



## Audit Committee Agenda

**Meeting date:** Tuesday 24th March 2026 at 2pm.

**Meeting location:** Office of the Police and Crime Commissioner for Norfolk (OPCCN), Building 7, Wymondham.

**Note for members of the public:**

If a member of the public wishes to attend the meeting please contact the Office of the Police and Crime Commissioner for Norfolk, Building 7, Wymondham, Norfolk, NR18 0WW. Call 01953 424455 or email: [opccn@norfolk.police.uk](mailto:opccn@norfolk.police.uk)

For copies of any of the papers cited below please contact the OPCCN as detailed above.

### 1. Public Agenda

- 1.1 Welcome and apologies
- 1.2 Declaration of personal and prejudicial interests
- 1.3 To approve the minutes of the meeting held on 19<sup>th</sup> February 2026 – **Document available on request.**
- 1.4 Review and update of Action Log – **Document available on request.**
- 1.5 External Audit
  - a. 2024/25 Auditors Annual Report – **Document available on request.**
- 1.6 Internal Audit – **Documents Available on Request**
  - a. Statement of Internal Controls report
  - b. 26/27 Annual Audit Plan

1.7 Treasury Management – Annual Investment and Treasury Management Strategy Statement 2026/27 – **Document Available on Request.**

1.8 Devolution & LGR (verbal update)

1.9 Forward Work Plan – **Document Available on Request.**

## 2. Private Agenda

2.1 Welcome and apologies

2.2 Declaration of personal and prejudicial interests

2.3 To approve the minutes of the meeting held on 19<sup>th</sup> February 2026

2.4 Review and update of Action Log

2.5 Fraud update (Verbal Update)

2.6 Constabulary Strategic Risk Register

[OPCCN Risk Register to come to July meeting following further clarification of Devolution and LGR issues from Government]

2.7 Internal Audit

a. Update on outstanding confidential audits (Verbal)

**Next meeting date:** 21<sup>st</sup> July at 2pm

**Meeting location:** Office of the Police and Crime Commissioner for Norfolk, Building 7, Wymondham.



**NORFOLK**  
CONSTABULARY

## **Audit Committee Meeting**

**19<sup>th</sup> February 2026**

**Office of the Police and Crime Commissioner for Norfolk (OPCCN), Building 7,  
Wymondham & via Microsoft Teams**

### **MINUTES**

#### **Members in attendance:**

Ms A Bennett (Chair)  
Mr A Matthews  
Mr P Hargrave  
Mr S Smith  
Ms L Sales

#### **Also, in attendance:**

Peter Jasper Assistant Chief Officer, Norfolk Constabulary  
Mr S George Chief Finance Officer, (PCC CFO), OPCC  
Mr I Fearn Head of Financial Accounting and Specialist Functions  
Ms D Hanson EY  
Ms A Rigler EY  
Ms F Roe Director, TIAA  
Ms C Lavery TIAA

#### **Part 1 – Public Agenda**

##### **1.1 Welcome and Apologies:**

Meeting opened at 2:07pm.  
- No apologies recorded.

##### **1.2 Declaration of Personal and/or Prejudicial interest:**

No personal or prejudicial interests declared.

##### **1.3 Minute of the last meeting:**

Minor amends to minutes were agreed.

#### **1.4 Review and Update Action Log:** Anna Bennett reviewed the action log

The action log was reviewed in detail, and the log was updated to reflect the discussions. There were no questions.

#### **1.5 External Audit:** Presented by Debbie Hanson (EY)

- Qualified audit opinion expected (improvement from prior disclaimed opinion).
- No uncorrected misstatements.
- One corrected adjustment of £156k.
- IFRS 16 work completed without issues.
- Awaiting final confirmation that no ICO fine is expected.
- Anna Bennett thanked Ivan and his team for putting together a professional set of accounts.
- Committee recommended accounts for sign-off.

#### **1.6 Internal Audit:** Presented by Claire Lavery (TIAA)

- Corporate Governance: Reasonable assurance.
- Communications Strategy: Reasonable assurance.
- Procurement: Improved from limited to reasonable.
- Contract Management: Reasonable assurance.
- Asset Management: Substantial assurance.
- Cyber Security (SIAP): Substantial assurance.

#### **1.7 Treasury Management – Mid Year Report**

- Mid-year position to September reviewed.
- Treasury advisor contract renewal in progress.

#### **1.8 Devolution & LGR (verbal update)**

- Situation remains fluid; national announcement expected in March.

**1.9 Forward Work Plan**

- Treasury Management Strategy and draft internal audit plan to be added to March agenda.

**Next meeting date: Tuesday 24<sup>th</sup> March 2026**

**Meeting location:** Office of the Police and Crime Commissioner for Norfolk, Building 7, Wymondham.



**Audit Committee**  
**Public – Part 1**

**Action Log – 24<sup>th</sup> March 2026**

Action Number	Meeting Date	Actions and update	Owner	Status
<b>New actions: 24 January 2024</b>				
104	24.1.24	<p><b>Data Breach Report</b> P Jasper to clarify with ACC Bridger when the data breach internal report will be finalised and issued to both PCCs</p> <p>26.03.24 – P Jasper updated that internal report has been shared with both Chief Constables and sent to ICO. P Jasper will confirm with ACC E Bridger that the report can be shared with Audit Committee members. Leave open for further update.</p> <p>23.07.24 – The report has been shared confidentially with Audit Committee members other than L Sales. To remain live.</p>	P Jasper	Live

		<p>13.09.24 – A Bennett advised L Sales proposed to come in and meet with P Jasper so she can read through report and sign off as action following L Sales return on 1.11.24. P Jasper agreed.</p> <p>25.02.25 – L Sales has completed the review of the internal report.</p> <p>25.03.25 – Action closed.</p> <p>14.10.25 – Action reopened following information from ICO. Update will be received at next meeting.</p>		
<b>New actions: 13.09.2024</b>				
112	13.09.2024	<p><b>2023/24 outstanding audits</b> S George to discuss the Community Safety Partnership audit delay with F Roe to ensure finalised for the next committee.</p> <p>25.02.25 – Community Safety Partnership audit remains a draft. Emails sent for an update, awaiting response.</p> <p>25.03.25 – Community Safety Partnership audit feedback still in progress.</p> <p>14.10.25 - To be addressed under TIAA section.</p>	S George	Live

# **Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary**

Auditor's Annual Report  
Year ended 31 March 2025  
**16 March 2026**



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence



Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary  
Jubilee House  
Falconers Chase  
Wymondham  
Norfolk  
NR18 0WW

16 March 2026

Dear Sarah and Paul

**2024/25 Auditor's Annual Report**

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25.

This report is intended to draw to the attention of the Police and Crime Commissioner (PCC) and Chief Constable (CC) any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Joint Independent Audit Committee meeting on 24 March 2026.

The [EY UK 2025 Transparency Report | EY – UK](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

Debbie Hanson  
Partner  
For and on behalf of Ernst & Young LLP  
Enc

# Contents

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**02** Audit of financial statements

**03** Value for Money Commentary

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



# 01 Executive Summary

## Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

## Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work, which is substantially complete, in accordance with the Audit Plan we issued on 29 April 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the Police and Crime Commissioner and Chief Constable and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## Responsibilities of the Police and Crime Commissioner and Chief Constable

The Police and Crime Commissioner and Chief Constable are responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

# Executive Summary (continued)

2024/25 conclusions	
<b>Financial statements</b>	<p>As reported in our 2023/24 Audit Results Report issued on 26 February 2025, we issued a disclaimer of opinion on the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary's 2022/23 and 2023/24 financial statements under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, as a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some of the 2023/24 comparative balances disclosed in the 2024/25 financial statements and the comparability of current year's figures and the corresponding figures contained within the financial statements. In addition, for the Police and Crime Commissioner, we also do not have assurance over additions to vehicles, plant and equipment in 2022/23 held at cost and the consequential impact of these on the comprehensive income and expenditure accounts, or the classification of reserves between useable and unusable.</p> <p>Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material misstatement. We are however satisfied that the audit evidence we have obtained is sufficient and appropriate to provide a basis for a qualified opinion.</p> <p>We therefore issued a qualified 2024/25 audit opinion on 26 February 2026.</p>
<b>Going concern</b>	We have concluded that the Chief Finance Officers' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
<b>Consistency of the other information published with the financial statements</b>	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
<b>Value for money (VFM)</b>	We have no matters to report by exception on the Police and Crime Commissioner and Chief Constable's VFM arrangements. We have included our VFM commentary in Section 03.
<b>Consistency of the Annual Governance Statement</b>	We are satisfied that the Annual Governance Statement was consistent with our understanding of the Police and Crime Commissioner and Chief Constable.
<b>Additional powers and duties</b>	We had no reason to use our auditor powers.
<b>Whole of Government Accounts</b>	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our audit certificate until these procedures are complete.
<b>Certificate</b>	We will issue our certificate once the NAO has confirmed whether any additional procedures are required on the Whole of Government Accounts as noted above.

## Value for money scope

Under the 2024 Code, we are required to consider whether the Police and Crime Commissioner and Chief Constable has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Police and Crime Commissioner and Chief Constable a commentary against specified reporting criteria (see below) on the arrangements the Police and Crime Commissioner and Chief Constable has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

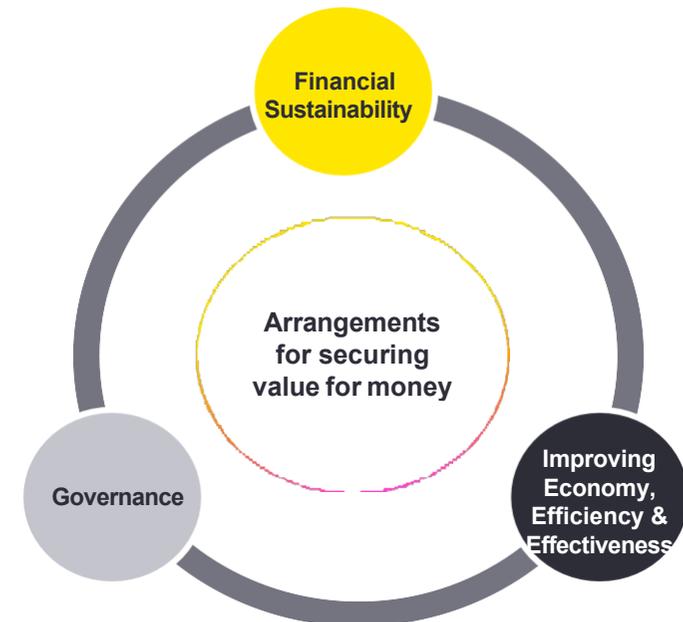
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

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

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Police and Crime Commissioner and Chief Constable committee reports;
- meetings with management;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Police and Crime Commissioner and Chief Constable management and the finance team.



## Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Police and Crime Commissioner and Chief Constable, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor’s Annual Report, which must be issued by 30 November. We did not make any recommendations to the Police and Crime Commissioner and Chief Constable.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<b>Financial sustainability:</b> How the Police and Crime Commissioner and Chief Constable plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
<b>Governance:</b> How the Police and Crime Commissioner and Chief Constable ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
<b>Improving economy, efficiency and effectiveness:</b> How the Police and Crime Commissioner and Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

## Independence

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

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

[EY UK 2025 Transparency Report | EY - UK](#)



# 02

# Audit of financial statements

## Key findings

The Statement of Accounts is an important tool for the Police and Crime Commissioner and Chief Constable to show how it has used public money and how it can demonstrate its financial management and financial health.

On 26 February 2026, we issued a qualified opinion on the financial statements as set out on page 6 of this report. We reported our audit scope, risks identified and detailed findings to the 19 February 2026 Joint Independent Audit Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit. We did not make any internal control recommendations in our Audit Results Report, and have included progress made on previous year recommendations at Appendix A.

## Financial statement risks

Significant risk	Conclusion
<b>Presumptive risk of management override of controls</b>	We have not identified any material weaknesses in the recognition of expenditure. We have not identified any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Police and Crime Commissioner and Chief Constable's normal course of business.
<b>Inappropriate capitalisation of revenue expenditure</b>	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.
<b>Valuation of land and buildings</b>	We have not identified any material issues from our testing of land and buildings valuations.
Inherent risk	Conclusion
<b>Pension liability valuation</b>	We have not identified any misstatements from our testing of pension liabilities.
<b>Accounting for Private Finance Initiative (PFI)</b>	We have not identified any misstatements from our testing and of PFI accounting entries and disclosures.
<b>Accounting for data breach issue</b>	We have not identified any misstatements from our testing of provisions and contingent liabilities however we note that the final report from the Information Commissioner's Office is yet to be issued.
<b>IFRS 16 implementation</b>	We did not identify any misstatements from our testing of right of use assets and lease liabilities.

