

D. Audit Adjustments

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Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2023-24 audit which have not been made within the final set of financial statements. The Joint Independent Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £	Statement of Financial Position £	Impact on total net expenditure £	Impact on general fund (useable reserves) £
Balance Sheet – Overstatement of Prepayments Audit testing on prepayments identified an overstatement of a non domestic rates prepayment. The rates charge was paid in two instalments, with the second instalment being paid after the period end, however, both amounts were included in the prepayment recorded on the balance sheet at 6 May 2024. We identified the prepaid amount was overstated by £1.36m. The other side of the entry was to accrue a creditor for the second instalment (to be paid in October 2024 after period end). Adjusting for this error would reduce creditors and prepayments (debtors) recorded on the balance sheet by £1.36m. There is no impact on net expenditure or useable reserves.	£nil	£1.36m credit (reduction) to prepayments (debtors) £1.36m debit (reduction) to creditors	£nil	£nil
Overall impact	£nil	£1.36m	£nil	£nil

D. Audit Adjustments

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 unadjusted misstatements

The table below provides details of adjustments identified during the 2023-24 audit which have not been made within the final set of financial statements. The Joint Independent Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £	Statement of Financial Position £	Impact on total net expenditure £	Impact on general fund (useable reserves) £
Balance Sheet – Provision for Leasehold Dilapidations <p>The Police and Crime Commissioner has recognised its expected future liabilities for leasehold dilapidations for the first time in 2023-24 which are recorded on the balance sheet as a provision. These have existed since modifications were undertaken to the leasehold properties shortly after the inception of each lease, with modifications necessary to make the each building suitable for its intended use. We understand that the dilapidation provision was first identified in 2023-24 due to the probing discussions held between operational management, facilities management and the finance function. Whilst this accounting entry could have been recorded in a prior year based on the underlying substance, this does not give rise to the potential prior period adjustment under IAS8.</p> <p>In the draft accounts, management had recognised a leasehold dilapidations provision of £2.45m. During the course of our audit work, we challenged management and facilities management on the basis of this estimate and valuing the future works required to put the building back to its original state, in line with the lease agreement. It was subsequently identified that a £1.25m provision would be more reflective of the PCC's future liability, however, management has opted not to adjust the provision value, on the basis that the adjustment is immaterial to the PCC's financial statements.</p>	£nil	£1.2m credit (reduction) to Right of use – Land & buildings £1.2m debit (reduction) to Provisions – Finance lease	£nil	£nil
Overall impact	£nil	£1.36m	£nil	£nil

D. Audit Adjustments

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 unadjusted misstatements

The table below provides details of adjustments identified during the 2023-24 audit which have not been made within the final set of financial statements. The Joint Independent Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £	Statement of Financial Position £	Impact on total net expenditure £	Impact on general fund (useable reserves) £
Balance Sheet – Pension Fund Assets Our review of the letter from the auditor of South Yorkshire Pension Fund identified unadjusted misstatements from the audit of the pension fund, which also impact on the share of pension fund assets held by the Chief Constable and PCC. An unadjusted misstatement of £2.1m has arisen as a result of stale pricing of level 3 assets. This is where the December 2023 valuation was used to prepare the IAS19 report for SYP rather than the March 2024 valuation, and there has been price movements on the assets between these dates. It should be noted that no valuation for level 3 assets has been produced as at 6 May 2024 but our audit work has indicated that there are no material movements arising between the March valuation and 6 May balance sheet date. A further unadjusted misstatement was identified with a value of £1m in respect of cash and debtors held by the level 3 Border To Coast Pensions Partnership funds, which had erroneously been excluded from South Yorkshire Pension Fund's net assets statement at the time of preparing its draft accounts. As noted in the table to the right, we have not identified any impact on the Chief Constable's or PCC's balance sheet due to the application of IFRIC 14 which has resulted in the LGPS net pension surplus being capped at £nil and a nil balance position recorded on the balance sheet in respect of the funded LGPS net pension balance.	£nil	£3.1m debit (increase) to LGPS funded net pension balance £3.1m credit (reduction) to funded net pension balance due to the LGPS funded net pension surplus being capped at £nil (due to the application of IFRIC 14	£nil	£nil
Overall impact	£nil	£1.36m	£nil	£nil

D. Audit Adjustments

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

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the period ending 6 May 2024.

