



**To:** Joint Audit Committee  
**From:** Simon Smith, Chair of Joint Audit Committee  
**Date:** 31 July 2025

## **2024/25 Committee Annual Report**

### **1. Purpose**

1.1 To provide the Cambridgeshire Police and Crime Commissioner (PCC) and the Chief Constable for Cambridgeshire with a review summarising the work undertaken and the Joint Audit Committee's conclusions from meetings held between 1<sup>st</sup> April 2024 and 31<sup>st</sup> March 2025.

### **2. Background**

2.1 This report provides an overview of the role and function of the Joint Audit Committee ('the Committee') and how it has supported the effective discharge of business by providing advice and guidance. The emphasis is intended to be primarily on review with a focus on audit assurance, governance, internal control and the risk management process.

### **3. The Role of the Committee**

3.1 The role of the Committee is set out in its Terms of Reference which are reviewed annually. This was carried out at the meeting held on 5<sup>th</sup> November 2024 when no amendments were considered necessary. The Terms generally reflect CIPFA guidance.

3.2 The Current terms of Reference are provided through the following link:

[Joint Audit Committee \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/joint-audit-committee)

3.3 The Committee provides independent assurance to the PCC and the Chief Constable on the adequacy and effectiveness of the risk management framework and the internal control environment. It provides independent review of governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees both internal and external audit, thereby helping to ensure that effective and efficient assurance is provided. The Committee is not an ethics committee but does review the applicable controls environment.

#### 4. **Key Areas of Focus in 2024/25**

4.1 The Committee met on five occasions within the reporting period, on 23<sup>rd</sup> April, 30<sup>th</sup> July, 5<sup>th</sup> November and 3<sup>rd</sup> December 2024, and on 4<sup>th</sup> February 2025. The 3<sup>rd</sup> December meeting was to conclude accounting and governance processes for 2021/22 and 2022/23 to which we return later on. (The Committee also met on 1<sup>st</sup> May 2025, the agenda containing material relevant to the reporting period).

4.2 Both the Constabulary and the OPCC have continued to demonstrate by their actions that they are open to challenge and keen to work with the Committee; in turn, Committee members have been mindful of the need to play our part in fostering professional working relationships with all stakeholders.

4.3 The Committee has been very pleased to maintain the working relationship with the Chief Constable, Nick Dean, and either he or the Deputy Chief Constable, Jane Gyford, have attended all our meetings. Similarly, we have been grateful for the regular attendance of the Police and Crime Commissioner, Darryl Preston. This level of senior attendance greatly enhances our work.

4.4 Throughout the reporting period we actively engaged with the Chief Executive of the OPCC, James Haylett, and with his successor Jack Hudson, and the Chief Financial Officer and Director of Resources, Jon Lee. We have appreciated their constant support and assistance.

4.5 The following comments mirror the main headings in the Committee's Terms of Reference:

## **Governance, Risk and Control**

### **Annual Governance Statements**

4.6 The Committee considered the Draft Annual Governance Statements (AGS) for the Chief Constable and the PCC for 2023/24 at the meeting on 30<sup>th</sup> July 2024. In the Committee's opinion, the format of both documents has continued to benefit from more explicit linkages to key source materials.

4.7 At the meeting on 3<sup>rd</sup> December 2024, the Committee reviewed and noted the Draft AGSs of the Chief Constable and the PCC for 2021/22 and for 2022/23. It should be noted that neither Statement could be finalised until the external audits for 2021/22 and 2022/23 and related processes had also been completed.

4.8 The OPCC and Constabulary ensured that in the interests of disclosure and visibility to the public draft AGS's for 2021/22 and 2022/23 were promptly published on the respective websites, together with draft accounts for the relevant reporting periods.

4.9 The Committee has continued to reference the Constabulary Corporate Framework as an important reference tool which supports our understanding of key responsibilities and controls in decision making.

### **Risk Management**

4.10 At a strategic level, the Committee received updates from management on the approach to risk-based issues and the way these are reported; the minutes of the meetings held on 23<sup>rd</sup> April and 5<sup>th</sup> November refer. There have been significant changes that reflect the considerable work undertaken in this area covering roles and responsibilities and updated HM Government guidance in the Orange Book. The current approach supports a holistic view of governance, risk and compliance.

