Audit Committee Agenda

Meeting date: Tuesday 21st July 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

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 24th March 2026 – **Document available on request.**

1.4 Review and update of Action Log – **Document available on request.**

1.5 Update on the transition to a new PCC (Verbal update)

1.6 External Audit

a. Audit Plan 25/26 Accounts – **Document available on request.**

1.7 Internal Audit (TIAA) – **Documents Available on Request**

a. Statement of Internal Controls report

1.8 Internal Audit (BDO)

a. Introductions - **Documents Available on Request**
b. Draft Internal Controls report - **Documents Available on Request**

1.9 Devolution & LGR (verbal update)

1.10 Police Reform (Verbal update)

1.11 Accounting Policies **– Documents available on request**

a. Changes from 24-25 to 25-26
b. Constabulary accounting Policies – 25-26
c. PCC accounting Policies 25-26

1.12 Audit Committee Terms of Reference – **Documents available on request.**

1.13 Audit Committee – Annual Report 2025/26 – **Documents available on request.**

1.14 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 No minutes to approve for the meeting held on 24th March 2026

2.4 No actions on Action Log

2.5 Fraud update (Verbal Update)

2.6 Internal Audit

a. Update on outstanding confidential audits (Verbal)

Next meeting date: 13th October at 2pm

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

Audit Committee Meeting

24th March 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:

Mr P Jasper	Assistant Chief Officer, Norfolk Constabulary
Mr S George	Chief Finance Officer, (PCC CFO), OPCCN
Mr I Fearn	Head of Financial Accounting and Specialist Functions
Mr P Hudson	Risk and Compliance Manager
Ms A Rigler	EY
Ms F Roe	Director, TIAA

Part 1 – Public Agenda

1.1 Welcome and Apologies:

Ms C Lavery.

1.2 Declaration of Personal and/or Prejudicial interests:

No personal or prejudicial interests were declared.

1.3 Minutes of the last meeting held on 19th February 2026:

Approved as an accurate record.

1.4 Review and Update Action Log:

Data Breach (Item 104): Final report is still awaited; remains open.

Open Audits (Item 112): To be updated under Internal Audit.

1.5 External Audit:

a. 2024/25 Auditors Annual Report

The Committee received the Auditor's Annual report for 2024/25 presented by A Rigler. The report did not identify any new issues and confirmed the audit opinion received by the committee on the 19th February 2026 and the Value for Money opinion.

No new issues; audit opinion issued 26 February 2026.

The Committee noted ongoing scrutiny of the budget gap.

The Committee asked that in putting the plan together for the 2025/26 audit that consideration be given to the audit being concluded in an earlier timescale.

1.6 Internal Audit:

a. Statement of Internal Controls Report

Fiona Roe presented the SICA report highlighting the two completed audits:

Risk Management: Reasonable assurance; improvements needed in risk reporting and appetite.

Estates Strategy: Reasonable assurance; the recommendations and management responses were noted.

The committee noted that there were 10 audits remaining for completion and presentation for 25/26 with a couple of them being b/fwd from the previous years, The Committee sought assurance from TIAA that the work to complete those audit would be finalised by the end of June for presentation to the next committee meeting.

It was noted that the Commissioner and Partnerships audit b/fwd from 24/25 remained outstanding and the the draft had been issued in February and management responses

were awaited. The committee asked the PCC CFO to ensure those responses were provided so that the final report could come to the July Committee.

Overdue recommendations have reduced. Aim to report further in July.

b. 2026/27 Annual Audit Plan

Updated for emerging risks including AI and governance this was approved.

TIAA presented an indicative plan for 2026/27 updated for emerging risks including AI and governance. TIAA noted that the tender for internal audit services was in progress and the successful party would take forward the plan. With that in mind the plan was approved but noted it may be subject to amendment in the event that TIAA were not successful in retaining the contract.

1.7 Treasury Management – Annual Investment and Treasury Management Strategy Statement 2026/27

Minor changes only; counterparty limit has increased.

The report was noted.

1.8 Devolution & LGR (verbal update)

Future governance changes noted; implementation expected 2027–2028.

1.9 Forward Work Plan

July meeting to include governance and accounts review.

Any Other Business

The Professional Standards Department audit is progressing.

Next meeting date: Tuesday 21st July 2026

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

Audit Committee
Public – Part 1

Action Log – 21st July 2026

Action Number	Meeting Date	Actions and update	Owner	Status
New actions: 24 January 2024				
104	24.1.24	**Data Breach Report** P Jasper to clarify with ACC Bridger when the data breach internal report will be finalised and issued to both PCCs 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. 23.07.24 – The report has been shared confidentially with Audit Committee members other than L Sales. To remain live.	P Jasper	Live

		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. 25.02.25 – L Sales has completed the review of the internal report. 25.03.25 – Action closed. 14.10.25 – Action reopened following information from ICO. Update will be received at next meeting. 21.07.26 – Action update to Committee on discussions with ICO.		
New actions:				

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

Audit Plan

Year ended 31 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

27 April 2026

Dear Sarah and Paul

Audit Plan 2025/26

We are pleased to attach our Audit Plan for the forthcoming meeting of the Joint Independent Audit Committee. The purpose of this report is to provide the Joint Independent Audit Committee of the Police and Crime Commissioner (PCC) and Chief Constable (CC) with a basis to review our proposed audit approach and scope for the 2025/26 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements.

This report is intended solely for the information and use of the PCC, CC, Joint Independent Audit Committee and management, and is not intended to be, and should not be used, by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 21 July 2026 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Debbie Hanson

For and on behalf of Ernst & Young LLP

Enc

Contents

Public Sector Audit Appointments Ltd (PSAA) issued the 'Statement of responsibilities of auditors and audited bodies'. It is available from the PSAA website (https://www.psaa.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 from 2023/24)' issued by the PSAA (Terms of Appointment from 2023/24 - 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 2024 (the NAO 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. 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 Overview of our 2025/26 audit strategy

2025/26 audit strategy overview: Rebuilding Assurance

The purpose of this report

As those charged with governance, the Police and Crime Commissioner (PCC) and Chief Constable (CC) play a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the organisation's wider arrangements to support a timely and efficient audit. Failure to achieve this will significantly increase the level of resources required to fulfil our respective responsibilities.

As part of our responsibilities, we assess and report on the adequacy of the PCC and CC's external financial reporting arrangements, as well as their effectiveness in fulfilling their role within those arrangements as part of our value for money assessment. 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. Wherever necessary, we will consider invoking other statutory reporting powers to highlight any weaknesses in these arrangements. We direct the PCC, CC, Joint Independent Audit Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

Our shared strategy to rebuild assurance

We are now in Phase 2 of the implementation of the Ministry for Housing, Communities and Local Government's (MHCLG) measures to address the backlog facing local government audit. Throughout 2023/24 and 2024/25, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements. Our approach recognises that recovery depends heavily on the PCC and CC's own capacity and preparedness and that audit effort must be targeted where it can deliver meaningful assurance.

Management has overall responsibility for leading and sustaining the PCC and CC's recovery from a disclaimed audit opinion. This includes ensuring that the financial statements are prepared in accordance with proper practices and supported by complete, accurate and timely audit evidence.

To deliver this, it is essential that management:

- Provide high quality working papers and ensure that all audit evidence is complete, consistent and readily accessible;
- Allocate sufficient, knowledgeable resources throughout the audit cycle;
- Actively engage with auditors, promptly addressing findings and resolving weaknesses in financial reporting arrangements; and
- Communicate transparently with the Joint Independent Audit Committee ensuring that committee members have clear visibility of risks, progress and emerging issues.

In line with the National Audit Office's Local Audit Reset and Recovery Implementation Guidance (LARRIGs) - and specifically the guidance on rebuilding assurance following a disclaimed opinion - management must support the restoration of reliable opening balances and enable a phased progression from disclaimed to qualified and ultimately unmodified audit opinions. Achieving this requires sustained delivery of the "natural rebuild," through the completion of all planned audit procedures across successive annual cycles, alongside targeted work to rebuild assurance over historical balances, including both usable and unusable reserves, where cumulative gaps in evidence present the most significant challenges.

2025/26 audit strategy overview: Rebuilding Assurance

Our shared strategy to rebuild assurance continued

Appendix A explains the expected timeline to full assurance set out within the NAO's LARRIG 01 guidance, along with our assessment of the PCC and CC's status. During 2023/24 and 2024/25, the focus of the rebuild process has been on this "natural" rebuild, to complete all planned audit procedures for each respective audit year. As we set out in Appendix A, as all planned audit procedures for the 2023/24 and 2024/25 audits were completed, the PCC and CC's "natural rebuild" is now well progressed. As part of our interim audit procedures for 2025/26, we will undertake a detailed risk assessment to evaluate the risk of material misstatement in the opening reserves balances at 1 April 2025, and to assess management's readiness to support the historic rebuild process over transactions and balances in 2022/23 that were not subject to audit. This work is expected to be completed by 30 June 2026 and is essential to determining whether the pre-2023/24 gaps in assurance - particularly those relating to reserves and other cumulative balances - can be sufficiently addressed to support future progression towards qualified or unmodified audit opinions.

We will discuss the outcome of our risk assessment of the opening reserves balances with management to confirm our proposed approach for 2025/26. Before we commence our audit procedures, it will be essential for management to have completed the necessary review and reconciliation of both usable and unusable reserves, and to be able to provide assurance to those charged with governance that these balances are accurate, supportable, and properly documented. This reflects management's primary responsibility for preparing the financial statements and the underlying evidence base; the audit process is not the first line of defence.

It is likely that we will need to audit certain transactions and movements from 2022/23 to rebuild assurance over the historic position. Should we proceed with this phase of work, we will require assurances from management that high quality working papers and supporting evidence can be provided for transactions from 2022/23, together with sufficient management capacity to support this historic rebuild without compromising the delivery of all planned procedures in 2025/26 over the closing balances and in year movements.

Preparedness for 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. Our 2024/25 reporting included our assessment of the effectiveness of the PCC and CC's arrangements to support the external audit process across a range of relevant measures (reproduced in Appendix A). We concluded that the PCC and CC were well-prepared for the audit with no significant areas of improvement identified.

We will continue to report on our assessment of the quality of the PCC and CC's financial statements' preparation and support, to support ongoing transparency of the audit process to those charged with governance, and to facilitate benchmarking and tracking of progress in future years.

2025/26 audit strategy overview: Rebuilding Assurance

Scope of our audit

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the PCC and CC. Additionally, we aim to ensure that the PCC and CC have established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an Audit Results Report that summarises our opinion on the financial statements by 30 November 2026 and other procedures required by the Code. This includes our assessment of the control environment, including our follow up of the recommendations that we made in previous years (refer to Appendix C). In addition, our Auditor's Annual Report will conclude on whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Timeline

An audit timetable has been agreed with management. In Section 7 we include a provisional timeline for the audit. It is essential that all parties collaborate to ensure compliance with this timeline.

Our independence considerations

Please refer to Appendix B for our update on independence. We have no independence issues to report.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus

The purpose of our audit is to obtain reasonable assurance to express an opinion about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error. We have considered the impact of the implementation of CIPFA's Bulletin 22 in relation to the valuation of Property, Plant and Equipment *on the audit and concluded that this is not a significant change to the scoping for the audit of the 2025/26 financial statements. We will consider this as part of our land and building valuation work

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the PCC, CC and Joint Independent Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Risk/area of focus	Risk identified	Change from PY	Details
Presumptive risk of management override of controls	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.
Valuation of land and buildings included in property, plant and equipment	Inherent risk	Decrease in risk or focus	In the 2025/26 financial statements the PCC will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years. Successful implementation will depend on the PCC ensuring that their existing valuation programme is adapted in line with the guidance and that appropriate indices are selected to be applied in intervening years. We have confirmed that the PCC plans to continue with it five-year rolling programme of revaluations and apply indexation to assets not valued in year. This is in line with the CIPFA Bulletin and guidance. Our audit work will need to assess the reasonableness of the indices applied to asset not revalued. In addition, land and buildings are material balances and involve significant judgement in valuation, impairment and depreciation. The PCC uses a valuation specialist, and management applies key assumptions and estimates to determine year-end values. In line with ISAs (UK) 500 and 540, we are required to evaluate the work of management's expert and underlying assumptions.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus continued

Risk/area of focus	Risk identified	Change from PY	Details
Valuation of pension assets and liabilities	Inherent risk	No change in risk or focus	Accounting for the PCC and CC's participation in pension funds involves significant estimation and judgement, including financial and demographic assumptions. There is a risk that the net pension asset/liability recognised is materially misstated, as its recognition and measurement is subject to significant management judgement, including the application of the IAS 19 asset ceiling and the assessment of the PCC and CC's ability to realise future economic benefits. The PCC and CC engage an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.
Accounting for data breach issue	Inherent risk	No change in risk or focus	While the 2021/22 audit was in progress, management reported a data breach incident that was discovered within the financial year 2022/23. The ICO's investigation has yet to be concluded and therefore it is currently unknown whether any financial penalty will be incurred and require inclusion in the accounts. Until this matter is concluded the potential non-compliance with laws and regulations (NOCLAR) remains open.

Group materiality

Planning materiality £6.3m

Group materiality has been set at £6.3 million, which represents 2% of gross expenditure on provision of services in 2024/25.

Performance materiality £4.8m

Group performance materiality has been set at £4.8 million, which represents 75% of materiality.

Audit differences £0.3m

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement and cash flow statement) over £0.3 million. Other misstatements identified will be communicated to the extent that they merit the attention of the PCC and CC.

2025/26 audit strategy overview: Audit risks and materiality

PCC materiality

Materiality has been set at £3.2 million, which represents 2% of total assets in 2024/25.

Performance materiality has been set at £2.4 million, which represents 75% of materiality.

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement and cash flow statement) over £0.2 million. Other misstatements identified will be communicated to the extent that they merit the attention of the PCC.

CC materiality

Materiality has been set at £5.8 million, which represents 2% of gross expenditure on provision of services in 2024/25.

Performance materiality has been set at £4.4 million, which represents 75% of materiality.

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement and cash flow statement) over £0.3 million. Other misstatements identified will be communicated to the extent that they merit the attention of the CC.

2025/26 audit strategy overview: Value for money

Our risk assessment

Under the NAO Code we are required to:

- Satisfy ourselves that the PCC and CC have made proper arrangements to secure economy, efficiency and effectiveness in its use of resources, having regard to NAO AGN 03;
- Design work to provide sufficient assurance to support reporting against the Code's specified reporting criteria outlined below; and
- Apply a risk-based approach to our work, informed by sector knowledge, the annual governance statement, evidence from the financial statements audit and relevant work of other bodies.

In undertaking our risk assessment, we obtain an understanding of the key processes the PCC and CC have in place, including financial management, risk management and partnership working arrangements. Our Auditor's Annual Report, which will be issued before 30 November 2026 will include a summary of our commentary on the arrangements in place against each of the three value for money criteria and recommendations raised as a result of any significant weaknesses identified.

Financial sustainability

How the PCC and CC plan and manage their resources to ensure they can continue to deliver services.

Governance

How the PCC and CC ensures that they make informed decisions and properly manage risks.

Improving economy, efficiency and effectiveness

How the PCC and CC use information about costs and performance to improve the way they manage and deliver services.

02 Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Presumptive risk of management override of controls*

What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement

In accordance with ISA 240, the presumptive risk of management override of controls is present at every entity and we design the appropriate procedures to consider such risk.
▪ Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.
▪ Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud.
We consider this risk to be relevant to the Group, and PCC and CC as a single entities.
	In order to address the risks outlined we will carry out a range of procedures including:
	▪ Identifying fraud risks during the planning stages;
	▪ Inquiry of management about risks of fraud and the controls put in place to address those risks;
	▪ Understanding the oversight given by those charged with governance of management's processes over fraud;
	▪ Discussing with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions);
	▪ Considering whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud;
	▪ Considering the effectiveness of management's controls designed to address the risk of fraud and determining an appropriate strategy to address those identified risks of fraud; and
	▪ Performing mandatory procedures regardless of specifically identified fraud risks, including:
	  ▪ testing of journal entries and other adjustments in the preparation of the financial statements;
	  ▪ undertaking procedures to identify significant unusual transactions; and
	  ▪ considering whether management bias was present in the key accounting estimates and judgements in the financial statements.
	Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

Our response to significant risks

Inappropriate capitalisation of revenue expenditure*

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through: ▪ Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger; and ▪ Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year. If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE) additions in the financial statements.	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure. We consider this risk to be relevant to the Group and PCC as a single entity.	In order to address the risks outlined we will carry out a range of procedures including: ▪ Testing Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature; ▪ Assessing whether the capitalised spend clearly enhances or extends the useful like of asset rather than simply repairing or maintaining the asset on which it is incurred; ▪ Considering whether any development or other related costs that have been capitalised are reasonable to capitalize, i.e., the costs incurred are directly attributable to bringing the asset into operational use; and ▪ Seeking to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks but are still important when considering the risks of material misstatement to the financial statements and disclosures.

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Valuation of land and buildings included in property, plant and equipment		
The relevant 2024/25 account balances in the audited financial statements were: ▪ Property, plant and equipment: £117.2 million ▪ Relating to land and buildings: £96 million ▪ Additions totalled: £9.4 million	In the 2025/26 financial statements the PCC will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years. We have confirmed that the PCC plans to continue with it five-year rolling programme of revaluations and apply indexation to assets not valued in year. This is in line with the CIPFA Bulletin and guidance. Our audit work will need to assess the reasonableness of the indices applied to asset not revalued. Land and buildings are material balances and involve significant judgement in valuation, impairment and depreciation. The PCC uses a valuation specialist, and management applies key assumptions and estimates to determine year-end values. In line with ISAs (UK) 500 and 540, we are required to evaluate the work of management's expert and underlying assumptions.	In response to the risk, we will: ▪ Review and assess management's assessment and planned approach to CIPFA Bulletin 22, in the context of other challenges in the application. In particular considering the appropriateness of indices applied to assets not revalued during intervening years and triggers for revaluation; ▪ Review and appraise the work performed by the PCC's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; ▪ Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support price per square metre); ▪ Assess the reasonableness of the indices applied to assets not valued in line with the CIPFA Bulletin and check they have been appropriately applied; ▪ Assess any changes to useful economic lives against the most recent valuer assessments; and ▪ Test accounting entries have been correctly processed in the financial statements.