Detail	Comprehensive Income and Expenditure Statement £	Statement of Financial Position £	Impact on total net expenditure £	Impact on general fund (useable reserves) £
<p>Amount of Legacy Grant Income Recognised in the Financial Statements</p> <p>As a result of auditor challenge, management identified that legacy grant income had been over-recognised in the draft accounts. There is a long standing agreement in place for the Home Office to contribute towards the cost of legacy costs and settlements. The headline contribution rate has reduced from 85% to 80% leading to a decrease in grant income and an increased amount of self-funding required from reserves. Since the Home Office has paid a material amount to the PCC in advance for legacy at the prevailing contribution rate at the time of payment, the actual contribution percentage in 2023-24 lies between 80% and 85%.</p> <p>Management has opted to adjust to the financial statements for this misstatement, which has resulted in a reduction to the grant income credited to services totalling £0.9m with a corresponding reduction to receivables held on the balance sheet. This has directly impacted on the PCC's useable usable reserves.</p>	£0.9m debit (reduction) to grant income Credited to services	£0.9 credit (reduction) to receivables	£0.9m decrease in surplus outturn	£0.9m debit (reduction) to general fund reserves
Overall impact	£0.9m	£0.9m	£0.9m	£0.9m

D. Audit Adjustments (continued)

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.

Account balance / disclosure note	Description and value	Adjusted?
Note 16 Adjustments between Accounting Basis and Funding Basis under regulations	In the draft financial statements, the amount transferred out of the capital receipts reserve to financial capital expenditure had been presented in Note 16 as the consumption of general fund reserves rather than the capital receipts reserve. This has been adjusted by management and has resulted in a £364k entry being moved from the general fund to the capital receipts reserve column in Note 16.	✓
Note 23 Capital Expenditure and Capital Financing	Donated assets of £419k were omitted from the capital financing requirement (CFR) calculation at Note 23 to the accounts. This omission resulted in the CFR being calculated incorrectly. This has been adjusted for in the updated financial statements with the CFR calculation now confirmed as accurate.	✓
Note 21 Financial Instruments	The fair value comparative disclosure on page 90 has been adjusted to deduct the deferred premia on loans from the fair value disclosed in the same way it has been deducted from the carrying value of borrowings. This adjustment was made to aid comparability between the carrying value and fair value of borrowings held by the PCC.	✓
Narrative Report & Annual Governance Statement	The Narrative Report and AGS have been updated to reflect issue of the MRP charges that were raised at the end of September 2024 and the subsequent discussions with key stakeholders to highlight the agreed way forward on this matter at the time of conclusion of the audit.	✓
Note 12, Exit Packages	The exit packages note has been updated to reflect all elements of former Force officers' pay that required disclosure in the exit packages note. This change has resulted in a £43k increase to the total value of exit packages disclosed.	✓
Note 12, Officer's Remuneration Disclosures	We requested that management add additional narrative at this note to clarify that the senior officers remuneration table is based on a 12 month period on the grounds of consistency and comparability. This has been adjusted for by management.	✓
Various notes	Other minor disclosure amendments to improve financial reporting and transparency for the reader of the accounts. (e.g. all references to year-end changed to period end)	✓

E. Fees and non-audit services

We confirm below our final fees charged for the audit. No non-audit services have been provided.

Audit fees - PCC	Fee per Audit Plan	Proposed final fee
Police and Crime Commissioner Scale Fee (per PSAA contract)	£111,012	£111,012
Increased audit requirements of ISA 315 Revised – “Identifying and assessing the Risks of Material Misstatement” – (new controls requirement not included in the PSAA tender submission)	£3,138	£4,710
Additional fee relating to the use of an Auditor’s expert for the valuation of property not included within the PSAA tender	£3,000	£3,000
Additional work in respect of the early adoption of the IFRS 16 leases accounting standard	£5,000	£5,000
Increased audit work arising from the an extended accounting period up to 6 May 2024 - increased time and resources to deal with the implications of the unusual accounting period	£27,753	£27,753
Total audit fees (excluding VAT)	£149,903	£151,475

Audit fees – Chief Constable	Fee per Audit Plan	Proposed final fee
Chief Constable Scale Fee (per PSAA contract)	£56,666	£56,666
Increased audit requirements of ISA 315 Revised – “Identifying and assessing the Risks of Material Misstatement” – (new controls requirement not included in the PSAA tender submission)	£3,138	£4,710
Increased audit work arising from the an extended accounting period up to 6 May 2024 - increased time and resources to deal with the implications of the unusual accounting period	£14,166	£14,166
Total audit fees (excluding VAT)	£73,970	£75,542

The planned fees reconcile to the financial statements in Note 13 - External Audit Fees. The final fee is £3k higher to account for our final fee in relation to ISA 315.