## Financial statement reporting assessment

Management, the Joint Independent Audit Committee and the Police and Crime Commissioner and Chief Constable, as those charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the Police and Crime Commissioner and Chief Constable's arrangements to support external financial audit across a range of relevant measures.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Police and Crime Commissioner and Chief Constable's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 13. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

# Audit of financial statements (continued)

## Financial statement reporting assessment

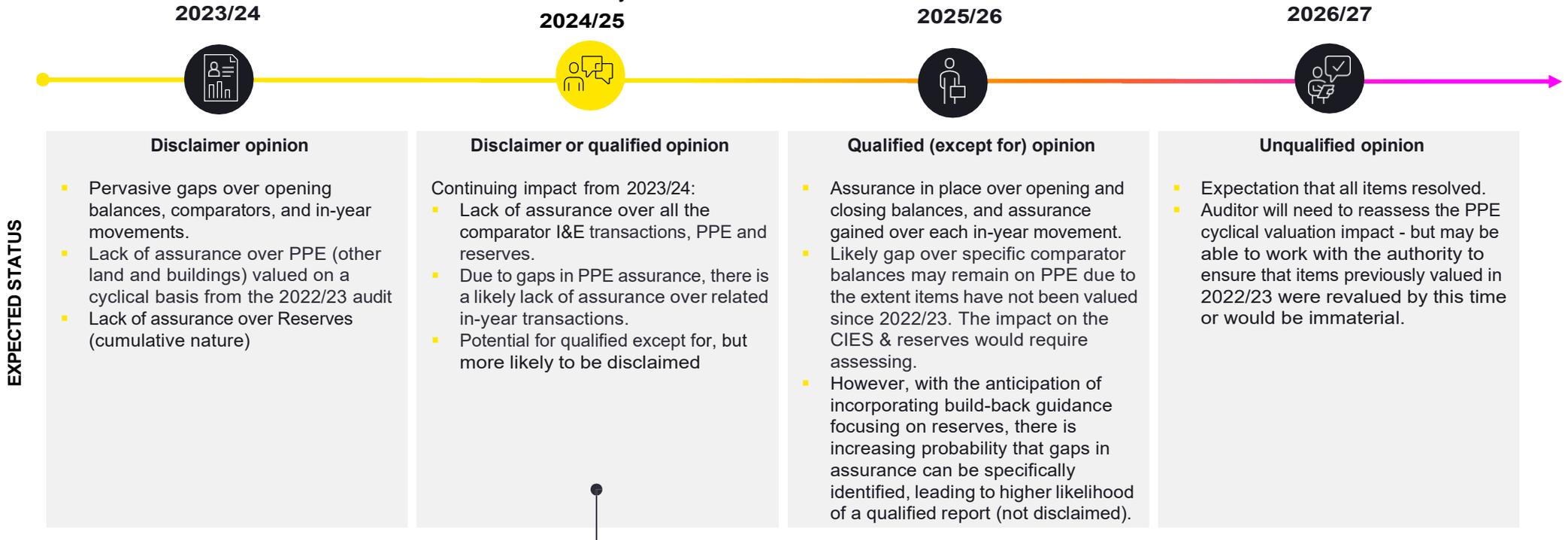
Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 <sup>th</sup> June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			A limited number of non-material internal inconsistencies, typographical and arithmetic errors were identified in the draft financial statements that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were generally provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Effective			No significant delays have been experienced to date in the provision of supporting evidence for key accounting estimates.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			There have been no significant issues to date with access to the finance team and key personnel.	N/A
Volume and value of identified misstatements	Effective			No material misstatements have been detected to date as a result of our work.	N/A
Volume of misstatements in disclosure	Effective			A relatively small number of misstatements in disclosures have been detected in our work to date.	N/A

# Audit of financial statements (continued)

## Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO’s Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Police and Crime Commissioner and Chief Constable’s actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Current audit year



**CURRENT AUDIT STATUS OF THE POLICE AND CRIME COMMISSIONER FOR NORFOLK AND THE CHIEF CONSTABLE OF NORFOLK CONSTABULARY**

- The Police and Crime commissioner and Chief Constable’s progress is in line with the expected timescales for rebuilding assurance set out in LARRIG 01.
- The main areas where further work is necessary to rebuild assurance are valuation of PPE, assurance over income & expenditure entries relating to PPE and assurance over reserves.



# 03 Value for Money commentary

## The Police and Crime Commissioner and Chief Constable’s responsibilities for value for money

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

As part of the material published with the financial statements, the Police and Crime Commissioner and Chief Constable are required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Police and Crime Commissioner and Chief Constable tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

## Our responsibilities

Under the revised NAO Code, we are required to consider whether the Police and Crime Commissioner and Chief Constable have put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Police and Crime Commissioner and Chief Constable a commentary against specified reporting criteria on the arrangements the Police and Crime Commissioner and Chief Constable has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 <p><b>Financial sustainability</b> How the Police and Crime Commissioner and Chief Constable plans and manages its resources to ensure it can continue to deliver its services.</p>	No significant risks identified	No significant weakness identified
 <p><b>Governance</b> How the Police and Crime Commissioner and Chief Constable ensures that it makes informed decisions and properly manages its risks.</p>	No significant risks identified	No significant weakness identified
 <p><b>Improving economy, efficiency and effectiveness</b> How the Police and Crime Commissioner and Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.</p>	No significant risks identified	No significant weakness identified



## Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Significant risks identified during planning procedures

In our Audit Plan, we noted that we had yet to complete our detailed value for money planning, but that one area of focus would be on the PCC and CC's financial sustainability arrangements. Having now completed these planning procedures, we identified no risks of a significant weakness in the Police and Crime Commissioner and Chief Constable's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Police and Crime Commissioner and Chief Constable's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.

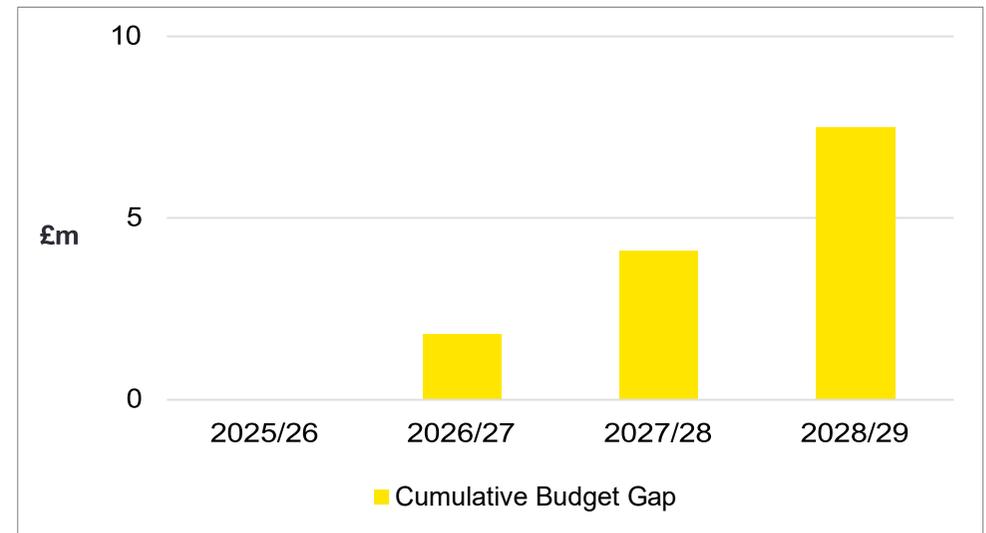
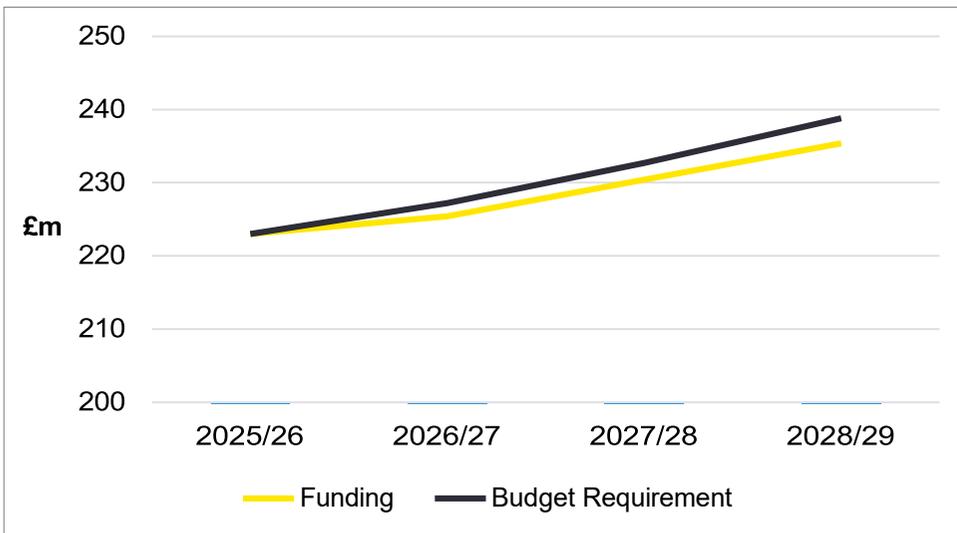


## Medium Term Financial Strategy

The Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary presented an updated Medium Term Financial Strategy (MTFS) in February 2025. The Strategy highlights the continuing levels of financial uncertainty across the sector. Key challenges outlined within the Police and Crime Commissioner and Chief Constable's planning include pay and non-pay inflationary factors, together with an increase in demand and the changing nature of crime.

The Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary's MTFS outlines the scale of the challenge over the next five years. The current cumulative funding gap over the period to 2028/29 is £7.5 million (representing approximately 3% of the annual budget), however significant risks remain, including the delivery of collaborative projects with Suffolk Constabulary and achievement of savings plans.

## Exhibit A: The Police and Crime Commissioner and Chief Constable's MTFP outlines a cumulative gap of £7.5 million by 2028/29



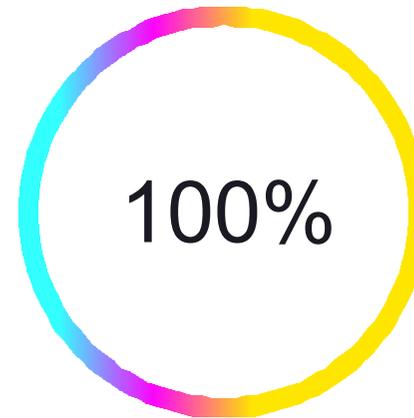
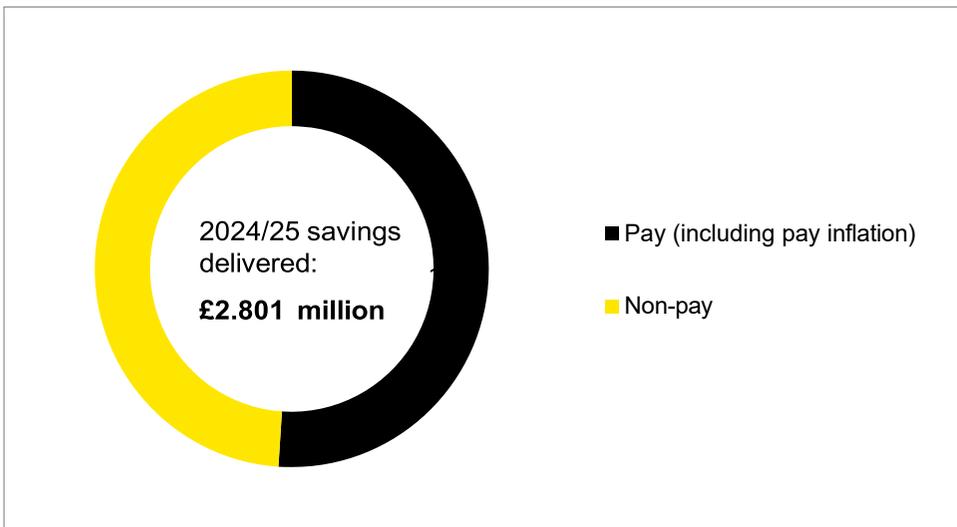


## Savings plans

The Police and Crime Commissioner and Chief Constable's 2024/25 budget relied on the delivery of savings of £2.801 million. The Police and Crime Commissioner and Chief Constable report that 100% of planned savings were achieved, in line with previous years. The achievement of savings is reported within regular budget monitoring reports.

The Police and Crime Commissioner and Chief Constable plan to deliver £4.509 million of savings in 2025/26, consisting of £2.607 million in pay and £1.902 million in non-pay savings.

## Exhibit B: The Police and Crime Commissioner and Chief Constable delivered 100% of planned £2.801 million of savings in 2024/25



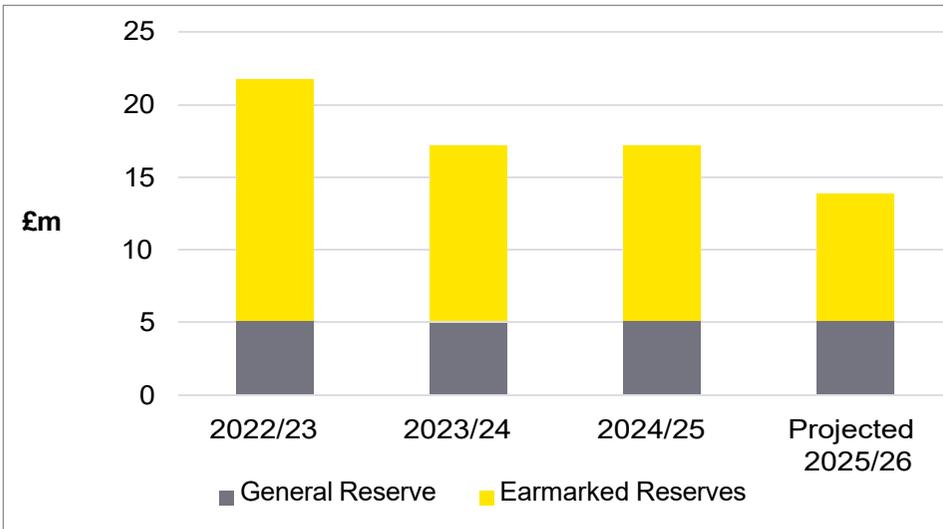


# Financial Sustainability considerations (continued)

## Reserves/outturn position

The Police and Crime Commissioner and Chief Constable approved the Reserves Strategy in February 2024. The Reserves Strategy outlines that the minimum reserves to be held as uncommitted general funds is 2.5% of the net revenue budget, which equates to around £5 million increasing to £5.5 million by 31 March 2026. This level of general reserves is projected to be maintained. However, as in previous years, operational overspends have been funded from earmarked reserves. As a result, together with the planned use of earmarked reserves, the Police and Crime Commissioner and Chief Constable’s total earmarked reserves are decreasing year on year, with the balance expected to be £4.7 million as at 31 March 2029. The Chief Finance Officers consider the level of general and earmarked reserves to be adequate over the medium term.