Other areas of audit focus

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Valuation of pension assets and liabilities		
The PCC and CC's net pension asset/liability is measured as the sum of the long-term payments due to members as they retire against the PCC and CC's share of the relevant pension fund investments. At 31 March 2025 the local government pension schemes totalled: • PCC £1.6 million pension asset which was limited to nil in line with the accounting requirements of IFRIC 14; and • CC £96.7 million pension asset limited to nil in line with the accounting requirements of IFRIC 14. An unfunded liability of £1,267 million was also recorded on the Group balance sheet in respect of police pension schemes.	The Local Authority Accounting Code of Practice and IAS19 require the PCC and CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Norfolk County Council and Police Pensions Schemes. The PCC and CC's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the PCC and CC's balance sheets. The information disclosed is based on the IAS 19 report issued to the PCC and CC by the relevant actuary. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.	In response to the risk, we will: ▪ Liaise with the auditor of Norfolk Pension Fund to obtain assurances over the information supplied to the actuary and confirm joint assurances in respect of employer and employee contributions, as well as membership data submitted to the actuary as part of the LGPS triennial valuation; ▪ Engage our actuarial specialists to assess the work of the actuary. This will involve a consideration of the net asset/liability and any calculation of the asset ceiling in accordance with IFRIC 14 where relevant; ▪ Assessing the work of PwC, appointed to consider actuarial assumptions used at the year end for all local government sector bodies; ▪ Review and test the accounting entries and disclosures made within the Group, PCC and CC's financial statements in relation to IAS19; ▪ Undertake procedures to assess whether there have been no material movement in the value of pension fund assets between the initial IAS19 report, and the signing of the financial statements; and ▪ Consider the valuation and disclosure of unfunded liabilities, for which there are no plan assets to meet the pension liabilities. As part of our audit procedures, we will request that the PCC and CC obtain an asset ceiling report from its actuaries. Our actuarial specialists will review the asset ceiling report to satisfy themselves that it is materially correct. Following review, we will also ensure that pension assets and liabilities are appropriately recorded within the Group, PCC and CC financial statements.

Other areas of audit focus

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Accounting for data breach issue		
Misstatements that occur in relation to this risk would affect the PCC's disclosures in relation to provisions and contingent liabilities.	While the 2021/22 audit was in progress, management reported a data breach incident that was discovered within the financial year 2022/23. We assessed the financial impact of the data breach issues in previous years financial statements, against IAS37, *Provisions, Contingent Liabilities and Contingent Assets*, to assess the completeness and accuracy of the financial liability and disclosures. The ICO's investigation has yet to be concluded and therefore it is currently unknown whether any financial penalty will be incurred and require inclusion in the accounts. Until this matter is concluded the potential non-compliance with laws and regulations (NOCLAR) remains open. Therefore, the risk remains in that accounting for the data breach issue may not align with the accounting standards and the CIPFA Code requirements.	In response to the risk, we will: ▪ Review management's assessment of any associated accounting requirements in relation to the data breach issue; ▪ Review the disclosures in the financial statements for completeness and compliance with the relevant accounting standards, ensuring that all required information is disclosed; and ▪ Review the ICO report, once issued, to consider whether there any other implications or actions required.

03 Value for money

Value for money

PCC and CC's responsibilities for value for money

The PCC and CC 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 their disposal.

As part of the material published with the financial statements, the PCC and CC are required to bring together a commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the PCC and CC tailor the content to reflect their 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.

Auditor responsibilities

Under the NAO Code we are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their 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 PCC and CC a commentary against specified reporting criteria (see below) on the arrangements the PCC and CC have in place to secure value for money through economic, efficient and effective use of their resources for the relevant period.

The specified reporting criteria are:

Financial sustainability

How the PCC and CC plan and manage resources to ensure they can continue to deliver services.

Governance

How the PCC and CC ensure that they make informed decisions and properly manage risks.

Improving economy, efficiency and effectiveness

How the PCC and CC use information about costs and performance to improve the way they manage and deliver services.

Value for money

Planning and identifying risks of significant weakness in value for money arrangements

The NAO's guidance notes require us to conduct a risk assessment that collects sufficient evidence to document our evaluation of the PCC and CC's arrangements, allowing us to draft a commentary under the three reporting criteria. This involves identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. In considering the PCC and CC's arrangements, we consider:

- The annual governance statement;
- Evidence of arrangements during the reporting period;
- Evidence obtained from our audit of the financial statements;
- The work of inspectorates and other bodies; and
- Any other evidence that we deem necessary to facilitate the performance of our statutory duties.

We then evaluate whether there is evidence indicating significant weaknesses in arrangements. According to the NAO's guidance, determining what constitutes a significant weakness and the extent of additional audit work required to address the risk is based on professional judgment. The NAO indicates that a weakness can be considered significant if it:

- Exposes, or could reasonably be expected to expose, the PCC or CC to significant financial loss or risk;
- Leads to, or could reasonably be expected to lead to, significant impact on the quality or effectiveness of service or on the PCC or CC's reputation or unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

When planning work identifies a risk of significant weakness, the NAO's guidance requires us to consider the additional evidence needed to verify whether there is a significant weakness in arrangements. This involves conducting further procedures as necessary. We are required to report our planned procedures to the PCC and CC.

Reporting on value for money arrangements

If we determine that the PCC and CC have not made proper arrangements for securing economy, efficiency, and effectiveness in their use of resources, the NAO Code mandates that we reference this by exception in the audit report on the financial statements.

Additionally, we are required to provide a commentary on the value for money arrangements in the Auditor's Annual Report. The NAO Code specifies that this commentary should be clear, readily understandable, and highlight any issues we wish to draw to the PCC and CC's or the wider public's attention. This may include matters that are not considered significant weaknesses in arrangements but should still be brought to the PCC and CC's attention. It will also cover details of any recommendations from the audit and the follow-up of previously issued recommendations, along with our assessment of their satisfactory implementation. Our 2025/26 Auditor's Annual Report must be issued in draft by 30 November 2026 to comply with the revised requirements of the NAO Code.

Value for money

Value for money risk assessment

We have substantially completed our initial value for money planning, subject to Manager and Partner review. As part of this we have considered:

- Our entity level controls and understanding the business assessment;
- The PCC and CC Risk Register and 2024/25 Annual Governance Statement;
- Meeting minutes and our planning meetings with management;
- Key financial and budget information;
- Key performance reports and Internal Audit reports; and
- Findings of other inspectorates, review agencies and other relevant bodies.

As part of our initial planning work, we considered whether there were any risks of significant weakness in the PCC and CC's arrangements for securing value for money that we needed to perform further procedures on. Based on the work undertaken we have not identified any risks of significant weakness. We will continue to review the body's arrangements throughout the course of the audit.

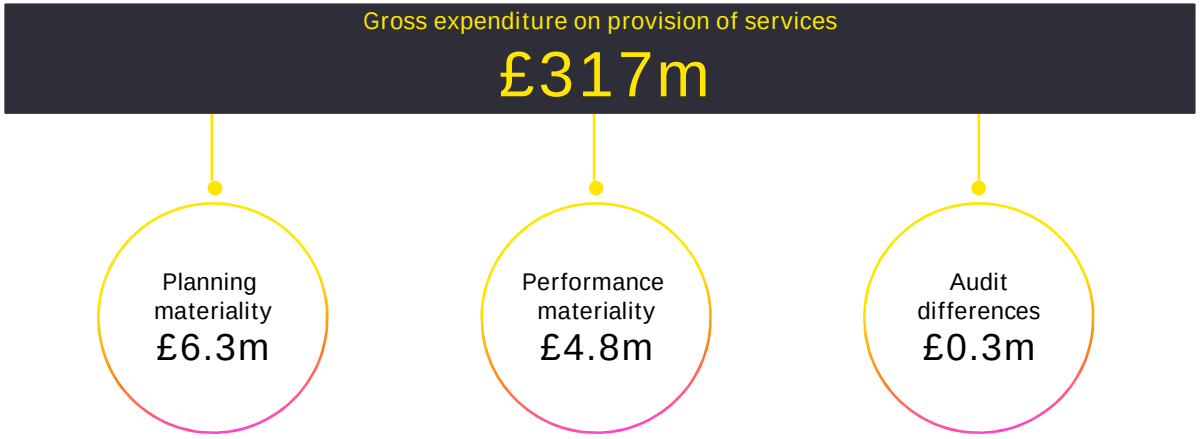
Criteria	2024/25 judgements on arrangements	2025/26 risk assessment	2025/26 expected procedures to respond
Financial sustainability	No significant weaknesses identified The Medium Term Financial Strategy sets out the key financial challenges over the next five years, identifying a cumulative budget gap of £7.5 million by 2028/29. As in previous years, the PCC and CC delivered 100% of their savings plan and reported a small overspend against budget in 2024/25. Whilst there is planned use of earmarked reserves over the medium term the minimum level of reserves has been maintained.	▪ No risk of significant weakness identified	▪ N/A
Governance	No significant weaknesses identified An appropriate framework is in place to ensure that the PCC and CC governance, resource and risk management and controls can be reviewed and reported on. Internal Audit concluded that reasonable assurance could be provided over this framework.	▪ No risk of significant weakness identified	▪ N/A
Improving economy, efficiency and effectiveness	No significant weaknesses identified The PCC and CC responded positively to the most recent PEEL report and have appropriate arrangements in place for procurement and contract management and collaborative working with other organisations.	▪ No risk of significant weakness identified	▪ N/A

04 Audit materiality

Materiality

Group materiality

For planning purposes, group materiality for 2025/26 has been set at £6.3 million. This represents 2% of the Group's gross expenditure on provision of services as disclosed in the 2024/25 statement of accounts. It will be reassessed on receipt of the draft 2025/26 statement of accounts and throughout the audit process. The rationale for this is that for a public sector entity, the expectations of users (including regulators) of the entity are focussed on the provision of services and therefore the measurement of expenditure related to these services is appropriate. We have provided supplemental information about audit materiality in Appendix F.



Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £4.8 million which represents 75% of group planning materiality. We set performance materiality at this level to reflect the low level of identified misstatements in the previous year, having determined that there is similar likelihood of errors being identified in the current year.

Audit difference threshold – we will report to you all uncorrected misstatements over £0.3 million, relating to the comprehensive income and expenditure statement and balance sheet that have an effect on total comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the PCC and CC, or are important from a qualitative perspective.

Materiality

PCC materiality

For planning purposes, PCC materiality for 2025/26 has been set at £3.2 million. This represents 2% of the PCC's total assets as disclosed in the 2024/25 statement of accounts. It will be reassessed on receipt of the draft 2025/26 statement of accounts and throughout the audit process. The rationale for this is that the PCC is responsible for making strategic decisions on the future of policing in the area which involves how to make best use of their assets.

Total assets
£116m

- Planning materiality £3.2m
- Performance materiality £2.4m
- Audit differences £0.2m

CC materiality

For planning purposes, CC materiality for 2025/26 has been set at £5.8 million. This represents 2% of the CC's gross expenditure on provision of services as disclosed in the 2024/25 statement of accounts. It will be reassessed on receipt of the draft 2025/26 statement of accounts and throughout the audit process. The rationale for this is that for a public sector entity, the expectations of users (including regulators) of the entity are focussed on the provision of services and therefore the measurement of expenditure related to these services is appropriate.

Gross expenditure on provision of services
£291m

- Planning materiality £5.8m
- Performance materiality £4.4m
- Audit differences £0.3m

We request that the PCC and CC confirm their understanding of, and agreement to, these materiality and reporting levels.

05 Scope of our audit

Audit process and strategy

Objectives of our audit scoping

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit reports to the PCC and CC. Additionally, we aim to ensure that the PCC and CC has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- Whether the financial statements give a true and fair view of the financial position of the group and its expenditure and income for the period in question; and
- Whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- whether other information published together with the audited financial statements is consistent with the financial statements.

Other procedures required by the Code:

- Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Internal audit

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

In 2024/25, the Head of Internal Audit concluded that reasonable assurance may be awarded over the framework of governance, risk management and controls at the PCC and CC.

06 Audit team

Audit team

Audit team leadership

The engagement team is led by Debbie Hanson, who has overall responsibility for the performance of the audit and for the auditor's report issued on behalf of EY.

Our approach to the use of specialists

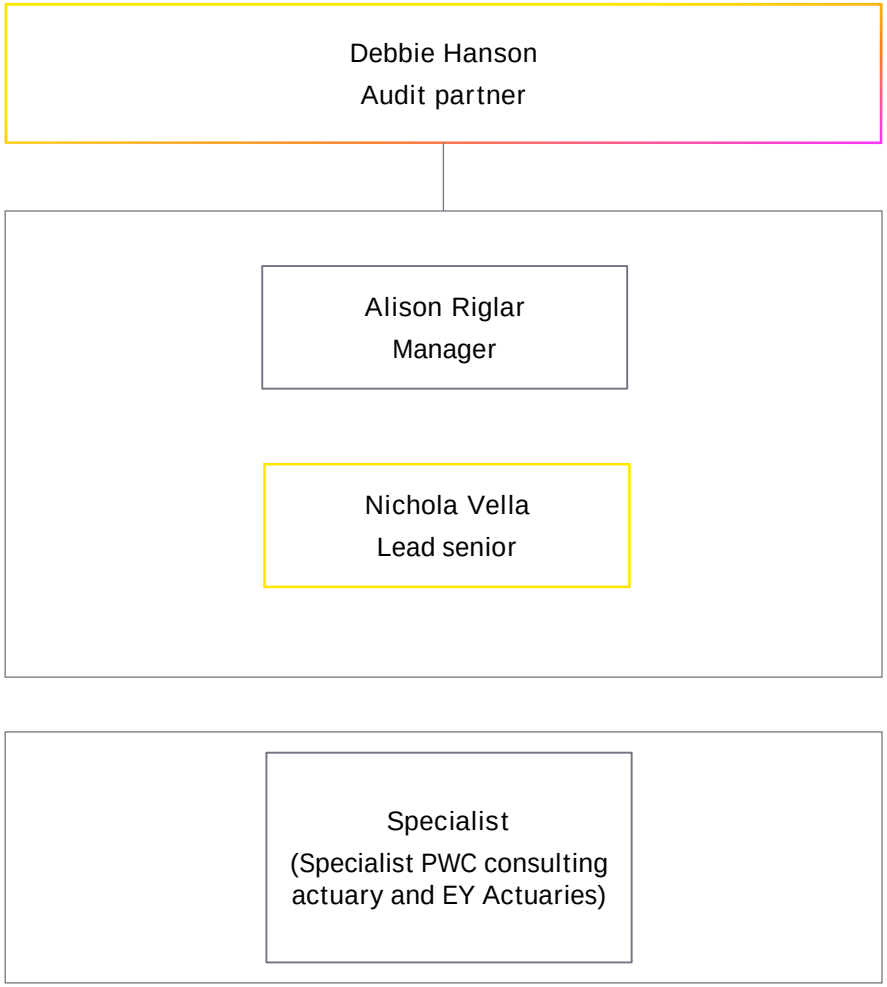
When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Pensions disclosure	EY Actuaries, PwC (Consulting Actuary commissioned by NAO)

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the PCC and CC's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



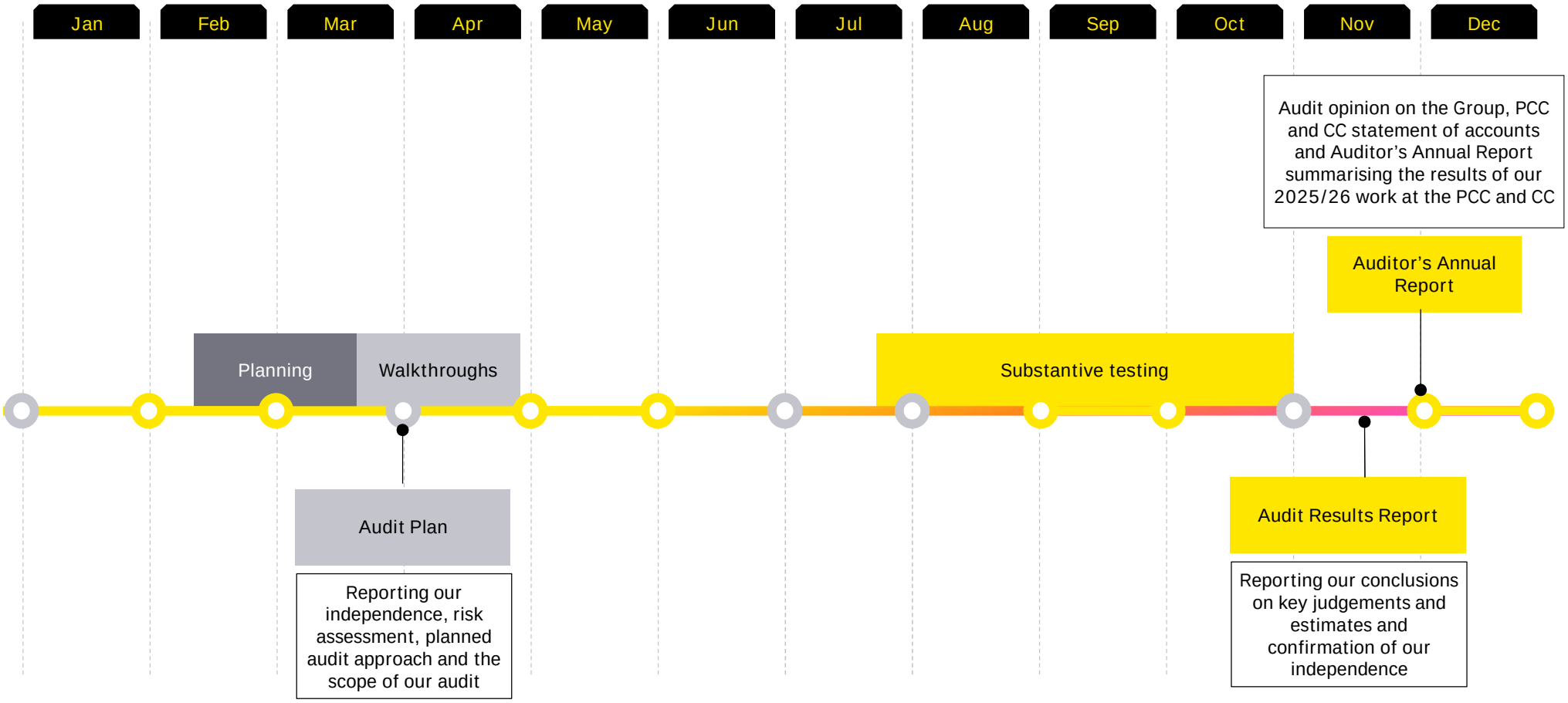
07 Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle for 2025/26.