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	<p>The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of:</p> <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	<p>Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.</p>
Professional scepticism	<p>The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Fraud	<p>The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	<p>The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.</p>

G. Management Letter of Representation - CC



South Yorkshire

POLICE

Mr Greg Charnley
Public Sector Audit Senior Manager, Audit
Grant Thornton UK LLP
No. 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

Sent via Email only to Greg.F.Charnley@uk.gt.com

Lauren Poultney
Chief Constable

31st March 2025

Dear Greg,

Chief Constable for South Yorkshire Police
Financial Statements for the period ended 6 May 2024

This representation letter is provided in connection with the audit of the financial statements of Chief Constable for South Yorkshire Police for the period ended 6 May 2024 for the purpose of expressing an opinion as to whether the Chief Constable's financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Chief Constable's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Chief Constable and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Chief Constable has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements

OFFICIAL

South Yorkshire Police Headquarters
Carbrook House
Carbrook Hall Road
Sheffield
S9 2EH

E-mail: chief@southyorks.pnn.police.uk

used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Chief Constable has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Chief Constable's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Chief Constable and its financial position at the period-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the Chief Constable's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the Chief Constable means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related

G. Management Letter of Representation - CC

public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements.

- b. the financial reporting framework permits the entity to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Chief Constable's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Chief Constable's ability to continue as a going concern need to be made in the financial statements.

- xv. The Chief Constable has complied with all aspects of ring-fenced grants that could have a material effect on the Chief Constable's financial statements in the event of non-compliance.
- xvi. We confirm that it is appropriate to account for the pension asset ceiling at £nil in line with IFRIC14 accounting principles.
- xvii. We have considered whether the Chief Constable is required to reflect a liability in respect of equal pay claims within its financial statements. We confirm that we are satisfied that no liability needs to be recognised on the grounds that:
 - A Collective Agreement was reached in May 2000 with the recognised trade unions as part of the Single Status Agenda.
 - The Chief Constable has adopted the equality proofed National Joint Council (NJC) for Local Government's Job Evaluation Scheme which ensures that work of equal value is allocated to the same salary banding, progression within which is determined by performance. The scheme is regularly updated to comply with equal pay legislation.
 - The Chief Constable's Pay Policy Statement determines its approach to pay and the Remuneration Committee ensures the provisions set out in the statement are applied consistently throughout the Chief Constable.
 - Roles and working arrangements whereby individuals or groups may work less time than their contracted hours do not exist in the Chief Constable as services where these practices might arise have been contracted out.

Information Provided

- xviii. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Chief Constable's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Chief Constable via remote arrangements from whom you determined it necessary to obtain audit evidence.
- xix. We have communicated to you all deficiencies in internal control of which management is aware.
- xx. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xxi. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- xxii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Chief Constable and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxiii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiv. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxv. We have disclosed to you the identity of the Chief Constable's related parties and all the related party relationships and transactions of which we are aware.
- xxvi. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxvii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Chief Constable's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

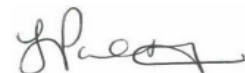
Narrative Report

- xxviii. The disclosures within the Narrative Report fairly reflect our understanding of the Chief Constable's financial and operating performance over the period covered by the Chief Constable's financial statements.

Approval

The approval of this letter of representation was approved by myself as Chief Constable for South Yorkshire following the Joint Independent Audit Committee on 27 March 2025.

Yours faithfully,



Name: Lauren Poultney
Position: Chief Constable
Date: 31 March 2025

Yours faithfully,



Name: Neil Chamberlain
Position: Chief Finance Officer
Date: 31 March 2025

H. Management Letter of Representation - PCC



South Yorkshire
Mayoral Combined Authority
11 Broad Street West
Sheffield, S1 2BQ

31 March 2025

Grant Thornton UK LLP
No. 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

Dear Grant Thornton UK LLP

Letter of Representation - Police and Crime Commissioner for South Yorkshire and subsidiary undertaking Financial Statements for the period ended 6 May 2024