### Exhibit C: The unallocated General Reserve has been maintained at approximately £5 million in 2024/25



### Exhibit D: A small overspend against budget was reported in 2024/25

Title	Budget £m	Expenditure £m	(Underspend) /Overspend £m
Officer of the Police and Crime Commissioner	1.777	1.657	(0.120)
PCC Commissioning	1.338	1.415	0.077
Chief Constable Operational Spending (net)	234.055	234.093	0.038
Specific Government Grants	(25.380)	(25.191)	0.189
Transfer from Reserves	(0.394)	(0.336)	0.058
<b>Total Revenue Expenditure</b>	<b>211.396</b>	<b>211.638</b>	<b>0.242</b>
Capital Expenditure	12.453	10.310	(2.142)



## Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

## Significant risks identified during planning procedures

In our Audit Plan, we reported that we had yet to complete our detailed value for money planning. Having completed these planning procedures, we identified no risks of a significant weakness in the Police and Crime Commissioner and Chief Constable's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years in relation to governance arrangements. The Police and Crime Commissioner and Chief Constable's underlying arrangements in relation to governance are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks.



## Annual Governance Statement

We have reviewed the framework for the preparation of the Annual Governance Statement. The process, as designed, is adequate to enable the Police and Crime Commissioner and Chief Constable to report on the design and operation of arrangements that ensure sound governance, effective resource and risk management, and robust controls.

We have inspected the Annual Governance Statement and concluded that this is consistent with our knowledge, as identified from review of minutes, other audit work and discussions with management. We are not aware of any additional matters that should be included in the Annual Governance Statement that are not already included.

## Informed decision making/Risk management

The Constabulary has a decision-making and accountability framework in place which is defined by the Police Reform and Social Responsibility Act 2011, to enable the Police and Crime Commissioner to make robust, well-informed and transparent decisions and hold the Chief Constable to account.

Each Command and Department maintains a risk register of all the risk identified to the achievement of the operational objectives. There is also a joint risk management process for Norfolk and Suffolk Constabularies where risks are dealt with by mitigation and/or escalation to the appropriate level.

The Strategic Risk Register is reviewed by the Joint Independent Audit Committee on a quarterly basis. The Office of the Police and Crime Commissioner (OPCC) also produce their own Strategic Risk Register which is reviewed through the OPCC meeting structure, including Strategic Governance Board and Estates Governance Board.



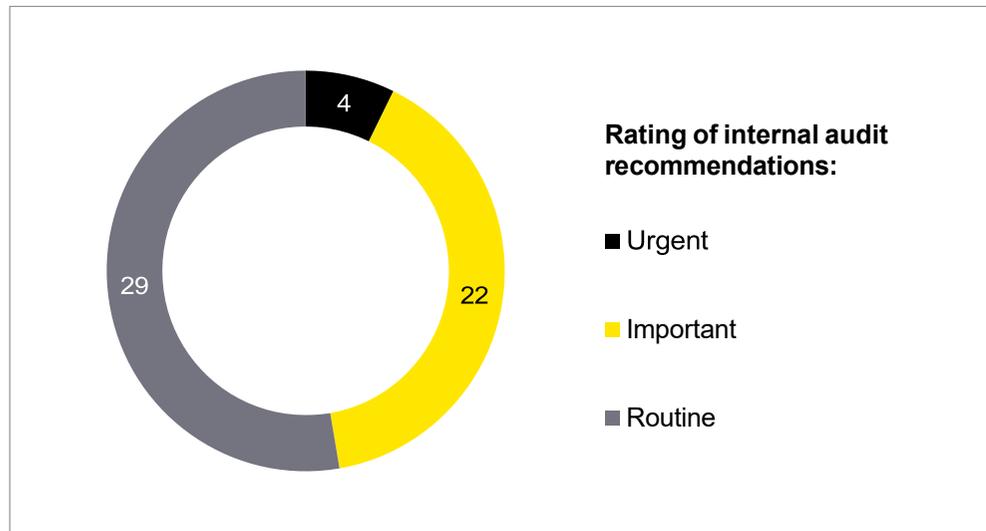
## Internal Audit arrangements

The Police and Crime Commissioner and Chief Constable's Internal Audit service is outsourced to a third party, TIAA. The Internal Audit service help provide assurance over the effectiveness of internal controls and ensure compliance with policy and procedures.

The Internal Audit Plan for 2024/25 was presented to the 26 March 2024 Joint Independent Audit Committee, with progress against the plan regularly reported throughout the year. The Head of Internal Audit concluded that, for the 2024/25 financial year, reasonable assurance may be awarded over the framework of governance, risk management and controls at the Police and Crime Commissioner and Chief Constable.

Internal Audit published three limited assurance reports during the year, relating to retention of staff, workforce planning and limited duties, which included four urgent recommendations to strengthen the control environment. The implementation of these and any other recommendations are monitored by the Joint Independent Audit Committee and are generally implemented as planned. As at 30 September 2025, the retention strategy and workforce planning recommendations are awaiting formal sign off, therefore two of the 2024/25 urgent recommendations remain outstanding.

## Exhibit E: Internal Audit made a total of 55 recommendations relating to 2024/25





## Local Government Reorganisation

Local Government Reorganisation is expected to pose challenges for local authorities over the next year. During this period of change, the Police and Crime Commissioner and Chief Constable must maintain essential services and fulfil statutory duties. According to the Ministry of Housing, Communities, and Local Government (MHCLG) guidance issued in July 2025, decisions made by the Police and Crime Commissioner and Chief Constable prior to reorganisation regarding ongoing service delivery and the medium-term financial strategy should focus on providing value for money for taxpayers and avoid limiting future decisions or sustainability of new bodies.

The government has stated that it will issue directions under section 24 of the 2007 Act after Structural Changes Orders are made, specifying a person authorized to give consent on relevant matters and outlining how this authority should be exercised. MHCLG has noted these directions will follow previous precedents, requiring written consent from the successor body for land disposals and contracts exceeding a specified value.

To comply with MHCLG guidance and forthcoming directions, the PCC, CC and statutory officers need to be aware of their responsibilities and ensure that appropriate accounting and governance systems are maintained.

## Failure to prevent fraud

The offence of failing to prevent fraud, as introduced by the Economic Crime and Corporate Transparency Act 2023, became effective on 1 September 2025. The Home Office has published statutory guidance (most recently updated in October 2025) which organisations must consider. This guidance outlines the core principles for establishing, reviewing, or enhancing anti-fraud procedures.

The Police and Crime Commissioner should review their existing fraud policy and procedures against the latest Home Office guidance. If this review has not yet taken place, it should be prioritised to ensure compliance with the Act and to mitigate the risk of enforcement action.



# VFM commentary: Improving economy, efficiency and effectiveness

## Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

## Significant risks identified during planning procedures

In our Audit Plan, we reported that we had yet to complete our detailed value for money planning. Having completed these planning procedures, we identified no risks of a significant weakness in the Police and Crime Commissioner and Chief Constable's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years in relation to improving economy, efficiency and effectiveness. The Police and Crime Commissioner and Chief Constable's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.



# Improving economy, efficiency and effectiveness considerations

## Financial and performance information

The Police and Crime Commissioner and Chief Constable have an array of performance metrics, including organisational goals for the next 12 months, across all aspects of its operations against strategic priorities that are set out in the Police and Crime Plan. Performance is reported in the PCC Accountability Meetings. Where performance is below plan, this is followed up on to seek the required improvements. Depending on the performance area, the Police and Crime Commissioner or Chief Constable will have oversight of the actions being identified and taken to address the areas identified for improvement.

Each police force is regularly inspected by HMICFRS and publishes its PEEL (police effectiveness, efficiency and legitimacy) report outlining its performance against a wide range of quality measures. The latest report was published in September 2024, where inspectors judged that Norfolk Constabulary is:

- Outstanding at recording crime;
- Good at preventing crime;
- Adequate at using police powers and public treatment, investigating crime, developing a positive workplace and leadership and force management; and
- Requires improvement in responding to the public, protecting vulnerable people and managing offenders.

There were no recommendations made in the PEEL report, however 17 areas for improvement were identified. The Constabulary responded positively to the findings with its response published on the Constabulary website. The PEEL report was also presented to the Police and Crime Commissioner Accountability Meeting in January 2025, with an agreed action plan to respond to the areas for improvement.

## Procurement and contract management

The Constabulary has a procurement strategy to ensure services and goods are procured in line with relevant legislation, professional standards and internal policies. Contract management arrangements monitor the delivery of services and goods.

The Seven Force Procurement Function has been created to support police procurement activity in seven police areas; Norfolk, Suffolk, Cambridgeshire, Essex, Bedfordshire, Hertfordshire and Kent. All procurement contracts over £50,000 will be managed by the Seven Force Procurement Function, with procedures covered by the Seven Force Procurement Contract Standing Orders. A Seven Force Strategic Procurement Policy has also been published.

## Partnership working

Norfolk and Suffolk Constabularies have been collaborating since 2010. The collaboration work has delivered in a number of joint units and departments in areas such as major investigations, protective services, custody, transport and IT. The Police and Crime Commissioners and Chief Constables of both Counties meet regularly through the attendance of Norfolk and Suffolk Collaboration Panel to consider issues of mutual interest and to monitor the collaborative work between the two forces and keeping the collaborating arrangements under review.

There are service level agreements for joint and collaboration working arrangements and formal protocols for entering new arrangements.



# 04 Appendices

## Recommendations brought forward from 2023/24

We did not make any recommendations as a result of our 2024/25 financial statements audit and value for money work. The table below sets out the recommendations arising from the prior year, 2023/24, and provides an update on progress made in the current year.

Recommendation	Progress made in 2024/25
The PCC should consider the timing of property, plant and equipment valuations in future years to minimise the risk of material changes occurring between the valuation date and 31 March.	Property, plant and equipment valuations were undertaken as at 1 January 2025 with an assessment made for any significant changes during the subsequent three months of the financial year.
The PCC and CC should resolve any issues with the payroll system interface and eliminate any remaining differences sitting within their control accounts.	Work is ongoing to resolve this issue. Testing of year-end payables identified that remaining differences total £2,400 as at 31 March 2025 in relation to income tax and national insurance. We will revisit the progress made during the 2025/26 audit.
The PCC should ensure that all lease agreements are approved and signed before the commencement of the lease to which they relate.	Whilst we did not identify any issues within the sample of leases tested in 2024/25, management continue to review all leases to ensure that formal lease agreements are in place. We will revisit the progress made during the 2025/26 audit.

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Office of the Police and Crime Commissioner for  
Norfolk and Chief Constable of Norfolk  
Constabulary

Summary Internal Controls Assurance (SICA) Report

March 2026

## Summary Internal Controls Assurance

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### Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Office of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary at the 17<sup>th</sup> March 2026.

### Eco SMART

2. The UK public sector is facing increasingly structured and ambitious expectations around climate sustainability, driven by national policy, regulatory frameworks and public accountability. This is at a time when public funding is being stretched, with competing priorities and major reforms are taking place.

#### Key Themes for Sustainability and Implications

**Materiality and Accountability** – Sustainability goals, practices and information must be relevant to primary users and reflect significant risks or opportunities that the organisation faces.

**Integration** – The sustainability ambitions must be embedded across strategy, operations and governance, rather than siloed to areas of interest or knowledge.

**Local Flexibility and National Alignment** – organisations are encouraged to tailor climate strategies to local contexts while contributing to national targets.

**Funding and Capacity Building** – Multi-year funding, regulatory reform and skills development are critical enablers to effectively deliver climate sustainability goals, within financial, knowledge and resource constraints.

#### Next Steps

1. Review current sustainability practices, strategies and expectations.
2. Identify materiality, relevance, funding gaps and capacity needs in order to achieve the organisational objectives in relation to climate sustainability.
3. Engage Eco Smart to support assurance that expected objectives can be realised.

Find out more by clicking on this link: [Eco SMART - TIAA](#)

### Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

*Audits completed since previous SICA report*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Risk Management	Reasonable							
Estates Strategy	Reasonable							

4. The Executive Summaries for each of the finalised reviews are included at Appendix A.

### Reports that are currently at draft report stage and awaiting management comments to finalise

5. The table below sets out the reports that are at draft report stage that are awaiting management comments to finalise.

*Audits currently at draft report stage*

Review	Comments
Change Management	Awaiting management comments to finalise
Key Financials Controls	Awaiting management comments to finalise

### Progress against the 2025/26 Annual Plan

6. Our progress against the Annual Plan for 2025/26 is set out in Appendix B.

### Changes to the Annual Plan 2025/26

7. There have been no changes to the 2025/26 internal audit plan.

### Progress in actioning priority 1 & 2 recommendations

8. The recommendation trackers are provided for the Committee, shown in Appendix C which shows the status of outstanding recommendations.

### Frauds/Irregularities

9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

### Responsibility/Disclaimer

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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## Appendix A: Executive Summaries

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The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request.

Review	Assurance Level
Risk Management	Reasonable Assurance
Norfolk Estates Strategy	Reasonable Assurance

# Executive Summary – Risk Management

OVERALL ASSESSMENT



REASONABLE ASSURANCE

ACTION POINTS

HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
0	3	2	5

## KEY STRATEGIC FINDINGS

C	There is an up-to-date joint risk management policy and supporting joint risk management procedure in place. These documents contain appropriate information on risk management but would benefit from additional guidance at their next update.
C	There is currently no risk appetite statement but plans to introduce this are outlined in the risk management procedure following embedding of risk tolerance.
C	Performance reports do not currently include risk related metrics; the Strategic Risk Register is presented as a standalone document. The review of governance will advise on integrating risk into performance reporting.
C	There is currently no operational group for peer review and challenge. The two new Deputy Chief Constables are currently reviewing the governance structure and will propose the best forum.
PM	The two Strategic Risk Registers for Norfolk and Suffolk constabularies are regularly reported to chief officer meetings and the Office of the Police and Crime Commissioners (OPCCs) meetings.

SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
<p>The review considered the effectiveness of risk management process. The review considered the constabularies risk management arrangements. The review covered the structures and processes put in place to ensure effective Risk Management across the organisations - including embedding risk, risk identification, and risk mitigation. The review also included a deep dive into a sample of risks to review the mitigating actions and assurance.</p> <p>The Risk Management Framework informs the completion of the Annual Governance Statement and is a fundamental area for consideration when developing annual Head of Internal Audit Opinion.</p> <p>The review focused on the following areas:</p> <ul style="list-style-type: none"> <li>Existence of an up to date and approved Integrated Risk Management Framework and Strategy.</li> </ul>	<p>Appropriate risk management framework is in place.</p>

- Consideration as to the mechanism for identifying and managing risks across both Norfolk and Suffolk Constabularies.
- Review the Risk Management Framework and related governance processes to assess whether they support the achievement of organisational objectives; and that the document is comprehensive and aids management to focus on key issues.
- Oversight and reporting of Assurance and Controls by appropriate committees.
- Review compliance with risk management governance arrangements and processes.
- Effectiveness of risk management training.

## Assurance - Key Findings and Management Action Plan (MAP)

Id	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2057	PM	The two Strategic Risk Registers for Norfolk and Suffolk constabularies are regularly reported to chief officer meetings and the Office of the Police and Crime Commissioners (OPCCs), with an update on changes since the last version, as described in the risk management policy and procedure and the two PCCs' Schemes of Governance and Consent. Operational risk registers are not reported and there are no themed reports.	Themes from operational risk registers to be reported to an executive group, to be nominated as part of the current governance review.	2	<i>This will form part of the governance review being overseen by the DCCs which concludes in April 26. The implementation date allows for a period of embedding.</i>	31/10/26	Head of Strategic Change & Portfolio Management
2069	C	There is currently no risk appetite statement but plans to introduce this are outlined in the risk management procedure following embedding of risk tolerance.	A workshop to be held with senior managers to develop a risk appetite statement.	2	<i>Delivery will follow a 'bedding in' period post governance review.</i>	31/12/26 (aligned to planning cycle)	Head of Strategic Change & Portfolio Management And Risk and Compliance Manager
2079	C	There is currently no operational group for peer review and challenge. It is planned that Joint Chief Officer Team meeting (JCOT) takes on this role. The two new Deputy Chief Constables are currently reviewing the governance structure and will propose the best forum.	An operational peer group for risk management to be established.	2	<i>This will form part of the governance review being overseen by the DCCs which concludes in April 26. The implementation date allows for a period of embedding.</i>	31/10/26	Head of Strategic Change & Portfolio Management

Id	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2068	C	<p>A Strategic Risk Register is maintained for each constabulary along with operational commands and organisational departments risk and issues logs, all held on excel. Each has a useful guidance tab to help risk owners update.</p> <p>Risks and issues are articulated and scored appropriately, with regular review and challenge by the Risk and Compliance Manager. Strategic risks and format of the SRR have been reviewed in year.</p> <p>Controls in the risk and issue logs are a mix of controls and mitigations.</p>	Consider controls and mitigations to be separated in risk registers, with mitigations having owners and timescales for better tracking.	3	<p><i>The benefits of separating controls and mitigations will be considered post governance review. This is a significant amount of work for the risk owners and Risk Manager to undertake. If the constabularies decided to implement, then a pilot area will be identified and an iterative approach taken focusing on red and new risks first. Ownership and timescales for mitigations are currently requested, and the Risk Manager will continue to ensure managers are aware of this requirement to improve compliance.</i></p>	31/10/26	Risk and Compliance Manager
2080	RM	There are no constabulary internal fraud / corruption risks identified.	A fraud-related risk to be added to an operational risk register.	3	<p><i>The Risk Manager will ask PSD to record an appropriate risk within their Risks &amp; Issues Log.</i></p>	30/04/26	Risk and Compliance Manager

## Operational - Effectiveness Matter (OEM) Action Plan

Id	Root Cause Indicator	Finding	Suggested Action	Management Comments
2064	C	There is an up-to-date joint risk management policy and supporting joint risk management procedure in place. These documents contain appropriate information on risk management but would benefit from additional guidance at their next update	Consider adding further information to the risk management policy and procedure at the next update: <ul style="list-style-type: none"> <li>• More impact descriptors to allow the risk owner to better judge impact/consequence</li> <li>• The risk appetite statement once approved</li> <li>• The role of an executive group in risk review (such as JCOT) once agreed</li> </ul>	<i>The policy and procedure will be updated to include the appetite statement and details of the executive group once this has been confirmed and the appetite set.</i>
2075	C	The Risk Management procedure outlines areas of assurance in line with the three lines of defence model, though this is not reflected in the risk registers, where a RAG approach is used. A 4 x 4 matrix is currently used for scoring risks.	Consider organising the controls and the assurance model into three lines of defence in risk registers. Consider use of a 5 x 5 matrix.	<i>We will consider how to best to embed assurance into the framework and the use of a 5 x 5 matrix as part of continuous improvement.</i>
2076	C	Risk is considered in strategic planning and in the development of the constabularies' strategic plans and the Police and Crime plans. The new strategic risk register format references these priorities in a later column, but risks are not directly aligned to strategic objectives.	Consider moving the strategic objectives to the left-hand column of the strategic risk register template to better identify risks to delivery of strategic plans.	<i>Agreed this will help the flow of the document. To be implemented by the Risk Manager once the governance review is complete to ensure any changes fully align with senior officer expectations.</i>
2077	C	Performance reports do not currently include risk related metrics; the Strategic Risk Register is presented as a standalone document.	Consider including risk related metrics in performance reports.	<i>This will form part of the governance review being overseen by the DCCs which concludes in April 26.</i>
2408	C	The risk and issue logs do not include target risk scores.	Consider adding target scores to risk and issue logs.	<i>This will be considered once the concept of risk tolerance is fully embedded.</i>

# Executive Summary – Norfolk Estate Strategy

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Effective estate is maintained.

## SCOPE

The review considered the controls in place to ensure the estate is effectively managed, and to ensure appropriate estate strategy is in place.

The audit reviewed the following key areas:

- An appropriate and current Estates Strategy is in place. The Estates management strategy considers sustainability objectives.
- Policies and procedures in place to support delivery of the agreed estates management strategy.
- Monitoring arrangements in place in relation to delivery against agreed estates management strategy.
- Governance and accountability arrangements are in place.
- Monitoring and reporting.

## KEY STRATEGIC FINDINGS



Norfolk has a Carbon Reduction & Environmental Action Plan 2022-2025/2030, this sets out Norfolk's strategic direction to reduce carbon emissions in line with UK government policy whilst continuing to support the Norfolk strategic plan.



Statutory checks have been identified, records of checks to be undertaken and checks that have been completed are maintained. Appropriate contractors have been assigned to undertake the appropriate statutory checks.



Contracts are in place with contractors who undertake the necessary statutory checks, there would be benefit in ensuring that contracts with contractors covers AI



Progress against the Estates Strategy is monitored updates are provided to the Estates and Sustainability Board. Updates have been provided at designated



The risk of failure to achieve carbon reduction targets has been identified as a risk for both Norfolk and Suffolk constabularies.



Norfolk Constabulary and the Office of the Police and Crime Commissioner for Norfolk need to review contracts with contractors to ensure that it has a section on AI, and to ensure it is clear if AI can be used and for what purpose.

## GOOD PRACTICE IDENTIFIED



Checks are undertaken to ensure contractors are competent, vetted and undertaking works in a safe manner in accordance with statutory requirements.

## ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	2

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Progress against the Norfolk Estate strategy is formally monitored. The standard progress reports cover updates on;</p> <ol style="list-style-type: none"> <li>1. Estates Major Work</li> <li>2. Estate sales</li> <li>3. Bluelight Integration,</li> <li>4. Wymondham OCC Modern Workplace,</li> <li>5. PFI Wymondham update,</li> <li>6. PFI-Police Investigation Centres updates,</li> <li>7. Estate Contracts,</li> <li>8. Carbon reduction works</li> <li>9. Biodiversity – Practical Action updates.</li> </ol> <p>Whilst updates are provided against the nine standard areas, there are not always target completion for each action recorded under the standard areas, and this therefore makes it harder to track and to ensure projects remain on target.</p>	A Biodiversity Action plan to be developed to help monitor performance against the Biodiversity Strategy.	3	We will further update the Annual Performance Plan to provide additional context on our biodiversity practical work.	01/09/26	Head of Estates
2	Delivery	<p>A monthly performance pack is produced covering Shared Services performance.</p> <p>The Estates and Facilities update report covers statutory maintenance, separate areas of statutory compliance are not reported against, all statutory items are reported against collaboratively, there would be benefit in statutory items being broken down separately as it is hard to establish if an area of compliance had a specific concern.</p>	<p>The shared service performance pack to have statutory compliance figures broken down for each statutory compliance area.</p> <p>Performance report to include target for each area and actual performance to reported against each target.</p>	3	We will re-provide our quarterly updates to the Joint H&S Committee on our statutory estates & facilities maintenance.	01/09/26	Head of Estates.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>Statutory checks have been identified, records of checks to be undertaken and checks that have been completed are maintained.</p> <p>Contractors have been assigned to undertake the appropriate statutory checks. Contracts are in place with contractors who undertake the necessary statutory checks, there would be benefit in ensuring that contracts with contractors covers AI.</p> <p>Norfolk Constabulary need to review contracts to ensure that it has a section on AI, and to ensure it is clear if AI can be used and for what purpose.</p>	<p>Contracts to be reviewed so that it is clear how AI is being used by contractors, and agreement to be reached as to what (if any) AI can be used.</p>	<p><i>We will review this inline with guidance from our Information Management Department. For 01/11/26</i></p>
2	Directed	<p>Controls and control measures have been identified for each risk/issue on the joint estates risk and issue log, but the dates for completion of controls/control measures are not included.</p> <p>Dates to be included so it is evident which controls/control measures are in place and which controls/control measures are still to be introduced.</p>	<p>Dates for control and/or control measures to be recorded for each risk so it can be distinguished what controls are in place and which controls are to be implemented.</p>	<p><i>We have arranged to review the Estates Risk Register with the assistance of the Risk Manager Paul Hudson. Estimated completion 01/05/26.</i></p>

## Appendix B: Progress against Annual Plan

### 2023/24 Plan – Reports issued since 1<sup>st</sup> April 2024

System	Audit Days	Planned Quarter	Current Status	Audit Committee Reporting	Comments
23/24 Out of Court Disposals (OOCs)	12	3	Final report – issued 25/06/24	July 2024	Private report. Reported July 2024
22/23 Security of Seized Proceeds of Crime (Cash and Assets)	10	2	Final report issued	July 2024	Private report.
23/24 Staff Appraisals	12	2	Final report issued	July 2024	
23/24 Data Quality	12	3	Final report issued	July 2024	
23/24 Procurement Strategy and Compliance	12	3	Final report	September 2024	
22/23 Agile Working	10	2	Final report	September 2024	
22/23 Firearms Licensing	10	3	Final report	September 2024	Private report.
22/23 Resource Management Unit	10	3	Final report	September 2024	
22/23 Succession Planning	10	2	Final report	September 2024	
23/24 Key Financial Controls	16	4	Final report	September 2024	
23/24 New E-recruitment systems	16	2	Final report	September 2024	
22/23 Vetting	10	4	Final report	February 2025	
22/23 Commissioners Grants	10	2	Final report	February 2025	
22/23 Community Safety Partnership	12	3	Final report	July 2025	Norfolk OPCC only – Private report.

## 2024/25 Plan

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
23/24 Limited Duties	16	2	25/06/2024	February 2025	Final report issued	Reported in private part of the Audit Committee
24/25 Corporate and HR Policies	13	2	27/08/2024	December 2024	Final report issued	
23/24 Risk Management	10	4	30/07/2024	December 2024	Final report issued	
24/25 Recruitment and Induction Training	15	2	01/10/2024	February 2025	Final report issued	
24/25 Fleet Maintenance	16	2	01/10/2024	February 2025	Final report issued	
24/25 Payroll	15	2	22/11/2024	March 2025	Final report issued	
24/25 Key Financial Controls	25	4	21/01/2025	March 2025	Final report issued	
23/24 Culture and Required Behaviour	12	2	25/06/2024	July 2025	Final report issued	
24/25 Workforce Planning	12	2	21/11/2024	July 2025	Final report issued	
24/25 Retention of Staff	15	3	18/02/2025	July 2025	Final report issued	
22/23 Data Protection / Freedom of Information	10	2	07/01/2025	July 2025	Final report issued	
23/24 Fleet Management Strategy	12	4	01/04/2025	July 2025	Final report issued	
24/25 Contract Business Continuity	16	4	01/04/2025	July 2025	Final report issued	
24/25 Safeguarding	12	4	27/01/2025	October 2025	Final report issued	
24/25 Complaints	12	4	25/02/2025	October 2025	Final report issued	
22/23 ICT Strategy combined with ICT Project Management	22	2	16/12/2024	October 2025	Final report issued	
22/23 ICT Cyber Security Maturity	22	2	14/11/2024	February 2026	Final report issued	
24/25 Commissioner and Partnerships	18	4	17/02/2025	Next Audit Committee	Draft report stage	
22/23 Change Management	10	3	10/02/2025	June 2026	Draft report issued	Moved to the 2025/26 audit plan at the request of management. Agreed start date of 10 <sup>th</sup> February 2026 has been agreed.
Follow Up	12	All				

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
Annual Planning	2	All				
Annual Report	2	All				
Audit Management	24	All				
<b>Total b/fwd Days</b>	<b>130</b>					
<b>Total 2024/25 Days</b>	<b>211</b>					