From time to time matters may arise that require immediate communication with the PCC and CC and we will discuss them as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.



08 Appendices

Appendix A – Rebuilding assurance: responsibilities

The PCC and CC's responsibilities

As set out in Appendix B our fee is based on the assumption that the PCC and CC comply with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.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/. In particular, the PCC and CC should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
- ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the plan;
- maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
- during the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable, and the start date of the audit will be delayed.

Observations from 2024/25

As we have outlined in prior years, 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. We presented our views on the effectiveness of the PCC and CC's arrangements to support external financial audit across a range of relevant measures as part of our 2024/25 Audit Results Report.

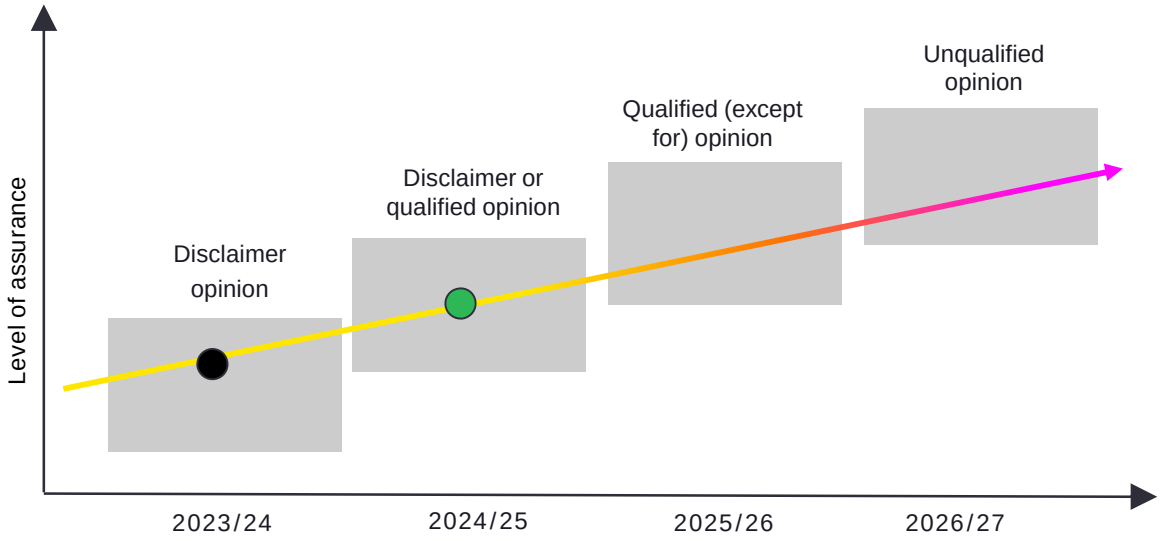
We have repeated this assessment on the following page.

Appendix A – Rebuilding assurance: responsibilities continued

Progress to full assurance

The chart below sets out the illustrative timescale for the process of rebuilding assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the PCC and CC's actual progress against that timescale, the reasons for that assessment and what still needs to be done to successfully rebuild assurance.

The guidance recognises that the path to full assurance, and therefore an unqualified opinion, will usually take a number of years to achieve, and depends upon co-ordination and engagement between the PCC and CC and audit team. Since 2022/23, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements.



Norfolk PCC and CC progress

In the audit report for the year ended 31 March 2025, a qualified audit opinion was issued which drew attention to remaining gaps in assurance over Property, Plant and Equipment and Reserves balances.

In the audit report for the year ended 31 March 2024 disclaimer of opinion was issued due to the application of the backstop.

In our view, the PCC and CC's progress is in line with the expected timescales set out in LARRIG 01.

In 2024/25 we were able to make significant progress in the level of assurance achieved in relation to cash flow statement and police pension fund accounting statements. Our risk assessment for 2025/26 is underway, and our work will seek to focus on continuing to build back assurances in the following areas:

- Property, plant and equipment balances, taking account of CIPFA Bulletin 22; and
- Reserve balances.

Efficient delivery will continue to rely on the strong cooperation we have experienced to date as we set out on the following page, including timely responses, clear communication and the provision of good-quality working papers. Maintaining this approach will support us in completing the audit in line with the agreed timetable.

Appendix A – Rebuilding assurance: responsibilities continued

Factors impacting the execution of the 2024/25 audit

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements			Effective	The financial statements were published by the 30th 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 were experienced 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 were no significant issues with access to the finance team and key personnel.	N/A
Volume and value of identified misstatements			Effective	No material misstatements were detected as a result of our work.	N/A
Volume of misstatements in disclosure			Effective	A relatively small number of misstatements in disclosure were detected in our work.	N/A

Key:

- Red: Ineffective. In our judgement, significant improvements are required in the Council's arrangements to support the rebuilding of assurance. Action should be taken to respond immediately.
- Amber: Requires Improvement. Matters and/or issues had an impact on the delivery of the audit and should be addressed in future years.
- Green: Effective. There were no significant matters that impacted the timing or effectiveness of audit procedures.

Appendix B - Independence and Fees

The FRC Ethical Standard 2024 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;
- Information about the general policies and process within EY to maintain objectivity and independence; and
- The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service).

Final stage

- In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- Details of non-audit/additional services provided and the fees charged in relation thereto;
- Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence (for breaches of the FRC Ethical Standard include details of its significance); and
- An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Appendix B - Independence and Fees continued

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Debbie Hanson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in your company. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2024 (FRC ES), and we will comply with the policies that you have approved.

When the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

At the time of writing, there is no provision of non-audit services. Therefore, no additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with FRC ES Section 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements. There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Appendix B - Independence and Fees continued

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

EY Transparency Report

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 period ended 30 June 2025 and can be found here: EY UK 2025 Transparency Report.

Appendix B – Independence and Fees continued

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The agreed fee presented is based on the following assumptions:

- officers meeting the agreed timetable of deliverables;
- our financial statement opinion and value for money conclusion being unqualified;
- appropriate quality of documentation is provided by the PCC and CC;
- an effective control environment; and
- compliance with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.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/. In particular the PCC and CC should have regard to paragraphs 26–28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full in Appendix A.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the PCC and CC in advance.

	Current Year 2025/26	Prior Year 2024/25
	£	£
Total Fee – Code Work (scale fee)	159,345 Note 2	155,007
Scale fee variation	TBD Note 3	TBD Note 1
Total audit fees	TBD	TBD

All fees exclude VAT

1. The 2024/25 audit has recently been completed, and we expect the final fee to be determined shortly.
2. For 2025/26 the planned fee represents the base fee, i.e., not including any extended testing.
3. The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:
   - Consideration of correspondence from the public and formal objections;
   - New and revised accounting standards;
   - Non-compliance with law and regulation with an impact on the financial statements;
   - VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts;
   - The need to exercise auditor statutory powers;
   - Prior period adjustments; and
   - Modified financial statement opinions.

Appendix C – Prior year recommendations

As part of our annual audit procedures we will follow up the specific open and in progress recommendations reported within our 2024/25 reporting. The two open recommendations from prior years are outlined below.

Classification of recommendations		
Grade 1: Key risks and / or significant deficiencies which are either critical to the achievement of strategic objectives or significant risks to material compliance with regulatory requirements. Management needs to address and seek resolution urgently.	Grade 2: Risks or potential weaknesses which impact on objectives and compliance, or impact the operation of a single process, and so require prompt but less urgent immediate action by management.	Grade 3: Less significant issues and / or areas for improvement which consider merit attention but do not require to be prioritised by management.

Internal control weaknesses

No.	Finding	Recommendation and grading	Progress made in 2024/25
1.	Testing of year-end payables in 2023/24 included three key items representing payroll deductions (national insurance, income tax and pension contributions). This testing identified differences, totalling £77,000, between the payroll interface and payment to HMRC dating back to March 2016. Whilst the total difference is not material, the monthly discrepancies date back to March 2016 and have not therefore been resolved in a timely manner.	The PCC and CC should resolve any issues with the payroll system interface and eliminate any remaining differences sitting within their control accounts. ▪ Grade 3	Work is ongoing to resolve this issue. Remaining differences as at 31 March 2025 total £2,400.
2	Sample testing in 2023/24 identified six out of ten lease agreements which had not been finalised prior to commencement or existing lease agreements had expired with no new agreement yet in place.	▪ The PCC should ensure that all lease agreements are approved and signed before the commencement of the lease to which they relate. ▪ Grade 3	Work is ongoing to ensure that formal lease agreements are in place.

Appendix D – Regulatory update

Key regulatory changes

There are a number of key regulatory developments underway relating to local authority governance and the audit of the PCC and CC's financial statements. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on the PCC and CC
English Devolution and Community Empowerment Bill	The Bill has completed all scrutiny stages in the House of Commons and is now at Committee stage (Grand Committee) in the House of Lords. The following measures therefore remain proposals until Royal Assent is granted: ▪ Local audit system reforms: The Bill includes provisions to reform elements of the local audit framework in England alongside support measures intended to address the audit backlog. The Bill will also enable changes to the way audit oversight and local audit responsibilities operate. Section 61 of the Bill provides for the establishment of the Local Audit Office (LAO). Legislation will set out that the main objective of the LAO is to secure the effective operation of the system of audit, with a view to meeting the needs of users of audited accounts. The LAO will appoint auditors to non-NHS bodies, determine audit fees and prepare one or more Code of Audit Practice. ▪ Combined authorities and Combined County Authorities: The Bill expands powers and functions of combined authorities and places combined county authorities on a clearer statutory footing. This will allow further transfer of functions from constituent councils. ▪ Devolution of functions to "Strategic Authorities": The Bill expands the category of Strategic Authorities and allows transfer of responsibilities from central government and councils. ▪ Local Government Reorganisation: The Bill supports changes to council structures to support devolution.	▪ Local audit system reforms may result in changes to audit timescales or responsibilities and there may therefore be transition risks in future years. ▪ The Bill provides that the authority must have an audit committee, and that at least one member of the committee be an independent person.

Appendix D – Regulatory update continued

Key regulatory changes continued

Name	Summary of key measures	Impact on the PCC and CC
Public Office (Accountability) Bill	The Public Office (Accountability) Bill aims to impose a duty on public authorities and public officials to "at all times act with candour, transparency and frankness in their dealings with inquiries and investigations." Breach of the duty would be a criminal liability. The Bill is expected to apply not only to both core public bodies delivering public services but also private bodies delivering public functions such as those on a government contract. The Bill also proposes: ▪ A new statutory duty on public authorities to promote and take steps to maintain high standards of ethical conduct, as defined by the Seven Principles of Public Life, or "Nolan Principles"; ▪ Reforms that will make it easier to prosecute misconduct in public office; and ▪ An offence of misleading the public.	▪ While the Bill continues to make its way through the House of Commons Committee processes, the PCC and CC should ensure that training and support for committee members is enhanced to take account of greater expectations in relation to local government standards.
Fair Funding Review	▪ On 20 November 2025, the government announced a multi-year Local Government Finance Settlement in a decade, together with the Fair Funding Review . Key measures include: ▪ There will be a single settlement for 2026/27 to 2028/29 ▪ The government plans to use up to date English Indices of Multiple Deprivation, together with up-to-date services cost and demand data to calculate individual council allocations for 2026/27 to 2028/29; and ▪ The Children and Young People's Services formula will use the latest index of deprivation affecting children. The new indices are expected to lead to greater transparency and a reduced reliance on competitive bidding for funds. The Government also announced it will simplify 33 funding streams, worth almost £47 billion over three years.	Using new indices will result in some authorities seeing increases in their allocations, whilst others see decreases. The government has, however, set out transitional arrangements to help with managing change: ▪ A Recovery Grant funding guarantee to upper tier authorities in receipt of Recovery Grant; ▪ Funding floors and phasing in of new allocations across the multi-year settlement; and ▪ Additional money in the national settlement for children's social care and a new ring-fenced combined Homelessness, Rough Sleeping and Domestic Abuse grant over three years. .

Appendix D – Regulatory update continued

National Audit Office reporting

There are a number of key publications from the National Audit Office that have an impact on the PCC and CC. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key messages	Impact on the PCC and CC
Local government finance report 2026 to 2027	The 2026–27 Local Government Finance Report introduces a multi-year settlement covering 2026/27 to 2028/29 and implements the Fair Funding Review 2.0. Updated distribution formulas will reallocate resources between councils, reflecting more recent demographic and deprivation data. The report confirms the continuation of council tax referendum principles and introduces significant changes to Special Educational Needs and Disabilities (SEND) funding, including the extension of the statutory override for DSG deficits to 2027/28 and a government-funded write-off of approximately 90% of historical DSG deficits. These policy changes represent one of the most substantial re-baselining exercises in recent years.	▪ Authorities must re-model their Medium-Term Financial Plans (MTFPs) to account for formula redistribution effects and redesigned SEND funding arrangements. The ongoing restrictions on council tax increases will continue to limit local financial flexibility. For many authorities, particularly those with substantial DSG deficits, the reforms will have material implications for reserves management and financial stability.
Exceptional Financial Support for local authorities for 2025-26	Exceptional Financial Support (EFS) remains a mechanism for councils facing acute short-term financial pressures. For 2025–26, thirty authorities received in-principal approval for EFS, allowing them to treat certain revenue costs as capital expenditure through capitalisation directions. The government has removed the additional 1% borrowing premium previously applied and has imposed conditions including enhanced assurance reviews and restrictions on community-asset disposals. The NAO notes that, although EFS can prevent immediate failure, it shifts the burden to future years through increased borrowing.	▪ For the sector, the continuation of EFS signals sustained financial fragility. Authorities using EFS must demonstrate credible, independently-scrutinised recovery and savings plans, along with significant improvements in governance, financial management, and internal controls. ▪ Authorities should expect intensive oversight and stringent follow-up from central government when accessing this mechanism.
Local audit reform: Government response to the consultation to overhaul local audit in England	The government response sets out a comprehensive overhaul of the local audit system in England. Central to the reforms is the creation of the Local Audit Office (LAO), which will assume responsibility for appointing auditors, preparing Codes of Audit Practice, enforcing quality standards, and overseeing audit delivery. A phased transition plan will move existing responsibilities from Public Sector Audit Appointments (PSAA) and other bodies to the NAO between 2026 and 2027, with the aim of stabalising the system, addressing audit backlogs, and restoring confidence in the timeliness and quality of local audit.	▪ For authorities, the reforms will lead to more prescriptive expectations around audit readiness, governance, documentation quality, and responsiveness. Authorities should anticipate tighter reporting deadlines and increased scrutiny of working papers, internal controls, and VFM arrangements.

Appendix D – Regulatory update continued

National Audit Office reporting continued

Name	Summary of key messages	Impact on the PCC and CC
Local Government Financial Sustainability	The National Audit Office most recently reported on the context of local government finances in February 2024, which included their consideration of service and financial pressures. They concluded that although total local government funding has risen modestly in recent years, it has not kept pace with population growth, rising service demand, or the increasing complexity and cost of supporting people with high needs. Real-terms funding per person fell between 2015-16 and 2023-24, while demand for essential services such as adult social care, children's social care, SEND provision and homelessness continued to escalate. The NAO highlights growing evidence of strain across services, including delays in Education, Health and Care Plans and a sharp rise in families housed in temporary accommodation for longer than legally permitted. Repeated delays to long-promised funding reforms mean councils continue to rely on short-term, stop-gap measures. Exceptional Financial Support has become increasingly common, but while it prevents immediate failure, it also shifts financial risk into future years, reflecting underlying structural weaknesses in the local government finance system	▪ The report signals deepening financial fragility across the sector, with many authorities facing heightened risk of issuing Section 114 notices unless systemic pressures are addressed. Rising demand and cost escalation in statutory services are absorbing an ever-greater share of local authority budgets, reducing the capacity to invest in preventative activity and long-term service improvement. The NAO warns that widespread reliance on temporary fixes–including Exceptional Financial Support–creates additional future liabilities and limits authorities' ability to plan sustainably. Without coordinated, cross-government reform of funding, accountability and service oversight frameworks, councils will remain locked in reactive financial management, with growing consequences for service quality, citizen outcomes and long-term financial resilience.
Improving local areas through developer funding	The NAO identifies developer contributions–primarily Section 106 agreements and the Community Infrastructure Levy (CIL)–as essential tools for funding local infrastructure and affordable housing. However, the report finds significant variation across councils in both the application and governance of these mechanisms. Negotiated viability assessments often reduce the contributions developers agree to provide, while only around half of planning authorities have formally adopted CIL. Developer contributions account for roughly 44% of affordable housing delivery nationally, yet over 17,000 S106-linked affordable homes with planning consent lacked a housing association buyer at the time of review, indicating a delivery bottleneck. The government is providing additional planning capacity funding and establishing a Section 106 Affordable Homes Clearing Service to support councils in unlocking stalled developments.	▪ For authorities, strengthening internal governance and transparency around developer contributions will be increasingly important. Authorities will need improved planning capacity, including specialist viability expertise, to mitigate risks of reduced contributions and ensure developer obligations are properly monitored. With the proposed Infrastructure Levy no longer being taken forward, authorities must optimise and professionalise the existing S106 and CIL frameworks.