4.11 In the reporting period, all of the Constabulary's Internal Audit opinions were positive which reflects well. Internal Audit (by RSM) provided a positive annual opinion.

4.12 The Committee has maintained a close interest in the audits of collaborated services including those which are not Cambridgeshire led as the 'host' force. These nevertheless have a bearing on Cambridgeshire, and we address later on the position concerning the collaborated parts of the structure.

4.13 Taken together with our other sources of assurance the Committee was able to conclude that the Constabulary has in place an adequate and effective risk framework, and controls.

### **Risk Registers**

4.14 The Committee has continued to receive the Strategic Risk Register and the Operational Risk Register in full twice in each reporting period, alternating between meetings.

### **Treasury Management**

4.15 The OPCC is required to have a Treasury Management Strategy Statement (TMSS) in place which is reviewed annually. This sets out how the Constabulary will manage its financial investments and borrowing over the next 4 years. The TMSS is set in the context of the ongoing capital programme and current economic uncertainty.

4.16 The Committee's role is to ensure that an effective system of scrutiny is in place in respect of Treasury Management strategy, policies and practices. At the Committee meeting held on 23rd April 2024 the Committee considered the detailed TMSS proposed for 2024/25, this having been approved by the Commissioner's Business Coordination Board. There was a paper provided to the meeting held on 5<sup>th</sup> November 2024 by way of a mid-year review.

## **Anti-Fraud**

4.17 The Committee received an annual report at the 30<sup>th</sup> of July meeting. No incidence of fraud was reported. (Internal Audit carried out a targeted fraud risk assessment in the reporting year 2022/23).

## **Integrity controls**

4.18 The Committee has a responsibility for oversight of the control environment for non-financial integrity arrangements. We received a report covering the period 2023/4 at the meeting on 30<sup>th</sup> July 2024 which summarised the control process and how the Committee gains assurance. The report included a summary of complaints.

## **Value for Money**

4.19 The Committee had engaged with management in the preparation of the new VFM strategy adopted in 2021 and received an annual report from management at the meeting on 5<sup>th</sup> November 2024.

## **5. Internal Audit.**

### **Internal Audit Plan 24/25**

5.1 The Committee reviewed and authorised the draft 2024/5 Internal Audit plan at its meeting on 23<sup>rd</sup> April 2024. During the year, the Committee received regular updates from Internal Audit to keep the Committee apprised of progress.

5.2 Internal Audit reports for the non-collaborated functions within Cambridgeshire Constabulary have continued to highlight positive opinions. Outcomes from the collaborated functions across the 3 forces (BCH - Beds, Cambs. and Herts.) have been more variable and as in previous years, there have been some negative opinions issued. The Committee has continued to take a close interest in the comparative position. On request, Internal Audit also provided a thematic report to draw together several years' reports. The Committee has been assisted by very helpful presentations made by BCH management to the meetings held on 30<sup>th</sup> July and 5<sup>th</sup> November to expand on the operating context and processes within BCH, and current initiatives to ensure greater visibility around key risks and controls.

5.3 The Committee has concluded that as constituted none of the 3 Audit Committees has full visibility across the undoubtedly complex BCH operating environment. We conclude that it is not currently possible for any single Audit Committee to sensibly interrogate the BCH risk register shown to the Committee in November, nor to see potential connections between different risks, and their impact.

5.4 All Committee members remain very willing to participate in any BCH initiatives relevant to our Terms of Reference that management may wish to initiate.

### **Progress reports**

5.5 At each meeting the Committee has received a progress report highlighting any issues and concerns, with the Internal Auditors attending every meeting and additionally making themselves available outside of formal meetings as required.

5.6 Mention should also be made of the very helpful spreadsheet reporting style adopted by the Organisational Improvement Department which enables the Committee to quickly interrogate progress in delivering audit recommendations in non-financial business areas. Overall, very good progress was demonstrated.

## **6. Financial Reporting and External Audit**

6.1 The Committee's Terms of Reference include a number of responsibilities in these areas and the obligation to provide relevant comments to those charged with governance.