## 2025/26 Plan

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
Performance Management Framework	16	1	11/06/2025	October 2025	Final report issued	
Corporate Governance Structure	20	1	15/07/2025	February 2026	Final report issued	
Communication Strategy	12	2	26/08/2025	February 2026	Final report issued	
Procurement Strategy and Compliance including waivers	20	2	08/09/2025	February 2026	Final report issued	
Contract Management	12	2	22/09/2025	February 2026	Final report issued	
Asset and Capital Management	18	2	01/10/25	February 2026	Final report issued	
Police Investigating Centres (PICs).	20	1	25/06/2025	Next Audit Committee	Fieldwork in progress	Visits are being undertaken throughout the year
Data Quality	15	2	17/09/2025	Next Audit Committee	Fieldwork in progress	Fieldwork in progress
Estate Strategy	15	3	07/10/2025	Next Audit Committee	Draft report issued	
Risk Management (for constabularies and office of the police and crime commissioners offices)	14	3	25/11/2025	Next Audit Committee	Draft report issued	
Key Financials Controls	25	4	26/01/2026	Next Audit Committee	Fieldwork in progress	
Limited Duties	20	4	29/01/2026	Next Audit Committee	Fieldwork in progress	Moved to Q4 at management request, fieldwork complete
Body Worn Cameras	14	4	17/02/2026	Next Audit Committee	Fieldwork in progress	Fieldwork complete
Learning and Development	14	4	24/02/2026	Next Audit Committee	Fieldwork in progress	Fieldwork in progress
Follow-up	12					Follow-up ongoing and undertaken throughout the year
Annual Planning	2					Audit planning complete for 2025/26 and has commence for 2026/27

System	Audit Days	Planned Quarter	Agreed Start Date	Audit Committee Reporting	Current Status	Comments
Annual Report	2					
Audit Management	24					Audit management ongoing and undertaken throughout the year
<b>Total Plan</b>	<b>275</b>					

## Appendix C: Recommendations Status as at the 13<sup>th</sup> March

### Recommendations Summary:

Audit	Implemented / No longer relevant since last Audit Committee	Overdue	Comments
Recruitment and Induction Training		1	Recommendation is now overdue
Retention of Staff		1	Revised date has been requested
Fleet Management Strategy		4	Revised dates have been requested
Contract Management	2		
Procurement Strategy and Compliance including waivers	1		
<b>Total Recommendations</b>	<b>3</b>	<b>6</b>	

Recommendations implemented since the last Audit Committee meeting:

Audit	Recommendation	Priority	Management Comments	Responsible Officer	Update
25/26 Contract Management	Management to ensure that all contract documents including variations and call-off contracts, are appropriately reviewed, signed, and dated by delegated officers. A periodic review process to be implemented to confirm that all contract records are complete and updated.	2	A periodic audit of contract info on Atamis will be conducted to identify any issues. Staff will also be reminded of the need for ensuring documents are fully completed and uploaded to the system.	Senior Commercial Support Manager.	This has been addressed, periodic audits are being undertaken and will continue to be undertaken. Any training needs are identified and addressed accordingly following the audits.
25/26 Contract Management	Management to review and update the contract register to ensure that all contract terms such as stakeholders, contract status, start and end dates are complete and accurate.	3	A periodic audit of contract info on Atamis will be conducted to identify any issues. Staff will also be reminded of the need for fields are populated and reflect the current status. are fully completed and uploaded to the system.	Senior Commercial Support Manager.	This has been addressed, staff were reminded of the need to ensure correct information is recorded, in addition regular review of contract register is being undertaken and will continue to be undertaken. Any issues will be identified and will be escalated accordingly and training provided to address.
25/26 Procurement Strategy and Compliance including waivers	Ensure that the correct method of executing a contract is used, in line with Contract Standing Orders.	3	This was a one off error, the member of staff has been reminded of the need to execute a deed in future.	Senior Commercial Support Manager.	This has been addressed, additional training has been provided.

Recommendations overdue:

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date	Responsible Officer	Progress
24/25 Retention of Staff	The Retention Strategy and/or supporting procedure, to be expanded to include the retention initiatives, roles and responsibilities, training and support, monitoring arrangements and how outputs will be used to improve turnover and retention for both police officers and staff.	1	The strategy can be amended to make reference to the stay and say initiative, but the additional narrative is too detailed for a strategy. All details are contained in the scheme information which can be published on the intranet. To support the delivery of the Retention Strategy we intend to develop an action plan which will incorporate say and stay and exit interview data.	31/08/2025	31/12/25 & 31/07/26	Head of Strategy and Planning	The removal of the police uplift target and the publication of the white paper has resulted in a need to review and update the Strategic Workforce Plan which reflects these changes.  Progress is made aa
23/24 Fleet Management Strategy	A detailed plan to be developed stating when vehicles are to be replaced so that progress can be monitored appropriately.	2	Head of Transport and Uniform Services to attend Joint Chief Officer Team meeting to determine programme for change.	31/12/25	31/03/26	Joint Head of Transport	A detailed plan has been developed, a monitoring framework is in the process of being developed so performance can be monitored.
23/24 Fleet Management Strategy	A detailed plan to be developed covering rollout of charge-points across the estate. The plan to identify exactly how many are needed, where they need to be placed and when they are due to be put in so that progress can be monitored.	2	Head of Transport and Uniform Services to attend Joint Chief Officer Team meeting to determine programme for change.	31/12/25	31/03/26	Joint Head of Transport	A detailed plan has been developed, a monitoring framework is in the process of being developed so performance can be monitored.
23/24 Fleet Management Strategy	Work to continue to electrify the fleet, there are potential savings that can be achieved from electrifying the fleet. In addition, there is a risk that parts will not	2	Original replacement target set out in interim Transport Strategy, no longer relevant due to insufficient budget being available. Links to Recommendation 2 above.	31/12/25	31/03/26	Joint Head of Transport	Revised targets are being agreed, aligns with nee budget from 1 <sup>st</sup> April.

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date	Responsible Officer	Progress
	be available for non-electric vehicles.						
23/24 Fleet Management Strategy	Once detailed plan identifying charging points has been developed, implementation against this plan to commence.	2	Head of Transport and Uniform Services to attend Joint Chief Officer Team meeting to determine programme for change.	31/12/25	31/03/26	Joint Head of Transport	Revised targets are being agreed, aligns with need budget from 1 <sup>st</sup> April.
24/25 Recruitment and Induction Training	Develop a Probation Policy or procedure to document the current process or add this information to the existing policy/framework.	2	A Probation Procedure will be developed, which will draw together existing documentation. This will focus on police staff and transferees given the Student Police Officer policy.	30/09/25		HR Manager	Work is ongoing to address this.

## Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Office of the Police and Crime Norfolk and Chief Constable of Norfolk Constabulary is given below:

### Summary of recent Client Briefings and Alerts

Date Issued	Briefing Type	Subject	Website Link	TIAA Comments
30 January 2026	Client Briefing	Safeguarding Culture, Learning and Multi-Agency Practice Briefing	<a href="#">Safeguarding Culture, Learning and Multi-Agency Practice Briefing - TIAA</a>	This briefing summarises key insights from a conversation with safeguarding specialist Peter Stride, drawing on his experience chairing Domestic Abuse-Related Death Reviews, Safeguarding Adult Reviews and Children’s Reviews. It highlights the cultural, organisational and multi-agency factors that drive safeguarding success — and failure — across health, social care, local government and emergency services.
23 January 2026	Podcast	Safeguarding Culture, Learning and Multi Agency Practice Podcast	<a href="#">Safeguarding Culture, Learning and Multi Agency Practice Podcast - TIAA</a>	This podcast features a discussion between TIAA Directors Veran Patel and Fiona Roe, alongside safeguarding specialist Peter Stride, who draws on his extensive experience chairing Domestic Abuse Related Death Reviews, Safeguarding Adult Reviews and Children’s Reviews. The conversation explores the cultural, organisational and multi-agency factors that contribute to both success and failure in safeguarding across health, social care, local government and emergency services.
22 January 2026	Data Protection Alert	Police Rollout of Live Facial Recognition	<a href="#">Police Rollout of Live Facial Recognition - TIAA</a>	Thames Valley Police has commenced the deployment of live facial recognition (LFR) technology in Oxford and the wider Thames Valley area, including the operation of specialised LFR vans in public spaces. The force states the rollout is intended to support frontline policing, enabling the rapid identification of wanted suspects and missing persons.

Date Issued	Briefing Type	Subject	Website Link	TIAA Comments
21 January 2026	Anti-Crime Alert	Rising Fraud in IT Asset Management and Disposal	<a href="#">Rising Fraud in IT Asset Management and Disposal - TIAA</a>	TIAA Anti-Crime Specialists have been alerted to vulnerabilities in the management and disposal of assets. Employees of organisations are misappropriating IT equipment (laptops, mobile phones and iPads), which are then sold via both online selling platforms and physical shops.
15 January 2026	Anti-Crime Alert	SFO Investigation into Home REIT – Key Risks and Support Available	<a href="#">SFO Investigation into Home REIT – Key Risks and Support Available - TIAA</a>	The Serious Fraud Office’s recent investigation into former Home REIT management — involving arrests linked to an estimated £300m fraud — highlights significant risks for organisations working with supported housing providers.



Office of the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies

Indicative Audit Strategy 2025/29 and Annual Plan 2026/27

February 2026

Revised Draft

## Executive Summary

### Introduction

The Audit Plan for 2025/26 has been informed by a risk assessment carried out across our clients in the sector and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks. This coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

### Key Risk Considerations

We have identified a number of key areas which require consideration when planning internal audit coverage.

**Macroeconomic and Financial Environment:** The UK economy continues to be impacted by a sequence of significant events including high interest rates, and ongoing global conflict. Increased costs and funding gaps provide a challenging financial situation and a weakening financial position for many organisations. Boards should closely monitor financial positions and covenant compliance. The increase in employers NI will have financial impacts for employers, which may have impact on third sector organisations who might struggle and leave a gap in service provision.

**New Tech and AI:** The speed of AI growth has been rapid recently. The rapid integration of AI into services offered by major technology companies means the safe adoption of all AI into the organisation operations will be a key issue for Boards.

**Cyber Security:** This continues to be one of the highest ranked risks for the sector and shows no sign of going away. The velocity and volume of cyberattacks climbed sharply over the past few years. Remote and hybrid working and increased online service delivery increases vulnerability for Registered Providers.

**Net Zero Strategies:** Climate Change and Global warming can lead to physical, operational, financial and reputational risks. Decarbonisation of existing stock / offices and developing net zero properties will become a focus for the asset management programmes. Sustainability is now a high agenda item with OPCC and constabularies further developing their sustainability goals.

**People and Culture:** The continuing fallout from the COVID-19 pandemic remains a major challenge for the shifting expectations of work. Workers in all age groups are

continuing to seek a better work life balance, access to learning and development, a greater focus on employee well-being and for the organisations in which they worked to demonstrate strong social values.

### Audit Strategy Methodology

In producing this audit strategy and annual plan, we have sought to build on our understanding of Office of the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies operating environment and risk profile through a review of key documentation and discussions with key staff.

We have taken into account:

- The regulatory and legislative framework
- Office of the Police and Crime and Commissioners' and Constabulary's risk register
- External sources of assurance
- Previous Internal Audit coverage

We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately prioritised and focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

### Our approach complies with the requirements of the IIA Global Internal Audit Standards (Appendix C)

### Internal Audit Strategy and Plan

The Audit Strategy at Appendix A incorporates the proposed annual plan for 2026/27 and the indicative coverage for the following two years.

The Annual Plan at Appendix B sets out the assignments that will be carried out in 2026/27, the planned times and the high-level scopes for each of these assignments.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation; this will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Office of the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies. Where Office of the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer/s and will be clearly set out in the terms of reference for the additional review(s).

### **Adequacy of the planned audit coverage**

The reviews identified in the audit plan support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Office of the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk

Constabularies framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

### **Disclaimer**

This document has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent.

No responsibility to any third party is accepted as the document has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this document and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our document.

### **Release of Report**

The table below sets out the history of this plan.

<b>Draft Strategy and Plan:</b>	4 <sup>th</sup> February 2026
<b>Revised Draft Strategy and Plan:</b>	17 <sup>th</sup> February 2026
<b>Final Strategy and Plan:</b>	



Review Area	Review Area	Risk Register Reference	Type	Period of Last Audit	Previous Assurance	Plan Inclusion Rationale	2026/27	2027/28	2028/29
Disaster Recovery	All	NSRR 5 & SSRR 6	Assurance	N/A	N/A	High risk area	✓		
Cyber Security Maturity Assessment	All	NSRR 5 & SSRR 6	Advisory	2024/25	Highest rating awarded	Recently subject to audit. This will be considered for later audit year, included as an audit in three-year strategy.			✓
ICT Strategy	All	NSRR 5 & SSRR 6	Assurance	2023/24	Reasonable assurance	Recently subject to audit. This will be considered for later audit year, included as an audit in three-year strategy.			✓
Use of AI	All	NSRR 5 & SSRR 6	Advisory	N/A	N/A as new audit area	Significant area, rapid changing area	✓		
<b>Finance</b>									
Key Financial Controls	All	NSRR 7 & SSRR5	Assurance	2025/26	Substantial assurance (2024/25 opinion, 2025/26 audit in progress)	Mandatory audit that is needed to provide head of internal audit opinion.	✓	✓	✓
Payroll	All	NSRR 7 & SSRR5	Assurance	2024/25	Reasonable assurance	Recently subject to audit. This will be considered for later audit year, included as an audit in three-year strategy.		✓	
Budgeting & Financial Resilience	All	NSRR 7 & SSRR5	Assurance	2020/21	Substantial assurance	High risk area due to challenging financial environment.	✓		

Review Area	Review Area	Risk Register Reference	Type	Period of Last Audit	Previous Assurance	Plan Inclusion Rationale	2026/27	2027/28	2028/29
Procurement Strategy and Compliance including waivers	All	NSRR 7 & SSRR5	Assurance	2025/26	Reasonable assurance	Recently subject to audit. This will be considered for later audit year, included as an audit in three-year strategy.			✓
Expenses and Overtime Payments	All	NSRR 7 & SSRR5	Assurance	2023/24	Reasonable assurance	High risk area, financial climate makes this a high-risk area.	✓		
<b>Operational Performance and Infrastructure</b>									
Estates Strategy	All	NSRR 8 & SSRR 6	Assurance	2025/26	Reasonable assurance	Recently subject to audit. This will be considered for later audit year, positive assurance in previous audit.			✓
Planned and Preventative Estate Maintenance	All	NSRR 8 & SSRR 6	Assurance	2023/24	Reasonable assurance	To be audited as part of the cyclical programme.		✓	
Fleet Maintenance	All	NSRR 8 & SSRR 6	Assurance	2024/25	Reasonable assurance	To be audited as part of the cyclical programme.		✓	
Fleet Management Strategy	All	NSRR 8 & SSRR 6	Assurance	2024/25	Reasonable assurance	Recent audit completed, to be audited as part of cyclical programme.			✓
Safeguarding	All	NSRR 9, SSSR3	Assurance	2024/25	Reasonable	To be audited as part of the cyclical programme.			✓
Firearms Management and Training	All	NSRR 9, & SSR3	Assurance	2023/24	Reasonable	High risk area.	✓		