Appendix E – Required communications with those charged with governance

We have detailed the communications that we must provide to the PCC and CC.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by those charged with governance of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	Audit Plan – April 2026
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit Plan – April 2026
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Other significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management ▪ Circumstances that affect the form and content of our auditor's report ▪ Other matters if any, significant to the oversight of the financial reporting process	Audit Results Report – November 2026

Appendix E – Required communications with those charged with governance continued

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements	Audit Results Report – November 2026
Misstatements	▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods	Audit Results Report – November 2026

Fraud	▪ Enquiries of those charged with governance to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity
	▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist
	▪ Unless all of those charged with governance are involved in managing the entity, unless prohibited by law or regulation any identified or suspected fraud involving:
	  ▪ Management;
	  ▪ Employees who have significant roles in internal control; or
	  ▪ Others, when the identified or suspected fraud is other than clearly inconsequential.
	▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected
	▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud
	▪ Any other matters related to fraud, relevant to those charged with governance responsibility
		Audit Results Report – November 2026

Appendix E – Required communications with those charged with governance continued

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties	Audit Results Report – November 2026
Independence	Communication of the relevant ethical requirements, including those related to independence, that we apply for the audit engagement, including any independence requirements specific to audits of financial statements of the entity. Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence ▪ Breaches of IESBA Code of Ethics, local independence regulations or professional standards (for breaches of the FRC Ethical Standard, include details of the breach and its significance) Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place. Communication of relevant information to those charged with governance, to enable them to provide concurrence on the non-audit services being provided.	Audit Plan – April 2026 Audit Results Report – November 2026
External confirmations	▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures	Audit Results Report – November 2026
Consideration of laws and regulations	▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that those charged with governance may be aware of	Audit Results Report – November 2026

Appendix E – Required communications with those charged with governance continued

		Our Reporting to you
Required communications	What is reported?	When and where
Internal controls	▪ Significant deficiencies in internal controls identified during the audit	Audit Results Report – November 2026
Group audits	▪ An overview of the work to be performed at the components and the nature of the group audit team's planned involvement in the work to be performed by component teams ▪ Instances when the group audit team's review of the work of a component team gave rise to a concern about the quality of that team's work, and how the group audit team addressed the concern ▪ Any limitations on the ability to obtain sufficient appropriate audit evidence in support of the group audit opinion, for example, where the group audit team's access to people or information may have been restricted ▪ Fraud or suspected fraud involving group management, component management, employees who have significant roles in the group's system of internal control or others when the fraud has the potential for having a "more than inconsequential" effect ▪ Significant deficiencies identified in the group's system of internal control	Audit Plan – April 2026 Audit Results Report – November 2026
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report – November 2026
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit Results Report – November 2026
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report – November 2026
Auditors report	▪ Any circumstances identified that affect the form and content of our auditor's report	Audit Results Report – November 2026

Appendix F – Additional audit information

Objective of our audit

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Other required procedures during the course of the audit

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PCC and CC's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the PCC and CC to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the audit committee reporting appropriately addresses matters communicated by us to the audit committee and reporting whether it is materially inconsistent with our understanding and the financial statements.
- Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the level of work performed on individual account balances and financial statement disclosures within the Group, PCC and CC statement of accounts.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

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Office of the Police and Crime Commissioner of Norfolk and Chief Const
Norfolk Constabulary

Internal Audit Annual Report

July 2026

Executive Summary

Introduction

This is the 2025/26 Annual Report by TIAA on the internal control environment at the Office of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control.

As a provider of internal audit services, TIAA has consistently ensured that our audit methodology conforms to the applicable Standards. Our most recent External Quality Assessment (EQA), undertaken in 2022, confirmed our conformance.

Following the introduction of the new Global Internal Audit Standards, we have reviewed and updated our working practices, where required, to ensure continued alignment with the revised requirements. Key updates include a refreshed audit Charter and enhancements to our Quality and Improvement Programme.

TIAA remains committed to maintaining conformance with applicable Standards and will continue to undergo an independent EQA every five years, with our next assessment scheduled for 2027. Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, the Office of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabulary have reasonable and effective risk management, control and governance processes in place. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner Norfolk and Chief Constable of Norfolk Constabulary from its various sources of assurance.

Internal Audit Planned Coverage and Output

The 2025/26 Annual Audit Plan approved by the Audit Committee was for 275 days of internal audit coverage in the year. During the year there were no changes to the Audit Plan. There were three audits brought forward from previous years to be reported as part of 2025/26 annual report.

The planned work that has been carried out is set out in Appendix A. Appendix B covers work that was brought forward to be delivered during the 2025/26 audit plan.

Assurance

TIAA carried out 15 reviews as part of the 2025/26 audit plan, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Office of the Police and Crime Commissioner for Norfolk and Chief Constable of Norfolk Constabularies objectives. Three audits from previous years were brought forward to be reported in the 2025/26 annual plan. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	7	4
Reasonable Assurance	7	9
Limited Assurance	1	3
No Assurance	0	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2025/26. The numbers in brackets relate to 2024/25 recommendations.

Urgent	Important	Routine
2 (4)	18 (22)	19 (29)

Audit Summary

Control weaknesses: There was one area reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance.' Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Governance Framework	0	5	7
Risk Mitigation	0	1	3
Compliance	2	8	6
Performance Monitoring	0	4	3
Sustainability	0	0	0
Resilience	0	0	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
17

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with IIA Internal Audit Standards	100%	100%

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	3rd July 2026

Annexes

Annex A

Actual against planned Internal Audit Work 2025/26

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Corporate Governance Structure	Assurance	20	20	Reasonable Assurance	
Performance Management Framework	Assurance	16	16	Substantial Assurance	
Police Investigating Centres (PICs).	Assurance	20	20	Substantial Assurance	Draft report stage
Communication Strategy	Assurance	12	12	Substantial Assurance	
Procurement Strategy and Compliance including waivers	Assurance	20	20	Reasonable Assurance	
Contract Management	Assurance	12	12	Reasonable Assurance	
Asset Management	Assurance	18	18	Substantial Assurance	
Data Quality	Assurance	15	15	Reasonable Assurance	Draft report stage
Estate Strategy	Assurance	15	15	Reasonable Assurance	Separate reports were issued for Norfolk and Suffolk Constabularies Estate Strategy audits as they have separate Estates strategies.
Risk Management	Assurance	14	14	Reasonable Assurance	
Key Financials Controls	Assurance	25	25	Substantial Assurance	
Limited Duties	Assurance	20	20	Limited Assurance	Draft report stage
Body Worn Cameras	Assurance	14	14	Substantial Assurance	Draft report stage
Learning and Development	Assurance	14	14	Reasonable Assurance	
Follow-up	Follow up	12	12		
Annual Planning	Management	2	2		
Annual Report	Management	2	2		
Audit Management	Management	24	24		
	Total Days	**275**	**275**		

Work for previous years brought forward to be delivered and reported as part of the 2025/26 plan

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Change Management	Advisory	10	10	Advisory review	
Commissioning and Partnership	Substantial	18	18	Substantial Assurance	Norfolk only but shared for completeness
Cyber Security	Advisory	22	22	Advisory review	

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BDO

Introduction Manual for Norfolk and Suffolk Forces and OPCCs

A bit about us

BDO is the fifth largest accountancy firm in the UK with over 8,500 staff. Your Internal Audit Team are a public sector specialist team with vast experience of delivering internal audit programmes across a range of public sector organisations. Our passion is to deliver value to the public sector every day, ensuring that our work is collaborative with you to support Norfolk and Suffolk Police and the Offices of the Police and Crime Commissioner (OPCCs) in achieving your strategic priorities and objectives.

We are excited to be coming on board and working closely with staff across all four organisations and their Audit Committees (AC) to serve and protect your communities and to enable you to deliver policing excellence as standard. We have provided our email addresses below and would welcome colleagues reaching out to us with queries or just an introductory chat.

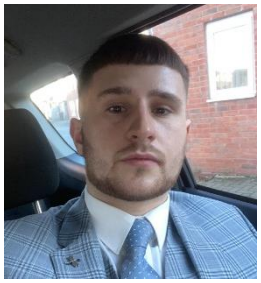
YOUR CORE INTERNAL AUDIT TEAM

Gurpreet Dulay (CPFA)

Gurpreet will be your Head of Internal Audit and will be responsible for the delivery of the internal audit function. Gurpreet is CPFA qualified and considers himself as 'truly public sector' having worked in the sector his whole career. Outside of work, Gurpreet enjoys spending his spare time with his family doing various activities.

Gurpreet.Dulay@bdo.co.uk

Nathan Hall (ACA)



Nathan will manage the operational delivery of the internal audit function, interacting with you throughout individual audit assignments to scope the review, oversee our team of experienced auditors and quality review all outputs. You will see Nathan at the Force's Headquarters and at AC meetings, where he'll be happy to catch up over a coffee and chat through anything, from audit reviews to anything sport related!

Nathan is excited to meet and work with you all over the coming months and year, collaborating with you to deliver a smooth and value adding service.

Nathaniel.Hall@bdo.co.uk

Max Armstrong (ACA)

Max will support Nathan in managing the internal audit function, sharing his knowledge and best practice from across his broad portfolio public sector of clients to support you. Max is passionate about working with the public sector and particularly the emergency services, with a strong policing presence in his family.

Max is a keen golfer and enjoys his weekend playing 18 holes with friends. He also enjoys running in the evening and hiking and will be attempting the Inca Trail in Peru in 2027.

Max Armstrong@bdo.co.uk

What we do

As internal auditors, our role is to provide the Force and the Office of the Police and Crime Commissioner (OPCC) with independent assurance regarding governance, risk management, and internal controls, facilitated through the Audit Committees. In accordance with the Accounts and Audit Regulations 2015, police bodies are required to maintain an adequate and effective internal audit function for their accounting records and control systems. Our objective is to support you in achieving your goals by ensuring the robustness and effectiveness of your internal control systems.

WHAT YOU CAN EXPECT FROM US

Our commitment to you is that we will work with all staff across the Force and the OPCC to give you a positive experience of internal audit. To do this, we will ensure:

- All audit assignments are scoped by either Nathan or Max so that our audit scopes reflect the key risks facing your departments.
- Establish clear timescales from the start of each audit, so you are clear on expectations.
- Our staff operate in a dynamic way and can adapt our methods to ensure audits are delivered in the most effective impactful way, whether that is via in-person meetings or remotely.
- We work with you to offer meaningful recommendations to address gaps identified during our testing. To do this, we commit to either Nathan or Max attending all closing meetings where we will talk through our audit findings and recommendations before a report is issued.
- A high quality, friendly and collaborative service that works in partnership with you to support the Force and OPCC to meet its objectives.

WHAT WE ASK OF YOU

We encourage you to actively engage with our Internal Audit Programme to achieve the best outcomes. This involves:

- Promptly responding to our team's requests for documents and meetings, allowing us to better understand your work.
- Approach internal audits positively and open-mindedly, recognising that our service is designed to support, not hinder, your efforts.
- We welcome constructive and respectful challenges during audits, as your expertise is invaluable in ensuring accuracy. This collaborative approach enhances the impact of our service, enabling us to work together and challenge each other to achieve optimal results.

Our methodology

Our tried and tested methodology has been designed deliberately to meet the Global Internal Audit Standards and to foster a collaborative working relationship. We put people first and therefore, prioritise early engagement with stakeholders so they we can work together to achieve our goals.

OUR INTERNAL AUDIT PLAN

Our Internal Audit Plan and Strategy drive our programme of work each year. This document is approved by the AC at the start of the year and sets out the audits that will be performed during the year. We also schedule when each individual audit will be completed but we do act flexibly to ensure that our work considers busy periods for you. Our Internal Audit Plan is a risk-based plan, specifically focusing on areas of a higher risk, to help you to implement controls to manage these risks.

INDIVIDUAL AUDITS

For each audit, we make sure that our approach maximises our engagement with you and our understanding of your service area.

Before the audit – scoping meeting and terms of reference (at least 8 weeks before fieldwork)

We will hold a scoping meeting with the relevant Director, Head of Service and key stakeholders to agree the scope of each audit. This is our opportunity to get to know more about how your team operates and your key risks. This will allow us to prepare our draft terms of reference which will be shared with you before it is finalised to ensure you are comfortable with the scope of our review. Ahead of the scoping meeting, we will issue a desktop terms of reference to drive the conversation and ensure that your time is spent valuably. At this meeting, we will also agree the timing and logistics for the audit so that we are all prepared for day 1 of the fieldwork. It will be important that we have engagement on:

- Our documentation request and the full provision of documents prior to fieldwork
- Contact details and availability of key staff involved in the audit, including enabling us to book key meetings into the diary
- Email approval from the Audit Sponsor at least 10 days before the scheduled audit start date.

Fieldwork

This is the phase of our work where a highly skilled and experienced auditor will spend time with you, ensuring that we fully understand your processes and controls before testing the effectiveness of these. We typically expect the fieldwork phase to last between two to three weeks – don't worry, much of this time will be us performing testing independently so we will not be taking you away from your role for this whole period.

Closing meeting

At the end of the fieldwork phase, we will hold a closing meeting with you to talk through the key findings and recommendations that we have identified through our testing. This meeting will be led by the auditor and attended by either Nathan or Max. This is a valuable opportunity for us to clarify the findings and recommendations to ensure that these are practical for you. We will schedule the closing meeting at the scoping phase of the audit and we will require attendance from relevant staff and the Head of Service or Director responsible for the area.

Draft report

We prepare a draft report summarising our findings and recommendations. This is issued to you in draft for your management responses to each recommendation and the accountability of who is responsible for the recommendation and when it will be implemented by. At this stage, if there is something that is not quite

right or you feel need clarifying, we always welcome a conversation so that we can address this before a report is finalised. A key requirement of you will be to provide your full and final management responses within 10 working days of the receipt of the draft report. We will expect your management responses to address each recommendation with sufficient detail to ensure that AC receive clarity over what actions you will take to implement the recommendations.

Final reports and AC meetings

Once management responses, timelines and responsible officers are agreed, our audit report is issued as final and presented to the following AC meeting. This is a critical stage of the audit process where we provide AC members with assurance over the design and effectiveness of internal controls. This is also an opportunity for AC members to scrutinise us and Executive Directors so that they obtain the necessary assurances to perform their duties effectively.

Follow up

We follow up on all high and medium recommendations to provide ongoing assurance to AC that the actions that we agree in the report are then implemented. In internal audit, follow-up ensures that management has effectively addressed audit recommendations and mitigated identified risks, promoting continuous improvement and accountability. We will undertake an initial follow up review of all outstanding actions in September 2026 and follow up annually thereafter. As part of our follow up processes, the Policy and Assurance Officer will issue requests for updates on recommendations, allowing you ample time to give us the progress updates and supporting evidence for completed actions, so that AC can be provided with assurance that internal controls have been strengthened where gaps have been identified.

Data Sharing

There will be times during the course of our audit programme that are of a confidential or sensitive nature. Per our contract with the OPCC and the Force, we will share a Mimecast link with you to send documents to us by. This is a secure and encrypted document transfer tool. To maintain security of documentation, it is important that you use Mimecast to send us documentation and do not attach confidential documents to emails.

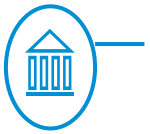
DIFFERENCES BETWEEN INTERNAL AND EXTERNAL AUDIT

While we are called Internal Audit, this can be misleading. We are an external firm appointed by the Force and OPCC to provide assurances to internal stakeholders over your internal controls. However, we endeavour to embed ourselves within your organisation.

But, to answer the age-old question – what is the difference between internal and external audit?

We have provided a summary below on some of the key differences you can expect from us in comparison to your external auditors, Azets.

INTERNAL AUDIT

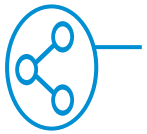


Purpose and objectives

- To provide the Force and OPCC with assurance over its internal controls, governance and risk management
- To support the Force and OPCC to improve its internal controls by sharing sector-wide best practice and identifying control weaknesses/gaps.

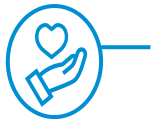
Approach

- Use a blend of audit techniques, such interviews, sample testing, observations, process walkthroughs to understand and test the design and effectiveness of the internal controls. are robust
- Recommend to the Force and OPCC on actions that could improve its internal controls.



Testing

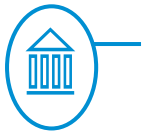
- Sample test transactions to assess the strength of processes and controls
- Walkthrough and observe controls to identify any weaknesses, gaps or strengths
- Interview management and review meeting minutes to understand processes and governance arrengements
- Ascertain compliance with any specific legislative requirements.



Reporting

- Provide a draft report for relevant stakeholders identifying findings and recommendations to improve controls
- Provide our opinion on the design of controls and the effectiveness of these being followed.

EXTERNAL AUDIT

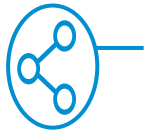


Purpose and objectives

- To provide an opinion on whether the Force and OPCC's financial statements and accounts provide a true and fair reflection
- To identify material misstatements in the financial accounts.

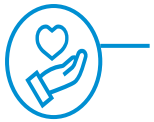
Approach

- Review material transactions, financial governance and controls to identify any areas where material misstatements could arise.