This representation letter is provided in connection with the audit of the financial statements of Police and Crime Commissioner for South Yorkshire (PCC) and its subsidiary undertaking, the Chief Constable for South Yorkshire Police for the period ended 6 May 2024 for the purpose of expressing an opinion as to whether the group and PCC's financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the group and PCC's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and PCC and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The group and PCC has complied with all aspects of contractual agreements that could have a material effect on the group and PCC financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance



with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the group and PCC's financial statements:
 - there are no unrecorded liabilities, actual or contingent
 - none of the assets of the group and PCC has been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The group and PCC financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the group and the PCC and their financial position at the period-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the group and PCC's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

H. Management Letter of Representation - PCC



- the nature of the group and PCC means that, notwithstanding that the entity and office of the PCC ceased to exist on 6 May 2024, PCC operations, assets and liabilities have all transferred to the South Yorkshire Mayoral Combined Authority on 7 May 2024. It continues to be appropriate to adopt the going concern basis of accounting because, in such an event, services performed have continued to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
- the financial reporting framework permits the entity to prepare its financial statements on the basis of the presumption set out under a) above; and
- the group and PCC's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the group and PCC's ability to continue as a going concern need to be made in the financial statements.

- xv. The group and PCC has complied with all aspects of ring-fenced grants that could have a material effect on the group and PCC's financial statements in the event of non-compliance.
- xvi. We confirm that it is appropriate to account for the pension asset ceiling at £nil in line with IFRIC14 accounting principles.
- xvii. We have considered whether the group and the PCC is required to reflect a liability in respect of equal pay claims within its financial statements. We confirm that we are satisfied that no liability needs to be recognised on the grounds that:
 - A Collective Agreement was reached in May 2000 with the recognised trade unions as part of the Single Status Agenda.
 - The group and the PCC has adopted the equality proofed National Joint Council (NJC) for Local Government's Job Evaluation Scheme which ensures that work of equal value is allocated to the same salary banding, progression within which is determined by performance. The scheme is regularly updated to comply with equal pay legislation
 - The group and the PCC's Pay Policy Statement determines its approach to pay and the Remuneration Committee ensures the provisions set out in the statement are applied consistently throughout the group and the PCC.
 - Roles and working arrangements whereby individuals or groups may work less time than their contracted hours do not exist in the group and the PCC as services where these practices might arise have been contracted out.

Information Provided

xviii. We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the group and PCC's financial statements such as records, documentation and other matters;
- additional information that you have requested from us for the purpose of your audit; and

- access to persons within the PCC via remote arrangements, from whom you determined it necessary to obtain audit evidence.

- xix. We have communicated to you all deficiencies in internal control of which management is aware.
- xx. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xxi. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and PCC, and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- xxiii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiv. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxv. We have disclosed to you the identity of the group and PCC's related parties and all the related party relationships and transactions of which we are aware.
- xxvi. We have disclosed to you all known actual or possible litigation and claims in particular those arising from the Hillsborough disaster. These have been accounted for and disclosed in accordance with the requirements of the International Financial Reporting Standards.

Annual Governance Statement

- xxvii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the PCC's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxviii. The disclosures within the Narrative Report fairly reflect our understanding of the group and PCC's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was approved by myself as Mayor for South Yorkshire following the Joint Independent Audit Committee on 27 March 2025.

H. Management Letter of Representation - PCC



Yours faithfully,

A handwritten signature in blue ink, appearing to read "g.sutton".

(Gareth Sutton - Executive Director Resources and Investment and Section 73 Officer)

A handwritten signature in black ink, appearing to read "O. Coppard".

(Mayor Oliver Coppard – Mayor of South Yorkshire)

I. Audit opinion – Chief Constable

Independent auditor's report to the Chief Constable of South Yorkshire Police

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of the Chief Constable for South Yorkshire Police the 'Chief Constable' for the period ended 6 May 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Police Pension Fund Account and Net Assets Statement, and notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 6 May 2024 and of its expenditure and income for the period then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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 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 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

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

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 Chief Constable's ability to continue as a going concern for a period of at least twelve 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.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- 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 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Chief Constable and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. 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 2023/24, for being satisfied that they give a true and fair view, and for such

I. Audit opinion – Chief Constable

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 they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, the Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2006 and the Police Pensions Regulations 2015.