Review Area	Review Area	Risk Register Reference	Type	Period of Last Audit	Previous Assurance	Plan Inclusion Rationale	2026/27	2027/28	2028/29
Firearms Licensing	All	NSRR 2, NSRR 3, NSRR4, NSRR 5 SSRR1 & SSRR 2	Assurance	2023/24	Reasonable assurance	Alternates between officer licences and public licences, as part of the cyclical programme. This is high risk area.	✓		
Data Quality	All	NSRR 3 & SSRR 7	Assurance	2025/26	Reasonable assurance (this was 2023/24 opinion as 2025/26 audit in progress)	To be audited as part of the cyclical programme.		✓	
Data Governance	All	NSRR 3 & SSRR 7	Assurance	n/a	This is a new audit area	High risk area	✓		
Sustainability	All	NSRR 8, NSRR 9, NSRR 10, SSRR5 & SSRR6	Assurance	2023/24	Reasonable assurance	High risk area		✓	
Health and Safety – Employers	All	NSRR 9 & SSRR 3	Assurance	2020/21	Reasonable assurance	High risk area	✓		
Out of Court Disposals	Constabularies	NSRR1 & SSRR4	Assurance	2023/24	Reasonable assurance	To be audited as part of the cyclical programme.		✓	
Engagement and partnership working	All	All risks	Assurance	N/A	N/A as new audit area	Significant area, rapid changing area			
Digital Investigations	Constabularies	SSR3 NSRR8	Assurance	N/A	N/A as new audit area	Significant area, rapid changing area	✓		
Prevention - effectiveness of arrangements to reduce the likelihood of re-offending.	Constabularies	NSRR 9 & SSRR 4	Assurance	n/a	N/A as new audit area	Significant area, rapid changing area	✓		

Review Area	Review Area	Risk Register Reference	Type	Period of Last Audit	Previous Assurance	Plan Inclusion Rationale	2026/27	2027/28	2028/29
Security of Seized Proceeds of Crime (Cash and Assets)	Constabularies	NSRR 1 & SSRR 4	Assurance	2023/24	Reasonable assurance	To be audited as part of the cyclical programme.		✓	
Control Room	Constabularies	NSRR 1, NSRR 2, NSRR 4, NSRR 5, NSRR6, NSRR 8 & SSRR 3	Assurance	2021/22	Reasonable assurance	To be audited as part of the cyclical programme.		✓	
							✓		
Culture and Required Behaviour	All	NRR11, SSRR1 & SSRR 2	Assurance	2023/24	Reasonable assurance	High risk area	✓		
<b>Workforce</b>									
Vetting	All	NSRR 1, NSRR 2, SSRR 1 & SSRR 3	Assurance	2023/24	Reasonable assurance	To be audited as part of the cyclical programme.		✓	
Limited Duties	All	SSRR1, NSRR3 & NSRR 6	Assurance	2025/26	Limited assurance (2024/25 opinion as 2025/26 audit in progress)	Previous limited assurance audit, to be re-audited to ensure appropriate progress has been made, as key risk area.		✓	
Staff Retention	All	SSRR1, NSRR3 & NSRR 6	Assurance	2024/25	Limited assurance	Included in 2026/27 plan to ensure appropriate progress has been made.		✓	
Recruitment and Training	All	SSRR1, NSRR3 & NSRR 6	Assurance	2024/25	Reasonable assurance	To be audited as part of the cyclical programme.		✓	

Review Area	Review Area	Risk Register Reference	Type	Period of Last Audit	Previous Assurance	Plan Inclusion Rationale	2026/27	2027/28	2028/29
Learning and Development	All	SSRR1, NSRR3 & NSRR 6	Assurance	2025/26	Reasonable assurance (2023/24 opinion as 2025/26 audit at planning stage)	Key risk area, and due as part of the cyclical audit programme.			✓
Succession Planning	All	NSR1, SSR1	Assurance	2023/24	Reasonable assurance	Included in 2026/27 plan to link with other HR audits.	✓		
Workforce Planning	Constabularies	NSR1, SSR1	Assurance	2024/25	Limited assurance	Included in 2026/27 plan to ensure appropriate progress has been made.	✓		
Resource Management Unit	All	NSR1, SSR1	Assurance	2023/24	Reasonable assurance	Key risk area, and due as part of the cyclical audit programme.		✓	
<b>Management and Planning</b>									
Follow Up	All		Follow Up				✓	✓	✓
Annual Planning	All		Management				✓	✓	✓
Annual Report	All		Management				✓	✓	✓
Audit Management	All		Management				✓	✓	✓
<b>Total Days</b>							<b>275</b>	<b>275</b>	<b>275</b>

**Audit Areas to be considered for future years beyond the three-year proposed internal audit strategy**

Review Area	Review Area	Type	Period of Last Audit	Previous Assurance
MoPI Compliance	All	Assurance	2020/21	Reasonable
Complaints	All	Assurance	2024/25	Reasonable
Culture and Required Behaviour	All	Assurance	2023/24	Substantial
Corporate and HR Policies	All	Assurance	2024/25	Substantial
Business Continuity including Emergency Planning	All	Assurance	2023/24	Reasonable
Use of social media	All	Assurance	2022/23	Reasonable
ICT – Support for New Projects	All	Assurance	2023/24	Reasonable
Contract Business Continuity	All	Assurance	2024/25	Reasonable
Agile Working	All	Assurance	2023/24	Reasonable
Capital Programme	All	Assurance	2021/22	Substantial
Police Dogs	All	Assurance	2021/22	Reasonable
Fuel usage and security of fuel cards	All	Assurance	2023/24	Substantial
Staff Appraisals	All	Assurance	2023/24	Reasonable
Grievance Management and Reporting	All	Assurance	2023/24	Reasonable
Ill Health Retirement	All	Assurance	2023/24	Reasonable
Workplace Health	All	Assurance	2022/23	Reasonable
Subscriptions	All	Assurance	2023/24	Substantial
Business Interest, Secondary Employment and Declaration of Interest	All	Assurance	2023/24	Reasonable
Corporate Governance Structures	All	Assurance	2025/26	Reasonable
Communication Strategy	All	Assurance	2025/26	Substantial
Performance Management	All	Assurance	2025/26	Substantial
Contract Management	All	Assurance	2025/26	Reasonable
Capital and Asset Management	All	Assurance	2025/26	Substantial
Body Worn Cameras	Constabularies	Assurance	2025/26	Audit scheduled.
Police Investigation Centres	Constabularies	Assurance	2025/26	Fieldwork in progress

## Appendix B: Annual Plan – 2026/27

Quarter	Review	Type	Days	High-level Scope
1	Disaster Recovery	Assurance	16	The audit will seek assurance that an established and maintained plan is in place to enable IT to respond to incidents and disruptions in order to continue operation of critical business processes and required IT services.
1	Budgetary and financial resilience	Assurance	12	The audit will seek to provide assurance over internal control systems in place to ensure budgetary control and accurate financial reporting is in place. The review will also consider what controls are in place to ensure financial resilience
1	Expenses and Overtime Payments	Assurance	15	The audit will seek to provide assurance that there are effective controls in place in relation to expenses and overtime payments. The audit will review controls in place to ensure that expenses and overtime payments are appropriately approved, and the correct values had been paid.
1	Succession Planning	Assurance	14	The audit will consider controls in place to ensure that appropriate controls are in place to ensure continuity of operations. The audit will look to ensure that critical roles are identified, and appropriate controls are in place to ensure appropriate succession plans are in place. The audit will cover both police officers and police staff.
2	Use of AI	Assurance	12	The review will consider controls in place to ensure that there is an appropriate control environment in place to ensure that AI is used safely.
2	Firearms Management and Training	Assurance	14	The review will look to ensure that there are effective controls in place in relation to the safekeeping of firearms. The audit will also ensure that there are effective controls in place to ensure that firearms officers receive appropriate training.
2	Firearms Licensing	Assurance	12	The review will consider controls in place to ensure that there are effective controls in place in relation to firearms licensing.
2	Health and Safety – Employers	Assurance	14	The review will assess the adequacy and effectiveness of the internal controls in place in relation to health and safety – employers.
2	Workforce planning	Assurance	14	The review will consider controls in place to ensure that resources are being utilised effectively.
3	Digital Investigations - Joint space	Assurance	16	The review will consider controls in place to ensure there are effective controls in place in relation to digital investigations.
3	Engagement and partnership working	Assurance	14	The review will look to ensure that there are effective strategies in place to ensure that there is effective engagement with the public and ensuring effective partnership working.

Quarter	Review	Type	Days	High-level Scope
3	Key Financials Controls	Assurance	25	Key financial controls will be reviewed on an annual basis covering main finance systems and processes, with a more detailed review of each finance area on a modular basis over a three-year period. For 2025/26, this will include budgetary control, treasury management, payments, payroll debtors and income.
3	Culture and Required Behaviour	Assurance	15	The review will assess the controls in place to ensure effective culture is in place, and effective controls are in place to promote required behaviours.
3	Prevention - effectiveness of arrangements to reduce the likelihood of re-offending.	Assurance	15	The review will look to ensure that there are effective programmes in place to reduce the risk of reoffending.
4	Data Governance	Assurance	15	The review will consider controls in place to ensure data is managed effectively.
4	Governance between the OPCC and Constabularies	Assurance	12	The review will look to ensure that there are effective governance arrangements in place in relation to the OPCC and the constabularies.
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, recommendations are implemented and providing reports to the Audit Committee.
1	Annual Planning	Management	2	Assessing annual audit needs.
4	Annual Report	Management	2	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	24	This time includes meeting client management, overseeing the audit plan, reporting and supporting the Governance & Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>275</b>	

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## Appendix C: Impact of the Global Internal Audit standards

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**Highlights some key elements that are now required under the Standards. This list is not exhaustive.**

- Requirement to understand the organisation's risks and internal and external providers of assurance services that cover those risks.
- The plan must support the strategic objectives and success of the organisation.
- The annual plan must be risk-based, prioritising engagements according to the organization's risk profile.
- Communicate to the board and senior management why high-risk areas are excluded if applicable.
- The plan requires formal approval by the board (or audit committee).
- The CAE must also discuss resources, budget, and capabilities needed to deliver the plan.
- The plan should integrate performance metrics and link to the internal audit strategy.
- The plan must allow for adjustments during the year to respond to emerging risks or changes in organisational priorities.

### **Engagement/Review Impact**

- Include engagement level risk assessments and work programs for each planned audit.
- Evaluation of the significance of findings (considering likelihood and impact) and prioritisation of findings based on significance.
- Engagement conclusion.
- Action owners and dates included in final communications.

## Appendix D: **Additional services** which can be commissioned from **TIAA** at a Premium

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<b>Additional services which can be commissioned from TIAA at a Premium</b>	
<b>1</b>	<b>Investigatory Services</b> Our bespoke investigations practice forms part of our Anti-Crime and Investigations Team. We are able to provide focussed services in areas including:
<b>2</b>	<b>Health and Safety Consultancy</b> Our specialist Health & Safety consultants bring deeper technical expertise and practical experience. They are qualified to interpret legislation, identify risks that may be overlooked, and recommend tailored solutions that go beyond compliance. This specialist input gives clients greater confidence that Health & Safety arrangements are robust, legally sound, and aligned with best practice.

## Appendix E: Internal Audit Charter

### Purpose

The purpose of internal audit is to strengthen Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' ability to create, protect, and sustain value by providing the board/audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies'.

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

### Commitment to Adhering to the Global Internal Audit Standards

TIAA will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. TIAA will report to the board (as required) audit committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

### Authority

Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies Audit committee grants the internal audit function the mandate to provide the board/committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the committee. Such authority allows for unrestricted access to both the board and committee.

The committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies and other specialised services from within or outside Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies to complete internal audit services.

### Independence and Reporting Relationships

TIAA will confirm to Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' Audit committee, at least annually, the independence of the internal audit function. TIAA will disclose to the committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

### Board/Committee Oversight

To establish, maintain, and ensure that TIAA internal audit provision has sufficient authority to fulfil its duties, the board/committee will:

- Discuss with TIAA and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure TIAA has unrestricted access to and communicates and interacts directly with the board/committee, including in private meetings without senior management present.
- Discuss with TIAA and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with TIAA and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve TIAA's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter periodically with TIAA to consider changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter periodically. (typically, annually).
- Approve the risk-based internal audit plan.
- Review TIAA's performance.
- Receive communications from TIAA about the internal audit function including its performance relative to its plan.

- Ensure TIAA has established a quality assurance and improvement program, and this is reported on annually.
- Make appropriate inquiries of senior management and TIAA to determine whether scope or resource limitations are inappropriate.

#### **TIAA Role**

TIAA will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

#### **Objectivity**

TIAA will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If TIAA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Performing operational duties for Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies employee that is not employed by TIAA, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as TIAA management, Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' board/committee and management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

#### **TIAA's Responsibility**

TIAA has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the board/committee and senior management.
- Discuss the plan with the board (as required) and committee and senior management and submit the plan to the committee for review and approval.
- Review and adjust the internal audit plan, as necessary, in response to changes in Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' business, risks, operations, programs, systems, and controls.
- Communicate with the board/committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the committee and senior management at each committee meeting and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies and communicate to the board and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.

- Ensure adherence to TIAA's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the board and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If TIAA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the committee.

#### **Communication with the Board/Committee and Senior Management**

TIAA will report periodically to the committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' risk appetite.