Testing

- Sample test material transactions to identify whether they have been accurately recorded in the accounts
- Assess the validity of assumptions made by management around the going concern of an organisation.
- Review minutes Board, committee and management meetings to identify any matters that may impact the true and fair reflection of the accounts.



Reporting

- Report into the AC and/or Board with the external auditor's opinion on whether the financial statements and accounts are a true and fair reflection of financial performance and position
- Sign the auditor's report to the accounts to be published on the organisation's website and to governmental stakeholders.

INTERNAL AUDIT PLAN NORFOLK CONSTABULARY AND THE OFFICE OF THE POLICE AND CRIME COMMISIONER FOR NORFOLK

2026/27

IDEAS | PEOPLE | TRUST

CONTENTS

INTERNAL AUDIT APPROACH

BACKGROUND

Our risk-based approach to internal audit uses Norfolk Constabulary (the Force) and Office for the Police and Crime Commissioner (OPCC) own risk management processes and risk registers as a starting point for audit planning as this represents the Force's and OPCC's own assessment of the risks to it achieving their strategic objectives.

Our reliance on management's perception of risk is contingent on the maturity and effectiveness of the Force and OPCC's risk management arrangements. In determining the audit resources needed for significant risks, we have verified that senior management's risk assessment accurately reflects the Force's and OPCC's current risk profile.

PLANNED APPROACH TO INTERNAL AUDIT 2026/27

The indicative Internal Audit programme for 2026/27 is set out on pages 10 to 21. We met with senior management and members of the Audit Committee (AC) to bring together a full plan which will be presented to the AC meeting for formal review and approval. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three-year audit cycle. We have suggested future areas of focus as part of the three-year strategic internal audit plan, set out on pages 8 to 10.

HIGH RISK AREAS NOT INCLUDED

The following high-risk areas have not been included in our audit plan for 2026/27:

- Partnerships – Norfolk SRR 10: As this risk is currently one of the lowest scored risks within the Norfolk SRR (risk score of 6), we have elected not to cover this within the 26/27 plan but plan to provide assurance around this risk in the audit year 27/28 within the broader 3-year audit plan.
- Culture – Norfolk SRR 11: As there was an audit around culture covered in the 23/24 audit year, receiving a 'Moderate' audit opinion, we have elected to not cover this within the 26/27 plan, but we do plan to provide assurance around this risk in the audit year 27/28 within the broader 3-year audit plan.

Further details are included on page 21.

INDIVIDUAL AUDITS

When scoping each review, we'll reassess the estimated days needed to meet objectives and complete the work to a good standard, considering the Force's and OPCC's control environment. Any necessary revisions will be approved by the Accountable Officer before fieldwork begins.

In determining the timing of our individual audits, we will seek to agree a date which is convenient to the Force and OPCC, and which ensures availability of key management and staff and takes account of any operational pressures being experienced.

VARIATIONS TO THE PLAN

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we propose to undertake, demonstrating we are focussing on your most important issues.

As such, our strategic audit programme follows the risks identified during our planning processes and confirmed through discussions with the management of both the Force and OPCC. If these were to change,

or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

RESOURCING

The plan has been drafted giving consideration to the Force's and OPCC's budget and how coverage can be best obtained. Resource will be adequate to ensure the delivery of agreed reports to time, except where this is outside of our control. BDO has a core group of professionally qualified staff, including Chartered Accountants and Institute of Internal Auditors qualified staff, as well as other specialists and experienced auditors. Our team is fully attuned with modern internal audit practice and recognised risk and governance standards.

Subject to approval of the budget, we can confirm that we have sufficient human, financial and technological resources to deliver the internal audit plan.

CORE INTERNAL AUDIT TEAM

The core team that will be managing the internal audit programme is:

NAME	ROLE	QUALIFICATION	EMAIL
Gurpreet Dulay	Partner	CIPFA	Gurpreet.Dulay@bdo.co.uk
Nathaniel Hall	Assistant Manager	ACA	Nathaniel.Hall@bdo.co.uk
Max Armstrong	Manager	ACA	Max.Armstrong@bdo.co.uk

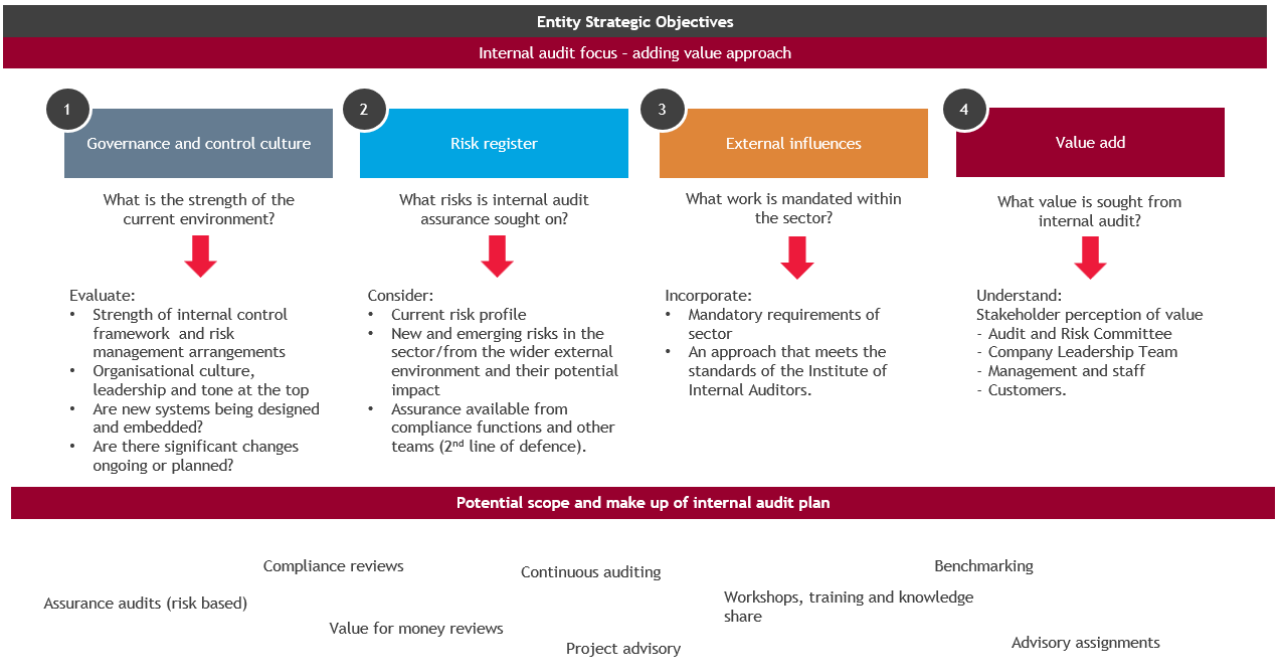
This team will be supported by our public sector internal auditors and members of our wider Risk Advisory Services (RAS) team, and wider firm, as and when required.

CONFLICTING DEMANDS, LIMITATIONS AND RESTRICTIONS

At the time of drafting this internal audit plan we are not aware of any conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.

We are also not aware of any limitations on the scope of work or restrictions on our access to information.

OUR APPROACH TO PLANNING



GOVERNANCE AND CULTURE

The governance and control culture is a fundamental consideration when developing the internal audit approach. We believe that governance is not only affected by procedures, rules and regulations (hard controls); another equally important component is the established culture and behaviour of employees within the Force and OPCC, as these determine the effectiveness of governance.

We have developed an understanding of these areas through a combination of our discussions with you about your business strategy and through review of documents such as your Annual Report and Accounts, your Annual Governance Statement, past AC papers and previous internal audit reports, as well as conversations held with the incumbent internal auditors and external auditors.

Assessment of culture and behaviour will be a key theme throughout the delivery of our work, and we will look to provide insight into whether these cultural factors support ethical behaviour on an ongoing basis.

In deriving the plan for 2026/27 and onwards we will focus on any planned and ongoing changes to core systems and processes to respond to the changes in the wider environment. We will be mindful of any significant change and the impact this can have on control culture during the delivery of the plan.

EXTERNAL INFLUENCES

Our programme of work is designed to comply with the Global Internal Audit Standards in the UK Public Sector, which encompass:

- The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* (GIAS)
- The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector.*

We will also consider in our work any externally imposed regulation relating to governance, risk and control. Such as those conducted by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and the Independent Office for Police Conduct (IOPC).

CURRENT STRATEGIC RISK REGISTERS

On an ongoing basis, our audit plan will be based upon a detailed assessment of those risks that affect the achievement of the Force and OPCC's strategic objectives. Our audit programme will be designed to ensure that controls are in place such that key risks are appropriately managed and controlled. To understand the Force and OPCC's objectives and key risks, we considered the following:

- The Force and OPCC's strategy and objectives
- The Force and OPCC's Strategic Risk Registers
- The Force and OPCC's financial forecasts and performance
- Reports from other assurance providers
- The content of your most recent internal audit reports, the results of which are summarised in Appendix I.

The internal audit plan and Strategic Risk Registers will be periodically reviewed during 2026/27. Should the plan need to change we will seek approval from the AC.

ADDED VALUE

We understand that 'value' is perceived differently by each client and therefore we do not seek to have a standard approach to this element of the audit programme.

Our methodology considers the additional value the AC and management are seeking from internal audit, beyond the assurance our work provides.

We therefore consider this alongside our understanding of the risks. Added value may take a range of forms, from benchmarking and other peer comparisons to involvement with advising on new systems implementation, advisory assignments and providing training and seminars.

OUR NEXT GEN FRAMEWORK

Our innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated public sector internal auditors and wider BDO specialist teams.

The Next Gen approach allows us to deliver a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

CORE ASSURANCE

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

SOFT CONTROLS

Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

FUTURE FOCUSED ASSURANCE

Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

FLEXIBLE AUDIT RESOURCE

Undertake proactive work across the Force and OPCC, perhaps in preparation for regulatory reviews or change management programmes.

MAPPING YOUR STRATEGIC RISKS - NORFOLK CONSTABULARY

REF	STRATEGIC RISKS FROM YOUR RISK MAP	RISK ASSESSMENT (JUNE 2026)	RATING
SRR 1	Confidence Failure to engage with communities, ensure fair practice and maintain standards of conduct, leads to a disaffected public which results in the withdrawal of consent, therefore undermining our ability to police and meet targets.	8 - Within Tolerance	
SRR 2	Service Failure to plan and adapt to changes in demand and public requirements leads to unmanaged demand, resulting in poor performance and inspection outcomes and a negative impact on public trust and confidence.	9 - Outside of Tolerance	
SRR 3	Data Failure to effectively input, manage and protect our data results in a significant data event, e.g. breach or operational failure, leading to a loss in public confidence, inefficiencies and additional demand, regulatory failure, financial loss and negative publicity.	12 - Outside of Tolerance	
SRR 4	Protection Failure to respond to calls for service and investigate effectively with a focus on victims results in vulnerability and a lack of prevention leading to public harm.	8 - Within Tolerance	
SRR 5	Organisational Preparedness Failure to effectively plan and prepare for a cyber-attack or major / critical incident or event results in a weak response leading to a catastrophic impact on operational effectiveness, performance and public confidence.	9 - Outside of Tolerance	

SRR 6	People and Resources Failure to attract, retain, lead, train and support the workforce results in an inability to resource the delivery model leading to a poor level of service to the public.	8 - Within Tolerance	
SRR 7	Finance Lack of adequate funding due to external financial challenges results in increased pressure on financial controls and decision making leading to inability to meet strategic objectives, invest in key strategic areas or deliver required levels of service.	8 - Within Tolerance	
SRR 8	Future Enablers Failure to exploit emerging technology results in missed opportunities to increase efficiency and operational effectiveness leading to negative impact on performance, workforce condition and service to public.	6 - Within Tolerance	
SRR 9	Statutory Responsibilities Failure to adhere to regulatory frameworks and statutory requirements leads to non-compliance which results in fines, inefficiencies, poor service provision and low trust and confidence amongst our people, partners and communities.	8 - Within Tolerance	
SRR 10	Partnerships Devolution and local government reorganisation and financial pressure on partners results in unmanaged withdrawal from joint activity and service delivery leading to increased demand on police, poor service and low public confidence.	6 - Within Tolerance	
SRR 11	Culture Failure to cultivate a positive workplace culture results in a poor employee relations climate, a decrease in employee engagement and productivity, increased turnover, poor service to the public and a negative impact on trust and confidence.	8 - Within Tolerance	

MAPPING YOUR RISK REGISTERS TO THE STRATEGIC PLAN NORFOLK CONSTABULARY

REF	STRATEGIC RISKS FROM YOUR SRR	2026/27	2027/28	2028/29	OTHER ASSURANCE
1	Confidence Failure to engage with communities, ensure fair practice and maintain standards of conduct, leads to a disaffected public which results in the withdrawal of consent, therefore undermining our ability to police and meet targets.			• Legitimacy, Ethics and Public Confidence	• Complaints and PSD oversight reporting • Community engagement activity tracking • Stop and search scrutiny arrangement • Ethics and legitimacy oversight
2	Service Failure to plan and adapt to changes in demand and public requirements leads to unmanaged demand, resulting in poor performance and inspection outcomes and a negative impact on public trust and confidence.	• Demand, Performance and Resource Planning	• Service Delivery and Performance Framework		• Outputs from demand and performance meetings • Control room performance monitoring • Resource management oversight forums • Performance dashboards and reporting
3	Data Failure to effectively input, manage and protect our data results in a significant data event, e.g. breach or operational failure, leading to a loss in public confidence, inefficiencies and additional demand, regulatory failure, financial loss and negative publicity.	• Information Governance, Data Quality & AI	• Records Management	• Data, Freedom of Information Requests (FOIs) and Disclosures	• Data protection and compliance monitoring • Security and data breach reporting • Audit and inspection activity • ICT and data controls oversight

REF	STRATEGIC RISKS FROM YOUR SRR	2026/27	2027/28	2028/29	OTHER ASSURANCE
4	Protection Failure to respond to calls for service and investigate effectively with a focus on victims results in vulnerability and a lack of prevention leading to public harm.	• Victims' Code Compliance and Safeguarding	• Contact & Control Room (CCR) and Call Handling		• Response standards monitoring arrangements • Safeguarding governance structures • Victim service performance tracking • Operational compliance review activity
5	Organisational Preparedness Failure to effectively plan and prepare for a cyber-attack or major / critical incident or event results in a weak response leading to a catastrophic impact on operational effectiveness, performance and public confidence.	• Disaster Recovery and ICT Resilience		• Business Continuity and Disaster Recovery	• Business continuity plans tests • Exercise and testing programme • Multi-agency coordination arrangements
6	People and Resources Failure to attract, retain, lead, train and support the workforce results in an inability to resource the delivery model leading to a poor level of service to the public.	• Demand, Performance and Resource Planning	• Equality, Diversity and Inclusion	• Recruitment and Retention	• Workforce planning and modelling • People board governance oversight • Training and development monitoring • Wellbeing and absence reporting
7	Finance Lack of adequate funding due to external financial challenges results in increased pressure on financial controls and decision making leading to inability to meet strategic objectives, invest in key strategic areas or deliver required levels of service.	• Key Financial Controls	• Key Financial Controls	• Key Financial Controls	• Finance board governance oversight • Budget monitoring and reporting • Savings and efficiency programme tracking • External scrutiny and audit

REF	STRATEGIC RISKS FROM YOUR SRR	2026/27	2027/28	2028/29	OTHER ASSURANCE
8	Future Enablers Failure to exploit emerging technology results in missed opportunities to increase efficiency and operational effectiveness leading to negative impact on performance, workforce condition and service to public.	• Information Governance, Data Quality & AI		• Digital, Data and Technology Strategy	• Digital strategy and programme oversight • ICT governance and investment boards • Project and programme monitoring • Benefits and performance reporting
9	Statutory Responsibilities Failure to adhere to regulatory frameworks and statutory requirements leads to non-compliance which results in fines, inefficiencies, poor service provision and low trust and confidence amongst our people, partners and communities.	• Professional Standards, Vetting and Complaints		• PEEL Review Actions	• Compliance and legal oversight arrangements • Policy framework and review process • Regulatory reporting processes • Governance board scrutiny
10	Partnerships Devolution and local government reorganisation and financial pressure on partners results in unmanaged withdrawal from joint activity and service delivery leading to increased demand on police, poor service and low public confidence.		• Partnerships		• Partnership governance arrangements • Joint working oversight structures • Demand and impact monitoring Strategic partner engagement forums
11	Culture Failure to cultivate a positive workplace culture results in a poor employee relations climate, a decrease in employee engagement and productivity, increased turnover,		• Sickness and Restricted Duties		• Workforce engagement and feedback mechanisms • Staff support and investment programmes reporting • Policy compliance and standards framework

REF	STRATEGIC RISKS FROM YOUR SRR	2026/27	2027/28	2028/29	OTHER ASSURANCE
	poor service to the public and a negative impact on trust and confidence.			•	

MAPPING YOUR RISK REGISTERS TO THE STRATEGIC PLAN - OPCC FOR NORFOLK

REF	STRATEGIC RISKS FROM YOUR SRR	2026/27	2027/28	2028/29
1	Failure to sustain Norfolk Constabulary	• Governance Review • Key Financial Controls • Deman, Performance and Resource Planning	• Service Delivery and Performance Framework	• Recruitment and Retention
2	Failure to work with other public agencies to prevent crime occurring	• Communications	• Partnerships	
3	Failure to produce cohesive communities	• Communications	• Equality, Diversity and Inclusion	• Legitimacy, Ethics and Public Confidence
4	Failure to reduce harm occurring to residents	• Victims' Code Compliance and Safeguarding	• Contact & Control Room (CCR) and Call Handling	• Data, FOIs and Disclosures
5	Failure to achieve the best outcome for Policing from the Devolution settlement	• Governance Review	• Partnerships	• Business Continuity and Organisational Change • Digital, Data and Technology Strategy

INTERNAL AUDIT OPERATIONAL PLAN 2026/27

AREA	RISK REFERENCE	DAYS	TIMING (QUARTER)	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT TOPICAL REQUIREMENTS)
Core Assurance					
OPCCs – Governance Review	All SRR Risks	22	Q4	To assess the outcome of any internal corporate governance framework and to then utilise CIPFA guidance and internal policies and procedures to assess the effectiveness of governance structures and discussion. At a high-level, the review could cover: • Governance framework, committee structure and clarity of roles, responsibilities and delegated authority across the OPCCs and their interface with the Forces. • Quality, timeliness and completeness of governance reporting to support effective scrutiny and decision-making. • Effectiveness of key governance forums, including challenge, escalation and tracking of actions / decisions. • Alignment of governance arrangements with relevant good practice, including CIPFA principles and local governance requirements.	Good governance underpins overall effectiveness, and it is vital to achieving and maintaining good standards. This is an extensive review and in our first year will also give us a sound understanding of your arrangements/relationships.
Victims' Code and Compliance Safeguarding	SRR 4 – Norfolk	24	Q2	The review will assess compliance with the Victims' Code, focusing on the timeliness, quality and consistency of updates provided to victims. It will also evaluate safeguarding escalation processes and governance arrangements supporting vulnerable individuals. At a high-level, the review could cover:	Ensuring victims are supported effectively is a core policing priority and a key inspection area. Failures in this area directly affect victim outcomes, public confidence, and engagement with policing services.