We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and risk of judgements derived by management with high estimation uncertainty. We also considered the risk of fraudulent revenue and expenditure recognition, however these risks were rebutted. We determined that the principal risks were in relation to:

- material areas of management judgement and estimation
- manual journal entries made during the financial statement preparation process which had a favourable impact on the expenditure outturn,
- material journals that are unusual in nature and outside our expectations, and
- journal entries posted by senior management personnel and general ledger administrator users

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on closing manual journals posted close to the period end during the financial statement preparation process, journals posted by senior management or system administrator users, unusual material journals throughout the period and journals reducing

expenditure charged to the CIES late in the financial period. Our work was planned in a manner to identify cumulative material impacts due to management override of controls through journal entries;

- challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of the IAS19 Police Pension Scheme liability and the Local Government Pension Scheme net surplus; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the period ended 6 May 2024.

We have nothing to report in respect of the above matter.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

I. Audit opinion – Chief Constable

Auditor's responsibilities for the review of the Chief Constable's arrangements for securing 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 to be satisfied that the Chief Constable 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.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Chief Constable of South Yorkshire Police for the period ended 6 May 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office has concluded their work in respect of WGA for the period ended 6 May 2024. We are satisfied that this work does not have a material effect on the financial statements for the period ended 6 May 2024.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth D Mills

Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

7 April 2025

J. Audit opinion – PCC

Independent auditor's report to the Mayor of South Yorkshire regarding the former Police and Crime Commissioner for South Yorkshire

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of the Police and Crime Commissioner for South Yorkshire Police (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the period ended 6 May 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Police Pension Fund Account and Net Assets Statement, and notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 6 May 2024 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the period then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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 Police and Crime Commissioner 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 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.

Emphasis of Matter – contingent liability in respect of the Hillsborough disaster

We draw attention to Note 4 to the financial statements, which describes the existence of a contingent liability in respect of the Hillsborough disaster. As disclosed at Note 4, management recognise the complexity of the scheme which is over a 30-year period. In management's opinion, it is therefore not possible to materially quantify the total likely payments in the statement of accounts. Our opinion is not modified in respect of this matter.

Emphasis of matter – demise of the organisation

We draw attention to Note 41 to the financial statements, which indicates that the Police and Crime Commissioner for South Yorkshire was abolished on 7 May 2024 and all functions were transferred to the South Yorkshire Mayoral Combined Authority. The property, rights and liabilities of the Police and Crime Commissioner for South Yorkshire transferred to South Yorkshire Mayoral Combined Authority on that date. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Executive Director of Resources & Investment's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Police and Crime Commissioner and group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Executive Director of Resources & Investment's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Police and Crime Commissioner and the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Executive Director of Resources & Investment'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 at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director of Resources & Investment with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Executive Director of Resources & Investment is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

J. Audit opinion – PCC

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- 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 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Police and Crime Commissioner and the Executive Director of Resources & Investment

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Executive Director of Resources & Investment. The Executive Director of Resources & Investment 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 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director of Resources & Investment 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 Executive Director of Resources & Investment 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 they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, the Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2006 and the Police Pensions Regulations 2015.

We enquired of management and the Police and Crime Commissioner concerning the Police and Crime Commissioner and group's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Police and Crime Commissioner whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and risk of judgements derived by management with high estimation uncertainty. We also considered the risk of fraudulent revenue and expenditure recognition, however these risks were rebutted. We determined that the principal risks were in relation to:

- material areas of management judgement and estimation
- manual journal entries made during the financial statement preparation process which had a favourable impact on the expenditure outturn,
- material journals that are unusual in nature and outside our expectations, and
- journal entries posted by senior management personnel and general ledger administrator users.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on closing manual journals posted close to the period end during the financial statement preparation process, journals posted by senior management or system administrator users, unusual material journals throughout the period and journals reducing expenditure charged to the CIES late in the financial period. Our work was planned in a manner to identify cumulative material impacts due to management override of controls through journal entries; and
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings for the Police and Crime Commissioner and the group, the IAS19 Police Pension Scheme liability and the Local Government Pension Scheme net surplus for the Chief Constable and the group, and legacy provisions for the Police and Crime Commissioner and the group;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

J. Audit opinion – PCC

- the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the period ended 6 May 2024.

We have nothing to report in respect of the above matter.

Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing 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 to be satisfied 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 arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for South Yorkshire for the period ended 6 May 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office has concluded their work in respect of WGA for the period ended 6 May 2024. We are satisfied that this work does not have a material effect on the financial statements for the period ended 6 May 2024.

Use of our report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth D Mills

Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

7 April 2025