#### **Quality Assurance and Improvement Programme**

- TIAA will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of TIAA's conformance with the Global Internal Audit Standards, as well as performance measurement to assess TIAA's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement. Annually, TIAA will communicate with the board and senior management about the quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside of TIAA.

#### **Scope**

- The scope of internal audit services covers the entire breadth of the organisation, including all Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the board/committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies.
- The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

- Internal audit engagements may include evaluating whether:
- Risks relating to the achievement of Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' strategic objectives are appropriately identified and managed.
- The actions of Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' officers, directors, management, employees, and contractors or other relevant parties comply with Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies' policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Office of the Police and Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

#### **Irregularities, Including Fraud and Corruption**

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on

the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

#### Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

#### Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory

Approved by the **Audit Committee** at its meeting on **date**

annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2022.

#### Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

#### Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in

whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

#### Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Management responses received by TIAA within 10 working days of draft report issue.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and IIA GIAS	100%

## The Office of the Police and Crime Commissioner for Norfolk Annual Investment and Treasury Management Strategy Statement 2026/27

### 1. Background

- 1.1 The PCC is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the PCC's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the PCC's capital plans. These capital plans provide a guide to the borrowing need of the PCC, essentially the longer-term cash flow planning, to ensure that the PCC can meet his capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet PCC risk or cost objectives.
- 1.3 The contribution the treasury management function makes to the PCC is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.4 CIPFA defines treasury management as:  
*"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 1.5 The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) underpins the system of capital finance. The latest edition of the Prudential Code, published in December 2021, makes important changes that reflect developments since the Prudential Code was previously updated in 2017.

The revised reporting requirements included changes to the capital strategy, prudential indicators and investment reporting. The general ongoing principles of the revised Prudential Code, including the requirement in paragraph 51 that an authority must not borrow to invest primarily for financial return, applied with immediate effect.

The main objective of the 2021 Codes was to respond to the major expansion of local authority investment activity over the past few years into the purchase of non-financial investments, particularly property. The Codes require an authority to ensure that: -

- it defines its risk appetite and its governance processes for managing risk.
- it sets out, at a high level, its investment policy in relation to environmental, social and governance aspects.

- it adopts a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained.
- it does not borrow to finance capital expenditure to invest primarily for commercial return.
- increases in the CFR and borrowing are undertaken solely for purposes directly and primarily related to the functions of the authority. Where any financial returns are related to the financial viability of the project in question, they should be incidental to its primary purpose.
- an annual review is conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt.
- its capital plans and investment plans are affordable and proportionate.
- all borrowing/other long-term liabilities are within prudent and sustainable levels.
- risks associated with commercial investments are proportionate to overall financial capacity to sustain losses.
- treasury management decisions are in accordance with good professional practice.
- reporting to members is done quarterly, including updates of prudential indicators.
- it should assess the risks and rewards of significant investments over the long- term, as opposed to the usual three to five years that most local authority financial planning has been conducted over, to ensure the long-term financial sustainability of the authority. (CIPFA has not defined what longer-term means, but it is likely to infer 20-30 years in line with the financing time horizon and the expected life of the assets, while medium-term financial planning, at a higher level of detail, is probably aimed at around a 10-year timeframe and focuses on affordability in particular).
- it has access to the appropriate level of expertise to be able to operate safely in all areas of investment and capital expenditure, and to involve the PCC adequately in making properly informed decisions on such investments.

1.6 This PCC has not engaged in any commercial investments and has no non-treasury investments.

1.7 The IFRS16 Leasing Standard was implemented in the Accounting Code of Practice from 1 April 2024, therefore the Prudential and Treasury Management Indicators reported include an estimation of Lease liabilities falling under IFRS16, which impact on external debt and the Capital Financing Requirement.

## 2. Reporting requirements

### *Capital Strategy*

- 2.1 The CIPFA 2021 Prudential and Treasury Management Codes require, for 2026/27, all local authorities to prepare a capital strategy report, which will provide the following:
- a high-level long-term overview of how capital expenditure, capital financing, investments and treasury management activity contribute to the delivery of plans and the provision of services
  - an overview of how the associated risk is managed
  - the implications for future financial and environmental sustainability
- 2.2 The aim of this capital strategy is to ensure that the PCC fully understands the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 2.3 The Capital Strategy will be published separately but is included within the PCC's Budget and MTFP report.

### *Treasury Management reporting*

- 2.4 The PCC is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
- the capital plans, (including prudential indicators); (Annex 1)
  - a minimum revenue provision (MRP) policy, (how unfunded capital expenditure is charged to revenue over time); (Annex 2)
  - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
  - an investment strategy, (the parameters on how investments are to be managed).
- b. **A mid-year treasury management report** – This is primarily a progress report and will update the PCC on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## 3. Treasury Management Strategy for 2026/27

- 3.1 The strategy for 2026/27 covers two main areas:

### *Capital issues*

- the capital expenditure plans and the associated prudential indicators; see Annex 1.
- the minimum revenue provision (MRP) policy. See Annex 2.

### *Treasury management issues*

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the PCC;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Ministry of Housing, Communities and Local Government (MHCLG) MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

### *Training*

- 3.2 The CIPFA Code requires the responsible officer to ensure that officers with responsibility for treasury management receive adequate training in treasury management. This also applies to Audit Committee members responsible for scrutiny. CIPFA offer training events specifically for Audit Committees.

### *Treasury management consultants*

- 3.3 The PCC uses MUFG Corporate Markets Treasury Limited (MUFG) as its external treasury management advisors. The current contract with MUFG expires on 31 August 2029.
- 3.4 The PCC recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regard to all available information, including, but not solely, our treasury advisers.
- 3.5 It is also recognised that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The PCC will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

### *The Treasury Management Function*

- 3.6 The CIPFA Code defines treasury management activities as “the management of the PCC’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 3.7 The PCC regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC, and any financial instruments entered into to manage these risks.
- 3.8 The PCC acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 3.9 The PCC is required to operate a balanced budget, which broadly means that cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensures this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties, providing adequate liquidity before considering investment return.
- 3.10 A further function of the treasury management service is to provide for the borrowing requirement of the PCC, essentially the longer term cash flow planning, typically 30 years plus, to ensure the PCC can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using internal cash balances on a temporary basis. Debt previously borrowed may be restructured to meet PCC risk or cost objectives.
- 3.11 The PCC has delegated responsibility for treasury management decisions taken within the approved strategy to the PCC CFO. Day to day execution and administration of investment and borrowing decisions is undertaken by Specialist Accountants based in the Joint Finance Department for Suffolk and Norfolk Constabularies.
- 3.12 External treasury management services are provided by MUFG in a joint contract with the PCC for Suffolk. MUFG provides a range of services which include:
- Technical support on treasury matters and capital finance issues.
  - Economic and interest rate analysis.
  - Debt services which includes advice on the timing of long term borrowing.
  - Debt rescheduling advice surrounding the existing portfolio.
  - Generic investment advice on interest rates, timing and investment instruments.
  - Credit ratings/market information service for the three main credit rating agencies (Fitch, Moody's and Standard & Poors).
- 3.13 Whilst MUFG provide support to the treasury function, under market rules and in accordance with the CIPFA Code of Practice, the final decision on treasury matters remains with the PCC.

- 3.14 Performance will continue to be monitored and reported to the PCC as part of the budget monitoring report.

#### 4. **Investment Strategy 2026/27**

- 4.1 The Bank Rate at the time of drafting this Strategy stands at 4.00%. It is currently predicted that the Bank Rate will increase over the planning period as follows:

- Q1 2026 – 3.75%
- Q1 2027 – 3.50%
- Q1 2028 - 3.25%

However, these forecasts are likely to be revised within a relatively short timeframe due to a number of social, economic and political reasons.

- 4.2 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

<b>Financial Year</b>	<b>Budgeted Interest Earnings</b>
2025/26 (remainder)	3.90%
2026/27	3.60%
2027/28	3.30%
2028/29	3.50%
2029/30	3.50%
Later Years	3.50%

- 4.3 There are 3 key considerations to the treasury management investment process. MHCLG's Investment Guidance ranks these in the following order of importance:

- security of principal invested,
- liquidity for cash flow, and
- investment return (yield).

Each deposit is considered in the context of these 3 factors, in that order.

4.4 MHCLG's Investment Guidance requires local authorities and PCCs to invest prudently and give priority to security and liquidity before yield, as described above. In order to facilitate this objective, the Guidance requires the PCC to have regard to CIPFA's Code of Practice for Treasury Management in the Public Sector.

4.5 The key requirements of both the Code and the Investment Guidance are to produce an Annual Investment and Treasury Strategy covering the following:

- Guidelines for choosing and placing investments – Counterparty Criteria and identification of the maximum period for which funds can be committed – Counterparty Monetary and Time Limits.
- Details of Specified and Non-Specified investment types.

## 5. Investment Strategy 2026/27 - Counterparty Criteria

5.1 The PCC works closely with its external treasury advisors to determine the criteria for high quality institutions.

5.2 The criteria for providing a pool of high-quality investment counterparties for inclusion on the PCC's 'Approved Authorised Counterparty List' is provided below.

- **UK Banks** which have the following minimum ratings from at least one of the three credit rating agencies:

UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

- **Non-UK Banks** domiciled in a country which has a minimum sovereign rating of AA+ and have the following minimum ratings from at least one of the credit rating agencies:

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- **Part Nationalised UK Banks** – As of 30 May 2025 there are no longer any major UK banks under Government ownership.
- **The PCC's Corporate Banker** – If the credit ratings of the PCC's corporate banker (currently Barclays Bank plc) fall below the minimum criteria for UK Banks above, then cash balances held with that bank will be for account operation purposes only and balances will be minimised in terms of monetary size and time.
- **Building Societies** – The PCC will use Building Societies which meet the ratings for UK Banks outlined above.
- **Money Market Funds (MMFs)** – which are rated AAA by at least one of the three major rating agencies. MMF's are 'pooled funds' investing in high-quality, high-

liquidity, short-term securities such as treasury bills, repurchase agreements and certificate of deposit. Funds offer a high degree of counterparty diversification that include both UK and Overseas Banks.

- **UK Government** – including the Debt Management Account Deposit Facility & Sterling Treasury Bills. Sterling Treasury Bills are short-term (up to six months) ‘paper’ issued by the UK Government. In the same way that the Government issues Gilts to meet long term funding requirements, Treasury Bills are used by Government to meet short term revenue obligations. They have the security of being issued by the UK Government.
- **Local Authorities, PCCs etc.** – Includes those in England and Wales (as defined in Section 23 of the Local Government Act 2003) or a similar body in Scotland or Northern Ireland.

5.3 All cash invested by the PCC in 2026/27 will be either Sterling deposits (including certificates of deposit) or Sterling Treasury Bills invested with banks and other institutions in accordance with the Approved Authorised Counterparty List.

5.4 The Code of Practice requires local authorities and PCCs to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for use, additional market information will be used to inform investment decisions. This additional market information includes, for example, Credit Default Swap rates and equity prices in order to compare the relative security of counterparties.

5.5 The current maximum lending limit of £15m for any counterparty will be maintained in 2026/27 to reflect the level of cash balances and to avoid large deposits with the DMO. Where there is a surplus of cash due to unplanned cashflows, in order to keep within the counterparty limit with the PCC’s bankers, the PCC will place investments using other secure liquid financial instruments, e.g. Money Market Funds.

5.6 In addition to individual institutional lending limits, “Group Limits” will be used whereby the collective investment exposure of individual banks within the same banking group is restricted to a group lending limit of £15m.

5.7 The Strategy permits deposits beyond 365 days (up to a maximum of 2 years) but only with UK banks which meet the credit ratings at paragraph 5.2.

5.8 A reasonable amount will be held on an instant access basis in order for the PCC to meet any unexpected needs. Instant access accounts are also preferable during periods of credit risk uncertainty in the markets, allowing the PCC to immediately withdraw funds should any concern arise over a particular institution.

## 6. **Investment Strategy 2026/27 – Specified and Non-Specified Investments**

6.1 As determined by MHCLG’s Investment Guidance, Specified Investments offer “high security and high liquidity”. They are Sterling denominated and have a maturity of less than one year or for a longer period but where the PCC has the right to be repaid within one year if he wishes. Institutions of “high” credit quality are deemed to be Specified Investments where the possibility of loss of principal or investment income is small. From the pool of high-quality investment counterparties identified in Section 5, the following are deemed to be Specified Investments:

- Banks: UK and Non-UK;
- Part Nationalised UK Banks;
- The PCC's Corporate Banker (Barclays Bank plc)
- Building Societies (which meet the minimum ratings criteria for Banks);
- Money Market Funds;
- UK Government;
- Local Authorities, PCCs etc.

6.2 Non-Specified Investments are those investments that do not meet the criteria of Specified Investments. From the pool of counterparties identified in Section 5, they include:

- Any investment that cannot be recalled within 365 days of initiation.

6.3 The categorisation of 'Non-Specified' does not in any way detract from the credit quality of these institutions, but is merely a requirement of the Government's guidance.

6.4 The PCC's proposed Strategy for 2026/27 therefore includes both Specified and Non-Specified Investment institutions.

## 7. **Borrowing Strategy 2026/27**

7.1 Capital expenditure can be funded immediately by applying capital receipts, capital grants or revenue contributions. Capital expenditure in excess of available capital resources or revenue contributions will increase the PCC's borrowing requirement. The PCC's need to borrow is measured by the Capital Financial Requirement (CFR), which simply represents the total outstanding capital expenditure, which has not yet been funded from either capital or revenue resources.

7.2 For the PCC, borrowing principally relates to long term loans (i.e. loans in excess of 365 days). The borrowing strategy includes decisions on the timing of when further monies should be borrowed.