AREA	RISK REFERENCE	DAYS	TIMING (QUARTER)	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT TOPICAL REQUIREMENTS)
				• Compliance with core Victims' Code requirements, including the timeliness, quality and consistency of victim updates. • Processes for identifying vulnerability and escalating safeguarding concerns appropriately and promptly. • Governance and oversight arrangements for victim care, safeguarding performance and management intervention. • Consistency of approach across functions / operational areas, including how learning and exceptions are identified and acted upon.	
Information Governance, Data Quality & AI	SRR 3 - Norfolk –	24	Q2	This review will examine the effectiveness of information governance arrangements, including the Information Asset Owner framework, data quality controls, and assurance processes. It will also assess governance, policy and oversight for AI usage, including emerging technologies such as Copilot. At a high-level, the review could cover: • Accountability and governance for information management, including roles such as Information Asset Owners and supporting oversight arrangements. • Controls to maintain data quality, accuracy, completeness and reliability for operational and management use. • Compliance and assurance processes covering data protection, incident management, breaches and wider information handling requirements. • Governance, policy, oversight and monitoring arrangements for the safe and appropriate use of AI and emerging technologies. The review will consider the risk of data misuse, manipulation and fraud, together with whether information and AI	This represents one of the highest inherent risk areas within both organisations. Data quality issues, legacy systems and AI misuse present risks of regulatory breach, operational inefficiency and reputational damage. As of June 2026, both data related strategic risks were considered 'over tolerance' for both Norfolk and Suffolk Constabularies.

AREA	RISK REFERENCE	DAYS	TIMING (QUARTER)	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT TOPICAL REQUIREMENTS)
				governance arrangements support the effective and efficient use of technology investments.	
Disaster Recovery and ICT Resilience	SRR 5 – Norfolk	24	Q3	This review will assess the completeness, maintenance and effectiveness of ICT disaster recovery arrangements, including recovery planning for critical systems, dependency mapping, testing and alignment with wider cyber and business continuity arrangements. At a high-level, the review could cover: • Recovery arrangements for critical ICT systems and services, including ownership, prioritisation and recovery objectives. • Dependency mapping across applications, infrastructure, suppliers and supporting operational processes. • Testing and exercising of disaster recovery arrangements, including lessons learned and follow-up action. • Integration between ICT disaster recovery, cyber incident response and wider business continuity arrangements.	This review has been included because organisational preparedness is outside tolerance in both Forces. A disaster recovery review is a targeted review of recovery capability and would provide more specific assurance over whether critical services could be restored in practice following a cyber incident or major systems failure.
Key Financial Controls (Budgetary Management)	SRR 7 – Norfolk	26	Q3	This review will evaluate budgetary management processes, including budget setting, forecasting, monitoring and variance analysis across departments. It will assess the effectiveness of financial reporting arrangements, the accuracy and timeliness of budget information, and the level of challenge and oversight applied by management. The review will also consider governance structures supporting budgetary control, including escalation processes, accountability for overspends, and the robustness of decision-making in response to financial pressures. At a high-level, the review could cover:	This review has been included in the audit plan due to financial risks identified within both Strategic Risk Registers (SRR7 for Norfolk and SRR5 for Suffolk). While previous finance audits have focused on transactional controls, budgetary management has not been a primary focus. Strengthening oversight of budgeting, forecasting and monitoring is critical to managing financial pressures and supporting effective decision-making. This

AREA	RISK REFERENCE	DAYS	TIMING (QUARTER)	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT TOPICAL REQUIREMENTS)
				• Budget setting, forecasting and in-year monitoring processes across departments and functions. • Accuracy, timeliness and usefulness of financial reporting provided to budget holders and senior management. • Challenge, governance and escalation around variances, overspends and emerging financial pressures. • Accountability of budget holders and robustness of decision-making in response to financial risk and affordability pressures. The review will also consider the adequacy of controls to prevent and detect fraud, error and financial irregularity, together with the extent to which financial management arrangements support economy, efficiency and effectiveness in the use of resources (Value for Money).	review will provide assurance over the robustness of these arrangements.
Total		**120**			

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT IIA TOPICAL REQUIREMENTS)
Soft Controls					
Professional Standards, Vetting and Complaints	SRR 9 - Norfolk	24	Q4	This review will assess the capacity and capability of Professional Standards functions in managing demand, including misconduct, vetting and complaints. It will evaluate vetting processes, backlog management, compliance with Authorised Professional Practice (APP), and the effectiveness of learning and prevention arrangements. At a high-level, the review could cover:	This area directly impacts legitimacy, trust and reputational risk. Both Constabularies' Strategic Risk Registers highlight that failures in standards of conduct, vetting and organisational culture can lead to a loss of public confidence, disengagement from communities and reduced consent to policing. Rising volumes of misconduct cases and the continued presence of

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT IIA TOPICAL REQUIREMENTS)
				• Capacity and capability to manage current and emerging demand across misconduct, vetting and complaints. • Design and operation of vetting processes, including compliance with APP and the management of refresh / review requirements. • Backlog management, prioritisation and governance over higher-risk cases or delays. • Arrangements for organisational learning, prevention and management oversight arising from complaints, conduct matters and vetting outcomes.	vetting backlogs indicate sustained pressure on Professional Standards functions, creating a risk that issues are not identified, prioritised or addressed in a timely and proportionate way. A Vetting specific audit was last conducted in 23/24, achieving a 'Moderate' assurance rating.
Communications	SRR1 – Norfolk SRR2 – Norfolk SRR10 – Norfolk SRR11 - Norfolk	20	Q2	This review will assess the effectiveness of communications arrangements across the Constabulary and OPCC, including internal communications, stakeholder engagement and external communications. It will evaluate governance and accountability arrangements, the consistency and reach of key messages, the effectiveness of engagement with staff, communities and partners, and the extent to which communication activity supports organisational objectives and continuous improvement. At a high-level, the review could cover: • Governance and accountability arrangements for communications, including roles, responsibilities, oversight and reporting. • Effectiveness of internal communications in supporting staff engagement, awareness, collaboration and understanding of organisational	Effective communication is fundamental to maintaining public confidence, workforce engagement and organisational effectiveness. During our discussions with management and stakeholders as part of the audit planning process, communications was consistently identified as an area where Internal Audit could add value through independent assurance and insight. As a cross-cutting review, communications underpin the achievement of multiple strategic objectives and risks across both organisations, including public confidence, culture, people, partnerships, service delivery and organisational change. Weaknesses in communication arrangements may result in inconsistent messaging, reduced staff engagement, ineffective stakeholder relationships and diminished trust and confidence amongst communities and partners. A

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT IIA TOPICAL REQUIREMENTS)
				priorities. Including communicating significant operational matters, organisational change and strategic initiatives. • Design and delivery of external communications and stakeholder engagement activity, including communication with communities, partners, elected bodies and other key stakeholders.	Communication Strategy audit was last completed in 2025/26, achieving a 'Substantial' assurance opinion, so this audit would consider the effectiveness of the implementation of the strategy.
Total		**44**			

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT IIA TOPICAL REQUIREMENTS)
Future Focused Assurance					
Demand, Performance and Resource Planning	SRR 6 – Norfolk	24	Q2	This review will assess the effectiveness of demand forecasting and its translation into workforce and operational deployment decisions. It will include an evaluation of forecasting models and assumptions across short, medium and long-term horizons, and how these inform planning through governance structures such as Contact/Control Room (CCR), Case Preparation Centre (CPC), Horizons and Command Team oversight. At a high-level, the review could cover: • Demand forecasting models, assumptions and the extent to which they cover short-, medium- and longer-term demand pressures.	This is a root cause audit underpinning multiple strategic risks. Weak demand modelling leads to unmanaged demand, abstraction pressure and performance failure across the organisation. Strength in this area supports service delivery, workforce sustainability and financial planning. In the most recent SRR for Norfolk, SRR 2 – Service was considered to be 'over tolerance'. The risk is around failing to adapt to change in demand.

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT IIA TOPICAL REQUIREMENTS)
				• How demand analysis is translated into workforce planning, deployment and other operational resourcing decisions. • Governance and oversight of demand, performance and resourcing through relevant management forums and reporting mechanisms. • Use of performance information to identify pressure points, adjust resourcing and support effective service delivery outcomes.	
Total		**24**			

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION (INCLUDING ANY RELEVANT IIA TOPICAL REQUIREMENTS)
Flexible Audit Resource - To be allocated during the year as required but could include the examples shown below					
Flexible Resource	All	2	N/A	These days are held as contingency and can be allocated as required providing flexibility in the plan.	To allow flexibility in our work to adapt to requests from management or changes to the plan.
Total		**2**			

AREA	RISK REFERENCE	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Contract Management					
Planning / liaison / management	N/A	15	Q1 - Q4	Creation of audit plan, meeting with Executive Directors and Chief Officers	Effective contract management
Recommendations follow up	N/A	20	Q1 - Q4	Assessment and reporting of status of implementation of recommendations raised	Assurance for the Executive Team and AC
AC Attendance	N/A	10	Q1 - Q4	Attendance at AC meetings, pre-meets and AC Chair liaison	Effective contract management
Total		**45**			

SUMMARY	DAYS
Core Assurance	120
Soft Controls	44
Future Focused Reviews	24
Flexible Audit Resource	2
Contract Management	45
Total days	**235**

AREAS CONSIDERED BUT NOT INCLUDED IN 2026/27

The following areas have been considered for 2026/27 but have not been included. These will be considered in future years, and should any areas of the Internal Audit Plan be removed during the year, we will consider whether any of these can be brought forward.

AREA	SRR REF	REASON FOR EXCLUSION
Risk Management	All SRR Risks	A risk management audit was completed in 25/26 receiving 'Moderate' assurance. To allow time for the recommendations coming out of that review to embed, we have decided not to include it within the plan.
Workforce	SRR 6 – Norfolk	A workforce planning audit and a staff retention audit were completed in 24/25 receiving 'Limited' assurances. To allow time for recommendations coming out of those reviews to embed, we have elected to not include this audit in the 26/27 plan but have included a review for later in the 3-year audit cycle (28/29).
Partnerships	SRR 10 – Norfolk	As this risk is currently one of the lowest scored risks within the Norfolk SRR (risk score of 6), we have elected not to cover this within the 26/27 plan but plan to provide assurance around this risk in the audit year 27/28 within the broader 3-year audit plan.
Culture	SRR 11 – Norfolk	As there was an audit around culture covered in the 23/24 audit year, receiving a 'Moderate' audit opinion, we have elected to not cover this within the 26/27 plan, but we do plan to provide assurance around this risk in the audit year 27/28 within the broader 3-year audit plan.

APPENDIX I

PREVIOUSLY AUDITED AREAS

The table below sets out the audits and advisory reviews that the Force and OPCC's previous internal audit providers have carried out over the last three years:

AUDITED AREA	DESIGN RATING	EFFECTIVENESS RATING
2025/26		
Estates Strategy	Moderate	Moderate
ICT Review of Cyber Security Management (SyAp)	Substantial	Substantial
Communication Strategy	Substantial	Substantial
Corporate Governance	Moderate	Moderate
Asset Management	Substantial	Substantial
Change Management	Advisory	
Contract Management	Moderate	Moderate
Risk Management	Moderate	Moderate
Key Financial Controls	Substantial	Substantial
Performance Management Framework	Substantial	Substantial
Procurement	Moderate	Moderate
2024/25		
Complaints	Moderate	Moderate
Contract Business Continuity	Moderate	Moderate
ICT Strategy & Project Management	Moderate	Moderate
Workforce Planning	Limited	Limited
Safeguarding – Cadet Programme	Moderate	Moderate
Key Financial Controls	Substantial	Substantial
Payroll	Moderate	Moderate
Recruitment and Induction Training	Moderate	Moderate

AUDITED AREA	DESIGN RATING	EFFECTIVENESS RATING
Staff Retention	Limited	Limited
Fleet Management	Moderate	Moderate
2023/24		
Culture and Expected Behaviour	Moderate	Moderate
Vetting	Moderate	Moderate
Expenses	Moderate	Moderate
Data Quality	Moderate	Moderate
Out of Court Disposals	Moderate	Moderate
Ill Health Retirement and Injury Awards	Moderate	Moderate
Absence Management including Limited Duties	Limited	Limited
Appraisals	Moderate	Moderate
Business Continuity	Moderate	Moderate
E-Recruitment System	Substantial	Substantial
Firearms	Moderate	Moderate
Fuel Usage and Security of Fuel Cards	Substantial	Substantial
Grievance Reporting and Management	Moderate	Moderate
Planned and Preventative Estate Maintenance	Moderate	Moderate
Data Protection and FOI	Substantial	Substantial

APPENDIX II

INTERNAL AUDIT CHARTER

This charter is a requirement of internal audit standards. The charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within both Norfolk Police and the Office of the Police and Crime Commissioner for Norfolk (the Force and OPCC) and defines the scope of internal audit activities. Final approval of this charter resides with the Audit Committee (AC) on behalf of the Chief Constable and Police and Crime Commissioner (CC and PCC).

STANDARDS OF INTERNAL AUDIT PRACTICE

To fulfil its purpose, internal audit will perform its work in accordance with the Global Internal Audit Standards in the UK Public Sector, which encompass:

- The global Institute of Internal Auditors (IIA) Global Internal Audit Standards (GIAS) effective from January 2025
- The Internal Audit Standards Advisory Board (IASAB) Application Note Global Internal Audit Standards in the UK Public Sector effective from 1 April 2025.

The GIAS refer to the 'board' as 'the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.' For the Force and OPCC 'board' is the AC acting on behalf of the Chief Constable and Police and Crime Commissioner.

The GIAS also refer to the 'chief audit executive' as the 'leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with Global Internal Audit Standards.' For the CC's and PCC's internal audit function, 'the chief audit executive' is the BDO-assigned partner acting as the Head of Internal Audit (HoIA).

INTERNAL AUDIT'S PURPOSE AND MANDATE

Purpose

The purpose of the internal audit function is to strengthen the Force and OPCC's ability to create, protect, and sustain value by providing the AC and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances the Force and OPCC's:

- 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 Force and OPCC's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the GIAS in the UK Public Sector
- The internal audit function is independently positioned with direct accountability to the AC.
- Internal auditors are free from undue influence and committed to making objective assessments.

The role of the Force and OPCC's internal audit therefore includes:

- Supporting the delivery of the Force and OPCC's strategic objectives by providing risk-based and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls
- Championing good practice in governance through assurance, advice and contributing to the Force and OPCC's annual governance review
- Advising on governance, risk management and internal control arrangements for major projects, programmes and system changes
- Access to the Force and OPCC's collaborative and arm's-length arrangements.

Mandate - Authority

The Accounts and Audit regulations 2015 are the basis for internal audit's authority or mandate.

The AC grants the internal audit function the mandate to provide the AC 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 AC. Such authority allows for unrestricted access to the AC.

The AC 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 organisation's personnel in relevant engagements, as well as other specialised services from within or outside the organisation to complete internal audit services.

Mandate - Independence, position, and reporting relationships

- The HoIA will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.
- The HoIA will report functionally to the AC and administratively to the OPCC's Chief Finance Officer and the Force's Director of Finance.
- This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the AC, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.
- The HoIA will confirm to the AC, at least annually, the organisational independence of the internal audit function.
- The HoIA will disclose to the AC 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.

AC OVERSIGHT

To establish, maintain, and ensure that the CC and PCC's internal audit function has sufficient authority to fulfil its duties, the AC will:

- Discuss with the HoIA and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function
- Ensure the HoIA has unrestricted access to and communicates and interacts directly with the AC, including in private meetings without senior management present

- Discuss with the HoIA and senior management other topics that should be included in the internal audit charter
- Participate in discussions with the HoIA and senior management about the "essential conditions", described in the GIAS, which establish the foundation that enables an effective internal audit function
- Advise management on the approval of the internal audit function's charter annually, which includes the internal audit mandate and the scope and types of internal audit services
- Advise management on the approval of the risk-based internal audit plan
- Advise management, where appropriate, on the approval the internal audit function's human resources administration and budgets
- Collaborate with senior management to determine the qualifications and competencies the Force and OPCC expects in a HoIA
- Provide advice and recommendations to management on the appointment and removal of the HoIA and outsourced internal audit provider
- Advise management on the approval of fees paid to the outsourced internal audit provider
- Review the HoIA's and internal audit function's performance
- Receive communications from the HoIA about the internal audit function including its performance relative to its plan
- Ensure a quality assurance and improvement program has been established and review the results annually
- Make appropriate inquiries of senior management and the HoIA to determine whether scope or resource limitations are inappropriate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the HoIA, AC, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the GIAS in the UK Public Sector
- A significant acquisition or reorganisation within the Force or OPCC
- Significant changes in the HoIA, AC, and/or senior management
- Significant changes to the Forces and OPCC's strategies, objectives, risk profile, or the environment in which the Force and OPCC operates
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Support for Internal Audit

Internal audit's activities require access to and support from senior management, the AC and those charged with governance. Support allows internal audit to apply the mandate and charter in practice and meet expectations.

The CC's and PCC's will support the internal audit function by:

- Championing the role and work of internal audit to the staff within the Force and OPCC and to partner organisations with whom internal audit works
- Facilitating access to senior management, the AC and the Force and OPCC's external auditor
- Assisting, where possible, with access to external providers assurance such as regulators, inspectors and consultants
- Engaging constructively with internal audit's findings, opinions and advice

Building awareness and understanding of the importance of good governance, risk management and internal control for the success of the CC and PCC and of internal audit's contributions. The CC's and PCC's will also put in place conditions to enable the internal audit work:

- Ensuring that the reporting line of the HoIA is not lower than a member of the senior management team and that the HoIA has access to all members of the team
- Ensuring that client responsibility lies with a member of senior management

The AC will support internal audit by:

- Enquiring of senior management and the HoIA about any restrictions on the internal audit's scope, access, authority or resources that limit its ability to carry out its responsibilities effectively
- Considering the audit plan or planning scope, and formally approving or recommending approval to those charged with governance
- Meeting at least annually with the HoIA in sessions without senior management present.

Senior management will establish and safeguard internal audit's independence by:

- Ensuring internal audit's access to staff and records, as set out in regulations and the charter, operates freely and without any interference
- Ensuring that the HoIA reports in their own right to the AC on the work of internal audit
- Providing opportunities for the HoIA to meet with the AC without senior management present
- Where there are actual or potential impairments to the independence of internal audit, working with the HoIA to remove or minimise them or ensure safeguards are operating effectively
- Recognising that if the HoIA has additional roles and responsibilities beyond internal auditing, or if new roles are proposed, it could impact on the independence and performance of internal audit; in such cases the impact must be discussed with the HoIA and the views of the AC sought
- Where needed, appropriate safeguards will be put in place by senior management to protect the independence of internal audit and support conformance with professional standards. Matters around the appointment, removal, remuneration and performance evaluation of the HoIA will be undertaken by senior management, but these arrangements must not be used to undermine the independence of internal audit. The AC will provide feedback on the performance evaluation of the HoIA, which should include feedback from the Chair of the AC.

Interaction between the Audit Committee and Internal Audit

The AC will support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence from the HoIA. The HoIA will have the right of access to the Chair of the AC at any time. The AC can escalate its concerns about internal audit independence to those charged with governance.

To ensure there is good interaction between the AC and internal audit, the AC will agree its work plan with the HOIA to ensure there is appropriate coverage of internal audit matters within AC agendas. The AC workplan will provide for the internal audit mandate and charter, strategy, plans, engagement reporting and the annual conclusion, and quality reports.

The AC is familiar with the Force and OPCC's assurance framework, governance, risk management and internal control arrangements to facilitate its interactions with internal audit.

Senior management will engage with the AC on any significant changes to governance, risk and control arrangements and any concerns they may have on assurance. The AC will have oversight of the annual governance statement before final approval.

Where there is disagreement about the management of risks or agreed audit actions between internal audit and senior management, the AC will review and make their recommendation to either management or those charged with governance.

Internal Audit Resources

The AC and senior management will engage with the HoIA to review whether internal audit's financial, human and technological resources are sufficient to meet internal audit's mandate as set out in the regulations and achieve conformance with GIAS in the UK public sector. Where there are concerns about

internal audit's ability to fulfil its mandate or deliver an annual conclusion, the concerns will be formally recorded and reported to those charged with governance.

If resource issues result in a limitation of scope on the annual conclusion, this will be reported and disclosed in the annual governance statement. Decisions on internal audit resourcing by senior management and those charged with governance must take account of the longer-term risks to the governance and financial sustainability of the Force and the OPCC and internal audit's role in supporting those objectives. Where there are temporary resource constraints, senior management must work with the HOIA to establish longer-term plans for sustainable internal audit resources.

Quality

Annually, the AC will review the results of the HOIA's assessment of conformance against GIAS in the UK public sector including any action plan. The AC will review the HOIA's annual report, including the annual conclusion on governance, risk management and control, and internal audit's performance against its objectives. To meet the requirements of the regulations (the mandate) for internal audit, the AC will satisfy itself on the effectiveness of internal audit. They will consider conformance with the standards, interactions with the AC, performance and feedback from senior management. Their conclusions will be reported to those charged with governance, for example, as part of the AC's annual report.

External Quality Assessment

On behalf of those charged with governance and the AC, senior management will ensure that internal audit has an external quality assessment at least once every five years of its conformance against GIAS in the UK public sector.

Senior management and the HoIA will discuss the timing of the review and report the options and their recommendation to the AC. The proposals for the scope, method of assessment and assessor will be brought to the AC for agreement. The AC will receive the complete results of the assessment and consider the HoIA's action plan to address any recommendations. Progress will be monitored. Where the AC does not have delegated authority, the committee will report the overall results of the external quality assessment to those charged with governance.

HEAD OF INTERNAL AUDIT ROLES AND REPONSIBILITIES

Ethics and Professionalism

The HoIA will ensure that internal auditors:

- Conform with the GIAS in the UK Public Sector, including the principles of Ethics and Professionalism (integrity, objectivity, competency, due professional care, and confidentiality) and the Seven Principles of Public Life (the 'Nolan Principles') (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- 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

The HoIA 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 the HoIA 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.

Internal auditors will have no direct operational responsibility or authority over any 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.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the HoIA, AC, 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.

Managing the Internal Audit Function

The HoIA has the responsibility to:

- Understand the Force and OPCC's governance, risk management and control processes, and the importance in the UK public sector of securing value for money, in developing an effective strategy and plan.
- At least annually, develop a risk-based internal audit plan that considers the input of the AC and senior management; discuss the plan with the AC and senior management and submit the plan to the AC for review and approval
- Communicate the impact of resource limitations on the internal audit plan to the AC and senior management
- Review and adjust the internal audit plan, as necessary, in response to changes in the Force and OPCC's business, risks, operations, programs, systems, and controls
- Communicate with the AC 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 GIAS in the UK Public Sector
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the AC and senior management periodically 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 GIAS in the UK Public Sector and fulfil the internal audit mandate (in public sector internal audit, the HoIA is required to have a CMIIA, or a CCAB qualification, or an equivalent professional qualification which includes training on the practice of internal audit, and suitable internal audit experience)
- Identify and consider trends and emerging issues that could impact the Force and OPCC and communicate to the AC 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 relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the GIAS; any such conflicts will be resolved or documented and communicated to the AC and senior management
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services; if the HoIA cannot achieve an appropriate level of coordination, the issue will be communicated to senior management (including the barriers to effective co-ordination with other assurance providers) and if necessary escalated to the AC.

Communication with the Audit Committee and Senior Management

The HoIA will report quarterly to the AC and senior management regarding:

- The internal audit function's mandate

- The internal audit plan and performance relative to its plan
- Internal audit budget
- Significant revisions to the internal audit plan and budget
- 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 GIAS in the UK Public Sector 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 AC
- Results of assurance and advisory services
- Resource requirements
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Force and OPCC's risk appetite.

Quality Assurance Improvement Programme

The HoIA will develop, implement, and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit function.

The programme will include external and internal assessments of the internal audit function's conformance with the GIAS in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

The plan will assess the efficiency and effectiveness of internal audit and identify opportunities for improvement.

Annually, the HoIA will communicate with the AC and senior management about the internal audit function's QAIP, 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 BDO. Qualifications must include at least one assessor holding an active Certified Internal Auditor credential. For public sector internal audit, such a person should understand the GIAS commensurate with the Certified Internal Auditor designation, including internal audit relevant continuing professional development and an understanding of how the GIAS are applied in the UK public sector.

SCOPE AND TYPES OF INTERNAL AUDIT SERVICES

The scope of internal audit services covers the entire breadth of the Force and OPCC including all 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 AC and management on the adequacy and effectiveness of governance, risk management, and control processes for the Force and OPCC.

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 the Force's and OPCC's strategic objectives are appropriately identified and managed
- The actions of the Force and OPCC's officers, directors, management, employees, and contractors or other relevant parties comply with organisational 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 the CC and PCC.
- 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.

INTERNAL AUDIT PERFORMANCE MEASURES AND INDICATORS

The tables below contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The AC should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

TABLE ONE: PERFORMANCE MEASURES FOR INTERNAL AUDIT

MEASURE / INDICATOR
Audit Coverage Annual Audit Plan delivered in line with timetable. Actual days are in accordance with Annual Audit Plan.
Relationships and customer satisfaction Customer satisfaction reports – overall score at average at least 4 / 5 for surveys issued at the end of each audit. Annual survey to AC to achieve score of at least 70% for satisfaction with the service. External audit can rely on the work undertaken by internal audit (where planned).
Staffing and Training At least 70% input from qualified staff.
Audit Reporting Issuance of draft report within 2 weeks of fieldwork 'closing' meeting. Finalise internal audit report 1 week after management responses to report are received. 95% recommendations to be accepted by management. Information is presented in the format requested by the customer.
Audit Quality High quality documents produced by the auditor that are clear and concise and contain all the information requested. Positive result from any external review.

MANAGEMENT AND STAFF PERFORMANCE MEASURES AND INDICATORS

The management and staff of the Force and OPCC commit to the following:

- Providing unrestricted access to all of the Force's and OPCC's records, property, and personnel relevant to the performance of engagements
- Responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- Implementing agreed recommendations within the agreed timeframe
- Being open to internal audit about risks and issues within the Force and OPCC
- Not requesting any service from internal audit that would impair its independence or objectivity
- Providing honest and constructive feedback on the performance of internal audit.

The following three indicators are considered good practice performance measures, but we go beyond this and report on a suite of measures as included in each Progress Report to AC.

TABLE TWO: PERFORMANCE MEASURES FOR MANAGEMENT AND STAFF

MEASURE / INDICATOR
Response to Reports Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.
Implementation of recommendations Audit sponsor to implement all audit recommendations within the agreed timeframe.
Co-operation with internal audit Internal audit to confirm to each meeting of the AC whether appropriate co-operation has been provided by management and staff.

FOR MORE INFORMATION:

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Changes to accounting policies from 24-25 to 25-26

Both PCCs

- Amendments to the Property, Plant and Equipment policy in relation to the mandatory 5-year revaluation cycle with annual indexation. This is based on the Code of Practice Guidance Notes example policy.
- Amendments to the Intangible Assets policy where the revaluation model has been withdrawn.

1. Accounting Policies

General principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. Those practices primarily comprise the Code, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Cost recognition and intra-group adjustment

Refer to Note 4 for further details.

Recognition of working capital

The Scheme of Governance and Consent sets out the roles and responsibilities of the Police and Crime Commissioner and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not in the financial period in which cash payments are paid or received.

Debtors and creditors

Revenue and capital transactions are included in the accounts on an accruals basis. Where goods and services are ordered and delivered by the year-end, the actual or estimated value of the order is accrued. With the exception of purchasing system generated accruals, a de-minimis level of £1,000 is set for year-end accruals of purchase invoices, except where they relate to grant funded items, where no de-minimis is used. Other classes of accrual are reviewed to identify their magnitude. Where the inclusion or omission of an accrual would not have a material impact on the Statement of Accounts, either individually or cumulatively, it is omitted.

Employee benefits

Benefits payable during employment

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end. The accrual is made at the most recent wage and salary rates applicable.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the entity to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions

require the General Fund Balance to be charged with the amount payable by the entity to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Officers have the option of joining the Police Pension Scheme 2015. Civilian employees have the option of joining the Local Government Pension Scheme (LGPS), administered by Norfolk County Council. All of the schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Constabulary, and all of the schemes are accounted for as defined benefit schemes. There are also two legacy Police Pension Schemes (PPS 1987 and NPPS 2006) which are closed to new entrants but still pay benefits to existing retired and deferred members.

The liabilities attributable to the Chief Constable of all four schemes are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits (including injury benefits on the Police Schemes) earned to date by officers and employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current officers and employees.

Liabilities are discounted to their value at current prices, using a discount rate specified each year by the actuaries.

The assets of the LGPS attributable to the Chief Constable are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price.
- Unquoted securities – professional estimate.
- Unitised securities – current bid price.
- Property – market value.

All three of the police schemes are unfunded and therefore do not have any assets. Benefits are funded from the contributions made by currently serving officers and a notional employer's contribution paid from the general fund; any shortfall is partially topped up by a grant from the Home Office.

The change in the net pensions liability is analysed into six components:

- Current service cost – the increase in liabilities as a result of years of service earned this year, it is debited to the net cost of policing in the Comprehensive Income and Expenditure Statement (CIES). The current service cost is based on the latest available actuarial valuation.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. Past service costs are debited to the net cost of policing in the CIES.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. It is charged to the Financing and Investment Income and Expenditure line in the CIES. The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. They are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the four pension funds – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amounts payable by the Chief Constable to the pension fund or directly to pensioners in the

year, not the amount calculated according to the relevant accounting standards. This means that in the MiRS there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The entity has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including injury awards for police officers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

The Chief Constable makes payments to police officers in relation to injury awards, and the expected injury awards for active members are valued on an actuarial basis.

Events after the reporting period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified.

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events. However, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Government grants and contributions

All government grants are received in the name of the PCC. However, where grants and contributions are specific to expenditure incurred by the Chief Constable, they are recorded as income within the Chief Constable's accounts. Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Chief Constable when there is reasonable assurance that:

- The Chief Constable will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Chief Constable are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

Joint operations

Joint operations are activities undertaken by the Chief Constable in conjunction with other bodies, which involve the use of his resources or those of the other body, rather than the establishment of a separate entity. The Chief Constable recognises the liabilities that he incurs and debits and credits the CIES with his share of the expenditure incurred and income earned from the activity of the operation.

Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor.

The amounts payable to the PFI operators each year are analysed into five elements; only the fair value of the services received during the year is debited to the Chief Constable's net cost of policing in the CIES. The other elements are only shown in the PCC and Group accounts.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Reserves

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with the statutory provisions. The Chief Constable accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pays any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Value Added Tax

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Chief Constable's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable (e.g., purchase of command platform vehicles).

Going Concern

The Code stipulates that the financial statements of local authorities can only be discontinued under statutory prescription and therefore shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, in order to assist External Audit with establishing their going concern conclusion, a review of going concern is carried out by management. Refer to Section 7 of the narrative report and Note 17 for detail of this review.

1. Accounting Policies

General principles

The Statement of Accounts summarises the Group's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Group is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. Those practices primarily comprise the Code supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Cost recognition and intra-group adjustment

Refer to Note 5 for further details.

Recognition of working capital

The Scheme of Governance and Consent sets out the roles and responsibilities of the Police and Crime Commissioner and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not in the financial period in which cash payments are paid or received.

Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors and creditors

Revenue and capital transactions are included in the accounts on an accruals basis. Where goods and services are ordered and delivered by the year-end, the actual or estimated value of the order is accrued. With the exception of purchasing system generated accruals, a de-minimis level of £1,000 is set for year-end accruals of purchase invoices, except where they relate to grant funded items, where no de-minimis is used. Other classes of accrual are reviewed to identify their magnitude. Where the inclusion or omission of an accrual would not have a material impact on the Statement of Accounts, either individually or cumulatively, it is omitted.

Charges to the Comprehensive Income and Expenditure Statement (CIES) for Non-Current Assets

Net cost of policing of the PCC is debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets.
- Revaluation and impairment losses on assets where there are no accumulated gains in the Revaluation Reserve against which they can be written off.
- Amortisation of intangible assets.

The PCC is not required to raise council tax to fund depreciation, revaluation, impairment losses or amortisation. However, it is required to make an annual contribution from revenue, the Minimum Revenue Provision (MRP), towards the reduction in the overall borrowing requirement (represented by the Capital Financing Requirement) equal to an amount calculated on a prudent basis determined by the PCC in accordance with statutory guidance.

Depreciation, amortisation, and revaluation and impairment losses are reversed from the General Fund and charged to the Capital Adjustment Account via the Movement in Reserves Statement (MiRS). MRP is charged to the General Fund along with any Revenue Funding of Capital and credited to the Capital Adjustment Account via the MIRS.

Guidance issued under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 enables authorities to calculate an amount of MRP, which they consider to be prudent. For capital expenditure incurred from 2008/09, the PCC has approved calculating the MRP using the Option 3 method, which results in MRP being charged over the related assets' useful life.

Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on the acquisition, creation or enhancement and disposal of non-current assets is capitalised subject to a de-minimis threshold of £10,000. Expenditure below this amount on an individual asset is treated as revenue, with the following exceptions:

- Desktop and laptop computers and tablets
- Monitors
- Widespread replacement of communication devices
- Servers
- Software licences
- Radios
- Firearms including TASERs
- Vehicles with a life exceeding 12 months
- Annual Assets (projects incurring expenditure throughout the year which are not classified as assets under construction)
- Where government grant funding has been sought and received for specific expenditure on the assumption that both the grant and expenditure are treated as capital

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Group does not capitalise borrowing costs incurred on the acquisition or construction of non-current assets.