7.3 Historically, the main source of long term loans has been the Public Works Loan Board (PWLB), which is part of the UK Debt Management Office (DMO). The maximum period for which loans can be advanced by the PWLB is 50 years. Lending by the PWLB is now on the proviso that CFOs confirm that the authority does not intend to buy investment assets primarily for yield at any point in the next three years. The 2021 revision to the Prudential Code now includes the requirement in paragraph 51 that an authority must not borrow to invest primarily for financial return. Paragraph 51 states:

*"The Prudential Code determines that certain acts or practices are not prudent activity for a local authority and incur risk to the affordability of local authority investment:*

- *In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return.*
- *It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose."*

- 7.4 External borrowing stood at £48.1m at 31 March 2025 (excluding PFI and ROU Leases). At 31 March 2025 and excluding PFI and ROU Leases, there was a £54.1m Capital Financing Requirement (CFR), £5.9m relating to unfunded capital expenditure which had been financed from internal resources. The CFR is estimated to be £53.6m at 31 March 2026, £53.9m at 31 March 2027 and £55.9m at 31 March 2028. The additional long term borrowing requirement is estimated at £15.4m in 2025/26, £13.4m for 2026/27, £6.7m for 2027/28 and £5.6m for 2028/29. The borrowing requirement does not include the funding requirement in respect of assets financed through PFI and Leasing, it does however include the refinancing of maturity debt that falls due in the period.
- 7.5 The challenging and uncertain economic outlook, together with managing the cost of “carrying debt” requires a flexible approach to borrowing. The PCC, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time and any risks identified.
- 7.6 The level of outstanding debt and composition of debt, in terms of individual loans, is kept under review. The PWLB provides a facility to allow the restructure of debt, including premature repayment of loans, and encourages local authorities and PCCs to do so when circumstances permit. This can result in net savings in overall interest charges. The PCC CFO and MUFGE will monitor prevailing rates for any opportunities during the year. As short term borrowing rates tend to be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt
- 7.7 The PCC has flexibility to borrow funds in the current year for use in future years, but will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the PCC can ensure the security of such funds
- 7.8 The PCC will continue to use the most appropriate source of borrowing at the time of making application, including; the PWLB, commercial market loans, Local Authorities and the Municipal Bond Agency.

## **8. Treasury Management Indicators**

- 8.1 In addition to the key Indicators included in the Prudential Code and reported separately, there are three treasury management indicators. The purpose of the indicators is to restrict

the activity of the treasury function to within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However, if these indicators are too restrictive, they will impair the opportunities to reduce costs/improve performance. The Indicators are:

- **Maturity Structures of Borrowing** – These gross limits are set to reduce the PCC’s exposure to large fixed rate sums falling due for refinancing and require upper and lower limits. It is recommended that the PCC sets the following limits for the maturity structures of its borrowing at 31.3.26:

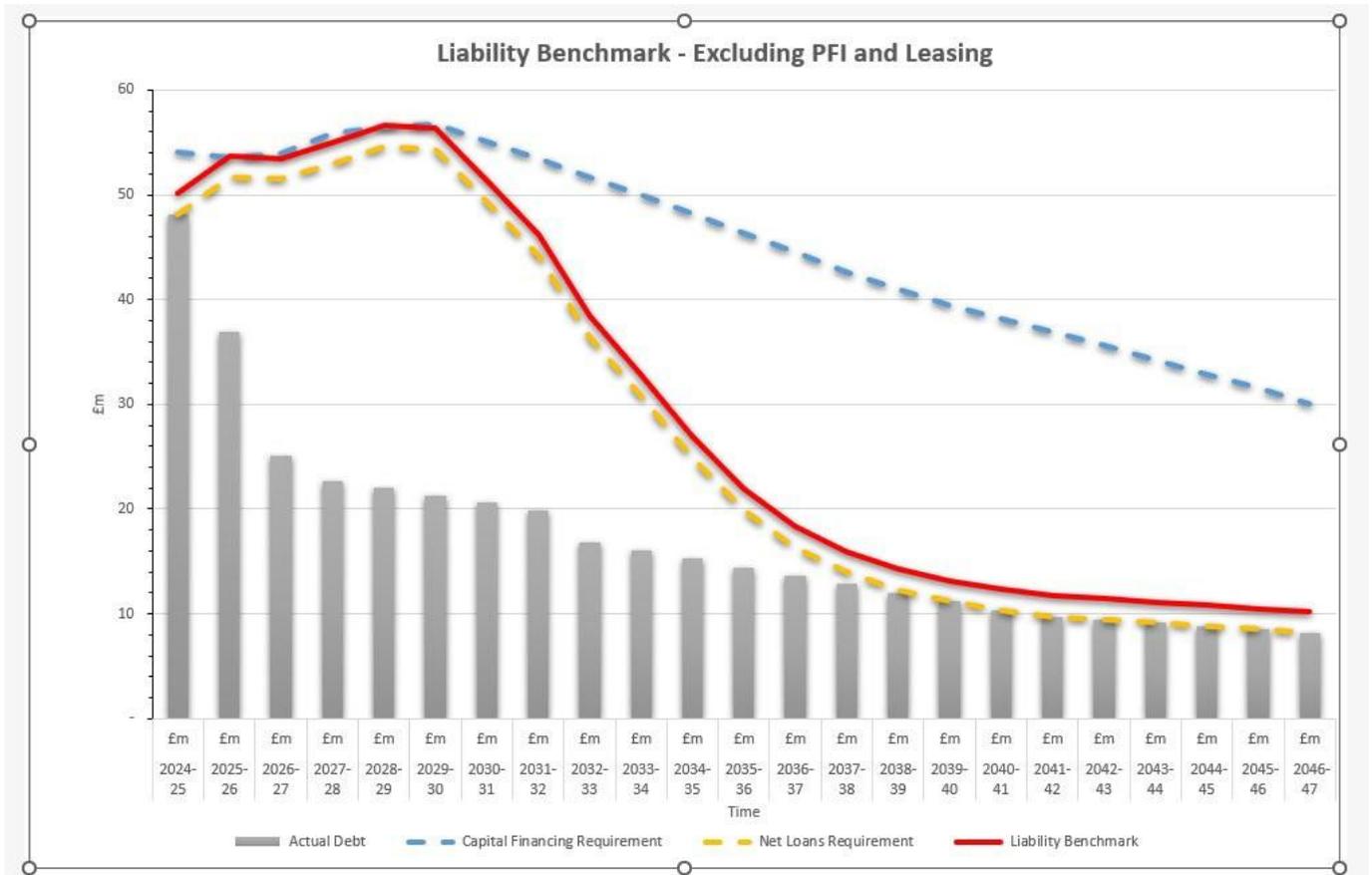
	<b>Actual*</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
Under 12 months	31.9%	0%	15%
12 months and within 24 months	6.6%	0%	15%
24 months and within 5 years	5.7%	0%	45%
5 years and within 10 years	16.6%	0%	75%
10 years and above	39.2%	0%	100%

\* Actual is based on existing balances at 10 December 2025

- **Upper Limits to the Total of Principal Funds Invested for Greater than 365 Days** – This limit is set with regard to the PCC’s liquidity requirements. It is estimated that in 2026/27, the maximum level of PCC funds invested for periods greater than 365 days will be no more than £5.260m.

- **Liability Benchmark**

This is a new indicator arising from the 2021 Revised Treasury Management Code of Practice. The liability benchmark is an essential risk management tool. The optimum position is for total borrowing to be on the liability benchmark line. Borrowing above that level will be reflected in increased investment balances and introduce the cost of carry and additional credit risk implications, although this may be needed to anticipate interest rate movements and secure affordable borrowing.



## Annex 1

### Prudential Code Indicators 2026/27, 2027/28, 2028/29

#### 1. Background

- 1.1 The Prudential Code for capital investment came into effect on 1<sup>st</sup> April 2004. It replaced the complex regulatory framework, which only allowed borrowing if specific government authorisation had been received. The Prudential system is one based on self-regulation. All borrowing undertaken is self-determined under the prudential code. A revised Prudential Code was published in December 2021 and applied with immediate effect, albeit with a soft landing for 2022/23.
- 1.2 Under Prudential arrangements the PCC can determine the borrowing limit for capital expenditure. The Government does retain reserve powers to restrict borrowing if that is required for national economic reasons.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable. The Code specifies indicators that must be used and factors that must be taken into account. The Code requires the PCC to set and monitor performance on:
- capital expenditure
  - affordability
  - external debt
  - treasury management (now included within Treasury Management strategy)
- 1.4 The required Prudential and Treasury Management indicators are:
- Capital Expenditure Forecast
  - Capital Financing Requirement
  - Actual External Debt
  - Authorised Limit for External Debt
  - Operational Boundary Limit for External Debt
  - Net income from commercial and service investments to net revenue stream Ratio.

However, authorities are now advised to use local indicators, where this would be beneficial, especially if they carry out commercial activities.

- 1.5 Once determined, the indicators can be changed so long as this is reported to the PCC.
- 1.6 Actual performance against indicators will be monitored throughout the year. All the indicators will be reviewed and updated annually.

## 2. The Indicators

2.1 The **Capital Expenditure Payment Forecast** is detailed in Appendix E (of the PCC's Budget and MTFP report 2026/30). The total estimated payments are:

2.2

	2026/27	2027/28	2028/29
	£m	£m	£m
Capital Expenditure Forecast	10.463	9.837	10.908
ROU Leases	-	-	-

The PCC is being asked for approval to an overall Capital Programme based on the level of capital financing costs contained within the draft revenue budget.

2.3 The **ratio of capital financing costs to net revenue budget** shows the estimated annual revenue costs of borrowing (net interest payable on debt and the minimum revenue provision for repaying the debt), as a proportion of annual income from local taxation and non-specific government grants. The estimates include PFI MRP and interest costs. Estimates of the ratio of capital financing costs to net revenue budget for future years are:

2.4

<b>Ratio of Capital Financing Costs to Net Revenue Budget</b>		
2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
4.05%	4.16%	4.21%

2.5 The **capital financing requirement** represents capital expenditure not yet financed by capital receipts, revenue contributions or capital grants. It measures the underlying need to borrow for capital purposes, although this borrowing may not necessarily take place externally. Estimates of the end of year capital financing requirement for future years are:

2.6

<b>Capital Financing Requirement</b>			
31/03/26 Estimate	31/03/27 Estimate	31/03/28 Estimate	31/03/29 Estimate
£m	£m	£m	£m
102.355	100.823	100.369	98.106

2.7 The guidance on **net borrowing for capital purposes** advises that:

*"In order to ensure that over the medium term gross debt will only be for a capital purpose, the local authority should ensure that gross external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."*

2.8 The Code defines the **authorised limit for external debt** as the sum of external borrowing and any other financing long-term liabilities e.g. finance leases. It is recommended that the PCC approve the 2025/26 and future years limits. For 2026/27 this will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

As required by the Code, the PCC is asked to delegate authority to the Chief Finance Officer (OPCCN), within the total limit for any individual year, to effect movement between the separate limits for borrowing and other long-term liabilities. Any such changes made will be reported to the PCC.

<b>Authorised Limit for External Debt</b>			
	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<i>£m</i>	<i>£m</i>	<i>£m</i>
<i>PWLB borrowing</i>	51.479	52.992	54.555
<i>Other long term liabilities (PFI and ROU Lease Liabilities)</i>	46.928	44.462	41.639
<i>Headroom</i>	7.457	7.933	6.818
<b>Total</b>	<b>105.864</b>	<b>105.388</b>	<b>103.012</b>

These proposed limits are consistent with the Capital Programme. They provide headroom to allow for operational management, for example unusual cash movements.

- 2.9 The Code also requires the PCC to approve an **operational boundary limit for external debt** for the same time period. The proposed operational boundary for external debt is the same calculation as the authorised limit without the additional headroom. The operational boundary represents a key management tool for in year monitoring.

Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified again. The PCC is asked to delegate authority to the Chief Finance Officer (OPCCN), within the total operational boundary for any individual year, to make any required changes between the separately agreed figures for borrowing and other long-term liabilities. Any changes will be reported to the PCC.

<b>Operational Boundary Limit for External Debt</b>			
	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<i>£m</i>	<i>£m</i>	<i>£m</i>
<i>PWLB borrowing</i>	51.479	52.992	54.555
<i>Other long term liabilities (PFI and ROU Lease Liabilities)</i>	46.928	44.462	41.639
<b>Total</b>	<b>98.407</b>	<b>97.455</b>	<b>96.193</b>

- 2.10 The Code now requires a new indicator identifying the ratio between net income from commercial and service investments to net revenue stream. This indicator provides a contextual

assessment of the proportionality of income from commercial and service investments. However, as the PCC does not currently engage in any commercial arrangements, there is no need to provide further information on this indicator.



## Audit Committee - Forward Work Plan

**Meeting date:** 24th March 2026

Action	Outcome / Owner
Morning Briefing	NAO Productivity Report
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting <b>19th Feb 2026</b>	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	PCC CFO
Treasury Management Strategy	Noted
<b>Part 2 Private Agenda</b>	Noted
Minutes of meeting <b>19th Feb 2026</b>	Noted
Actions from previous meeting	Action Log
Strategic Risk Register	Chief Constable  [OPCCN to come to July Meeting, following publication of Devolution/LGR matters]
Fraud Update – Part 2 private agenda	Verbal Update

**Meeting date:** 21st July 2026

Action	Outcome / Owner
Morning Briefing	TBC
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting <b>24th March 2026</b>	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	PCC CFO
<b>Part 2 Private Agenda</b>	Noted
Minutes of meeting <b>24<sup>th</sup> March 2026</b>	Noted
Actions from previous meeting	Action Log
Strategic Risk Register	OPCCN
Fraud Update – Part 2 private agenda	Verbal Update

**Meeting date:** 13th October 2026

Action	Outcome / Owner
Morning Briefing	TBC
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting <b>x July 2026</b>	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	PCC CFO
<b>Part 2 Private Agenda</b>	Noted
Minutes of meeting <b>x<sup>d</sup> July 2026</b>	Noted
Actions from previous meeting	Action Log
Fraud Update – Part 2 private agenda	Verbal Update
Strategic Risk Registers	Chief Constable and Chief Executive (OPCCN)

**Report author:** Simon George -Chief Finance Officer