The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Group). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Group.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the MIRS.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction – historic cost until the asset is live (assets under construction are not depreciated).
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
- Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

From 1 April 2025, the code requirements changed in respect of revaluations of property, plant and equipment. Where the Group does not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, the Group must revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where the Group cannot obtain indices without undue cost or effort, the group must revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

In determining whether to apply indexation in a given financial year, the Group assesses whether the impact of indexation for an asset class is material. Where the impact is assessed as *not material*, indexation need not be applied for that year. To support a proportionate and risk-based approach, the Group has set a quantitative materiality threshold of £2,500 per asset. Where the calculated indexation adjustment for the year is less than £2,500, the Group will not adjust the carrying amount of the relevant assets. This threshold is reviewed annually to ensure it remains appropriate. Where indexation is not applied because the annual movement is below £2,500, the Group reviews the cumulative impact of unadjusted indexation movements in subsequent years. If the cumulative movement becomes material, an adjustment will be applied in the year it becomes material.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for in the following way:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the net cost of policing of the PCC in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for in the following way:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant and equipment – straight-line allocation over the useful life of the asset.

The Code requires that where a property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately, where the remaining asset life is significantly different for identifiable components, unless it can be proved that the impact on the Group's Statement of Accounts is not material. The Group has assessed the cumulative impact of component accounting. As a result, the Group applies component accounting prospectively to assets that have a valuation in excess of £2m unless there is clear evidence that this would lead to a material misstatement in the Group's Financial Statements.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation or amortisation is charged in both the year of acquisition and disposal of an asset on a pro rata basis. Depreciation or amortisation is charged once an asset is in service and consuming economic benefit.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification, on the basis relevant to the asset class prior to reclassification, and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and are to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment, or set aside to reduce the PCC's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the MIRS.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MIRS.

Fair Value Measurement

The Group measures some of its non-financial assets such as surplus assets and investment properties at fair value on each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The Group measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Group takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Group's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Group as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Group.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Group will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase. Research expenditure is not capitalised.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the PCC or Group's services.

Intangible assets are measured initially at cost. Thereafter they are carried at cost less accumulated depreciation and any accumulated impairment loss.

The depreciable amount of a finite intangible asset is amortised over its useful life and charged to the net cost of policing of the PCC in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the net cost of policing of the PCC in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MIRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Council Tax

Billing authorities act as agents, collecting council tax on behalf of the major preceptors, which includes the PCC. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax. Under the legislative framework for the Collection Fund, billing authorities and major preceptors share proportionately the risks and rewards that the amount of council tax collected could be less or more than predicted.

The council tax income included in the CIES is the PCC's share of accrued income for the year. However, regulations determine the amount of council tax that must be included in the PCC's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and

included as a reconciling item in the MIRS. The Balance Sheet includes the PCC's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Employee benefits

Benefits payable during employment

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end. The accrual is made at the most recent wage and salary rates applicable.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the entity to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the entity to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Officers have the option of joining the Police Pension Scheme 2015. Civilian employees have the option of joining the Local Government Pension Scheme (LGPS), administered by Norfolk County Council. All of the schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Constabulary and the Office of the Police and Crime Commissioner, and all of the schemes are accounted for as defined benefit schemes. There are also two legacy Police Pension Schemes (PPS 1987 and NPPS 2006) which are closed to new entrants but still pay benefits to existing retired and deferred members.

The liabilities attributable to the Group of all four schemes are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits (including injury benefits on the Police Schemes) earned to date by officers and employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current officers and employees.

Liabilities are discounted to their value at current prices, using a discount rate specified each year by the actuaries.

The assets of the LGPS attributable to the Group are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price.
- Unquoted securities – professional estimate.
- Unitised securities – current bid price.
- Property – market value.

All three of the police schemes are unfunded and therefore do not have any assets. Benefits are funded from the contributions made by currently serving officers and a notional employer's contribution paid from the general fund; any shortfall is partially topped up by a grant from the Home Office.

The change in the net pensions' liability is analysed into six components:

- Current service cost – the increase in liabilities as a result of years of service earned this year, it is debited to the net cost of policing in the CIES. The current service cost is based on the latest available actuarial valuation.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. Past service costs are debited to the net cost of policing in the CIES.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. It is charged to the Financing and Investment Income and Expenditure line in the CIES. The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. They are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the four pension funds – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amounts payable by the Group to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. This means that in the MIRS there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Group has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including injury awards for police officers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

The Group makes payments to police officers in relation to injury awards, and the expected injury awards for active members are valued on an actuarial basis.

Events after the reporting period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified.

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events. However, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is

the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the PCC has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

The PCC's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the PCC, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The PCC recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the PCC.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Government grants and contributions

All government grants are received in the name of the PCC. However, where grants and contributions are specific to expenditure incurred by the Chief Constable, they are recorded as income within the Chief Constable's accounts. Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Group when there is reasonable assurance that:

- The Group will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Group are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants /

contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

Investment policy

The PCC works closely with its external treasury advisors MUFG Corporate Markets to determine the criteria for high quality institutions. 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 three 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;
- The PCC's Corporate Banker (Barclays Bank) – if the credit ratings of the PCC's Corporate Banker 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 (which meet the minimum ratings criteria for UK Banks);
- Money Market Funds (which are rated AAA by at least one of the three major rating agencies);
- UK Government;
- Local Authorities, PCCs etc.

All cash invested by the PCC in 2025/26 was in Sterling deposits invested with banks and other institutions in accordance with the Approved Authorised Counterparty List.

Joint operations and joint assets

Joint operations are activities undertaken by the PCC or the Chief Constable in conjunction with other bodies, which involve the use of the assets and resources of the Group or the other body, rather than the establishment of a separate entity. The Group recognises on the PCC Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the relevant CIES with its share of the expenditure incurred and income earned from the activity of the operation.

Joint assets are items of property, plant and equipment that are jointly controlled by the Group and other bodies, with the assets being used to obtain benefits for these bodies. The joint operation does not involve the establishment of a separate entity. The Group accounts for only its share of the joint assets, and the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the arrangement.

Leases

<u>The PCC as lessee</u>

The PCC classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic

benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 *Leases* to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The PCC initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PCC's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the PCC is reasonably certain to exercise
- Lease payments in an optional renewal period if the PCC is reasonably certain to exercise an extension option
- Penalties for early termination of a lease, unless the PCC is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The PCC considers the cost model to be a reasonable proxy in the majority of cases, except for leases which do not reflect market conditions. For those leases, the asset is carried at a revalued amount.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- There is a change in future lease payments arising from a change in index or rate
- There is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- The PCC changes its assessment of whether it will exercise a purchase, extension or termination option, or
- There is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the PCC excludes leases:

- For low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the PCC is reasonably certain to exercise and any termination options that the PCC is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MIRS.

The PCC as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Where the PCC grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the PCC's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the MIRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the MIRS. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MIRS.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Operating Leases

Where the PCC grants an operating lease over a property or an item of plant and equipment, the asset is retained in the Balance Sheet. Rental income is credited to the net cost of policing line in the CIES. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI schemes, and for the Police Investigation Centres (PICs) ownership of the property, plant and equipment will pass to the

Group at the end of the contracts for no additional charge, the Group carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. The liability was written down by the initial contribution.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Group.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the Chief Constable's net cost of policing in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Variable lease payments – Any payments that are based on performance, volume or usage are charged to the cost of services in the CIES.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – these are included as part of the unitary payment such that the supplier absorbs any peaks and troughs throughout the life of the contract.

PFI arrangements are now accounted under IFRS 16. Under this standard there is a requirement to remeasure the associated PFI liability where unitary charge increases are linked to a specific index. However, indexed increases to the PCC's unitary charge are only linked to the service element of the arrangements and not to the property element. As such there is no requirement to remeasure the value of the PFI liability on the balance sheet for current arrangements. The PFI assets are however revalued in accordance with the property revaluation policy.

Provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Group may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service line.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Group settles the obligation.

The insurance claims provision is maintained to meet the liabilities for claims received but for which the timing and/or the amount of the liability is uncertain. The Group self-insures part of the third party, motor and employer's liability risks. External insurers provide cover for large individual claims and to cap the total claims which have to be met from the provision in any insurance year. Charges are made to revenue to cover the external premiums and the estimated liabilities which will not be met by external insurers. Liability claims may be received several years after the event and can take many years to settle.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a

provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Reserves

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the MIRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MIRS so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC – these reserves are explained in the following paragraphs:

Revaluation Reserve

This reserve records the accumulated gains on non-current assets arising from increases in value, as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value). The reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred, only because the asset has been revalued. The balance on this reserve for assets disposed is written out to the Capital Adjustment Account. The overall balance on this reserve thus represents the amount by which the current value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historic cost.

Capital Adjustment Account

This account accumulates (on the debit side) the write-down of the historical costs of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The balance on this account represents timing differences between the amount of the historical cost of the non-current assets that have been consumed and the amount that has been financed in accordance with statutory requirements.

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with the statutory provisions. The PCC accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the PCC and Chief Constable make employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the PCC and Chief Constable have set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Value Added Tax

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Group's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable (e.g., purchase of command platform vehicles).

Going Concern

The Code stipulates that the financial statements of local authorities can only be discontinued under statutory prescription and therefore shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public

sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, in order to assist External Audit with establishing their going concern conclusion, a review of going concern is carried out by management. Refer to section 7 of the narrative report and Note 31 for detail of this review.

Audit Committee Terms of Reference – 21st July 2026

Originator: Chief Finance Officer, Jill Penn on behalf of the Audit Committee

The Committee is asked to review the below Terms of Reference and provide feedback or potential amendments.

Statement of Purpose

The Audit Committee is a key component of the corporate governance arrangements of the Police and Crime Commissioner (PCC) for Norfolk and the Chief Constable of Norfolk. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent advice and recommendation to the PCCand the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the governance, risk management and control frameworks, financial reporting and annual governance processes, and internal audit and external audit.

These terms of reference will summarise the core functions of the committee in relation to the Office of the Police and Crime Commissioner (OPCC) and to the Constabulary and describe the protocols in place to enable it to operate independently, robustly, and effectively.

Membership

The Committee will comprise a maximum of six named members with appropriate experience and who are independent of the Police and Crime Commissioner for Norfolk (PCC) and the Constabulary. To be quorate at least 3 members must be in attendance.

One of the members will be the Chair of the Committee, who will be directly appointed by the PCC and the Chief Constable (CC).

The members will be able to serve **no more than 2 terms and the maximum term to be 4 years**. To ensure continuity, were possible, members shall be rotated on and off the Committee in turn rather than as a group, therefore the term of membership will be reviewed as appropriate.

Meetings

The process for calling and holding meetings will be the delegated responsibility of the PCC CFO in liaison with the CC ACO. There will be 4 meetings a year. The calendar of meetings shall be agreed at the start of each year. Further meetings outside of the normal cycle can be convened at the request of the Chair. The PCC or Chief Constable may ask the Committee to convene further meetings to discuss particular issues on which they want advice. Meetings can also be requested by the external or internal auditors where this is considered necessary, with the agreement of the Chair.

Reports submitted to the Committee will be **available 5** working days before a meeting.

Minutes will be drafted for Audit Chair and PCC CFO review by CC ACO and the unsigned and unapproved draft minutes of the most recent meeting will be circulated promptly to all parties attending the meetings once they have been agreed by the Chair and CFO.

The minutes of the Committee will be placed in the public domain as soon as these have been approved and signed by the Chair, with the exclusion of any matter deemed private or confidential.

Governance, Risk and Control

The Committee will, in relation to the PCC and the Chief Constable:

1. Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

2. Review the Annual Governance Statement(s) prior to approval and consider whether it/they properly reflect(s) the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
3. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
4. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC/the Constabulary.
5. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the police and crime commissioner/the chief constable in addressing risk-related issues reported to them.
6. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
7. Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions, and resources.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Internal Audit

The Committee will:

8. Annually review the internal audit charter and resources.
9. Review and approve the internal audit plan and any proposed revisions to the internal audit plan.
10. Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
11. Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
12. Consider summaries of internal audit reports and such detailed reports as the committee may request from the PCC/Chief Constable including issues raised or recommendations made by the internal audit service, management responses and progress with agreed actions.
13. Consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations

External Audit

The Committee will:

14. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
15. Consider the external auditor's annual management letter, relevant reports, and the report to those charged with governance.
16. Consider specific reports as agreed with the external auditor.
17. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Financial Reporting

The Committee will:

18. Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the police and crime commissioner and/or the chief constable.
19. Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Other functions

The Committee will:

20. Examine the annual draft Treasury Management Strategy, monitor its application during the year and make any recommendations to the PCC and to the Chief Constable in this respect.

Accountability

The Committee will:

21. On a timely basis report to the PCC and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
22. Annually report to the PCC and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
23. Annually review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the Chief Constable.

Simon George
Chief Finance Officer

Audit Committee Annual Report – 1 April 2025 – 31 March 2026

Introduction

The purpose of the Audit Committee is to provide independent advice and recommendations to the Police and Crime Commissioner and the Chief Constable for Norfolk on the adequacy of governance and risk management frameworks, the internal control environment and financial reporting.

The Committee has an independent role to review the effectiveness of governance, risk management and control arrangements in the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and in Norfolk Constabulary. It also reviews financial reporting and annual governance processes as well as the work of the internal and external auditors.

This report covers the activities undertaken by the Audit Committee at its meetings during the period from 1 April 2025 to 31 March 2026.

The Committee comprises 5 independently appointed members who have a range of backgrounds and experience. During the period, it met 4 times, and these meetings are open to the public to attend.

Governance and Risk Management frameworks

During the year, the Committee reviews and provides suggested updates to the Draft Annual Governance Statement (Both at the committee itself and via its membership of the Corporate Governance Working Group (CGWG)) which sets out the arrangements that operated to ensure effective governance in the OPCCN and the Constabulary.

This statement is published and added to the annual financial statements for the year ended 31 March 2026. It is currently being reviewed by the external auditor.

The Committee supported the work of the Corporate Governance Working Group in reviewing the Corporate Governance Framework, which is on the website.

At its meetings during the year, the Committee reviewed the strategic risks facing the OPCCN and the Constabulary, together with the actions being taken by management to manage those risks effectively. The Committee also discusses any emerging risks with representatives from the OPCCN and the Constabulary.

Internal Controls

Internal auditors are appointed to assess and test the operation of internal controls in several activities based on a programme of work for the year as part of an external procurement.

The Committee reviewed and agreed the internal audit plan for the 2025/2026 year and then received progress reports from the internal auditors on their work at each meeting. During the year, out of a total of 15 internal audit results reported to the Committee 7 were substantial, 7 reasonable and 1 had limited assurances.

The Committee discussed individual internal audit reports with the internal audit team and with management at each of its meetings.

The internal audit reports included progress in implementing agreed recommendations arising from earlier assignments. The committee continues to focus on this very important area.

During the year there were 2 urgent, 18 important and 19 routine recommendations arising from audits.

The overall conclusion from the Head of Internal Audit annual report for 2025/26 is that TIAA are satisfied that, for the areas reviewed during the year, the Police and Crime Commissioner for Norfolk (PCC) and Chief Constable of Norfolk Constabulary (CC) had reasonable and effective risk management, control, and governance processes in place.

Financial Reporting

The OPCCN and the Constabulary are required to produce annual financial statements in accordance with recognised accounting standards and which are then subject to an independent external audit.

Prior to the production of the annual accounts, the Committee reviewed the accounting policies to be used in compiling the accounts. It also reviewed the draft annual accounts before the external audit process commenced and questioned the Chief Finance Officers on a range of accounting matters that they contained.

Once external audit has completed its work the accounts will be signed off by the PCC and CC.

Other Matters

The Committee reviewed the annual Treasury Management strategy for the year ending 31 March 2026. The strategy sets out details of the approach to managing debt and investments.

As well as its formal meetings, the Committee meets to discuss topics that are relevant to its business so that members have a greater insight into policing matters.

The Committee also met Internal Audit and External Audit in private, which is recommended best practice.

The terms of reference for the Committee were reviewed and any necessary changes agreed by the committee and was published on the OPCCN website.

Anna Bennett
Chair
On behalf of the Audit Committee

21st July 2026

Audit Committee - Forward Work Plan

Meeting date: 13th October 2026

Action	Outcome / Owner
Morning Briefing	Changes to constabularies governance (post DCC review)
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting **x July 2026**	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	ACC & PCC CFO
Police Reform (Verbal Update)	ACC & PCCCFO
Audit Committee Annual Report	PCC CFO
Part 2 Private Agenda	Noted
Minutes of meeting **21st July 2026**	Noted
Actions from previous meeting	Action Log
Fraud Update – Part 2 private agenda	Verbal Update
Strategic Risk Registers	Chief Constable and Chief Executive (OPCCN)

TBC January 2027

Action	Outcome / Owner
Morning Briefing	TBC

Action	Outcome / Owner
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting **13th October 2026**	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	ACC & PCC CFO
Police Reform (Verbal Update)	ACC & PCCCFO
Part 2 Private Agenda	Noted
Minutes of meeting **21st July 2026**	Noted
Actions from previous meeting	Action Log
Fraud Update – Part 2 private agenda	Verbal Update

TBC March 2027

Action	Outcome / Owner
Morning Briefing	TBC (Possible workshop on transfer to mayoralty)
Welcome and Apologies	Noted
Declarations of Interest	Noted
Minutes of meeting **TBC March 2027**	Noted
Actions from previous meeting	Action Log
External Audit	Report from Director, EY
Internal Audit	Reports from Head of Internal Audit
Devolution Update (Verbal)	ACC & PCC CFO
Police Reform (Verbal Update)	ACC & PCCCFO
Part 2 Private Agenda	Noted
Minutes of meeting **21st July 2026**	Noted
Actions from previous meeting	Action Log
Fraud Update – Part 2 private agenda	Verbal Update

Report author: Simon George -Chief Finance Officer