6.2 During the reporting period the Committee was of necessity much engaged with the failure to deliver external audit services to the Constabulary/OPCC for 2021/22 and 2022/23 by the nominated auditors, BDO. In common with many other parts of the public sector, the audit had not been completed by the prescribed 'backstop' deadline issued by central government leading to disclaimed opinions for 2021/22 and 2022/23 as the inevitable outcome. There was a special meeting held on 3<sup>rd</sup> December 2024 to attend to outstanding issues for these reporting years, and to give approval to the final versions of the AGSs for these years for both the Chief

Constable and the PCC. It should be recorded that drafts of these together with draft accounts had long since been published in the interests of visibility.

6.3 Throughout the reporting period the Committee has been conscious of risk issues arising from the delay, the role of the PSAA (Public Sector Audit Appointments, who are the controlling body) and a range of contingency based issues. The issues that arose were wholly outside the Constabulary's control, that of the OPCC and the Committee.

6.4 As for 2023/24, it should also be noted that as in previous years, the Constabulary finance team prepared draft accounts by 31<sup>st</sup> May 2024, demonstrating their customary efficiency. KPMG were appointed by the PSAA as auditors for this and subsequent years. The audit proceeded satisfactorily with accounts being signed on 25<sup>th</sup> February 2025. However, KPMG cannot provide a wholly 'clean' opinion very possibly until 2026/27 due entirely to the challenges that arose in 2021/22 and 2022/23. The Committee reiterates that these do not reflect adversely on the Constabulary or the PCC in any way.

## **7. Performance of the Committee**

7.1 Members of the Committee need to acquire an understanding of the financial, risk and control, and corporate governance issues facing the PCC and the Chief Constable. Members must have the ability to challenge, question, probe and seek clarification from the PCC and the Chief Constable.

7.2 The role requires a level of knowledge to be acquired principally through attendance at our quarterly meetings. These have continued to take place remotely without any appreciable impact on the Committee's effectiveness.

7.3 Committee members have recognised the importance of maintaining some level of contact outside formal meetings, for example, through pre meetings and on other relevant opportunities. Additional contact has continued, usually by email, balancing this with a realistic time commitment to be given over to the role.

7.4 The Committee has undertaken an Effectiveness Review for the reporting period using a CIPFA questionnaire to inform discussion between the members. The conclusions were reported to management.

7.5 The Committee has met periodically via 'Teams' with the PCC and with the Chief Constable or Deputy Chief Constable, to discuss current and future issues and activities. These meetings all fall outside of, and do not reference, the committee agenda.

7.6 The Committee continues to recognise the challenge common to most audit committees in trying to engage 'upstream', in a way which anticipates potential issues arising. The separate meetings held with the PCC and the Chief Constable have assisted in this respect.

7.7 The Committee receives a very useful report from the Constabulary to each meeting summarising key publications in policing. (We have previously alerted CIPFA to this as an example of good practice).

7.8 The Committee continues to receive regular updates on sector issues from RSM.

7.9 The Committee has been mindful of the need to link agendas, papers and outcomes to levels of perceived risk.

7.10 Agendas, reports and minutes from the Committee are made available on the website of the Police and Crime Commissioner at:

[Joint Audit Committee \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/joint-audit-committee)

## **8. Attendance and Membership**

8.1 The Committee has the benefit of 2 members with a professional accountancy qualification. We feel that a 5-member Committee is a convenient size and conveys benefit in the quality and diversity of views expressed.

8.2 The Committee continues to benefit from one member (Andrew Godman) also being a member of the Herts Joint Audit Committee.

8.3 No conflicts of interest have arisen in respect of any member. The attendance record is as follows:

	30/07/2024	05/11/2024	03/12/2024 Extraordinary	04/02/2025	01/05/2025
Simon Smith	Y	Y	Y	Y	Y
Andrew Godman	Y	Y	N	Y	N
Lucy Sales	Y	Y	Y	Y	Y
Ian Pinches	Y	Y	Y	Y	Y
Sophie Cook	Y	Y	N	Y	Y
Amna Rehman	N/A	Y	Y	Y	N

## 9. Comments on last year's stated priorities.

9.1 The Committee references the broad priorities it identified in the previous Annual Report, and relevant progress in 2024/25.

### Governance Framework and Risk

9.2 The Committee has commented on the development of risk reporting, in particular.

### Value for Money

9.3 VFM is now subject to an annual reporting process which is becoming more mature.

### Collaboration

9.4 The Committee has engaged proactively with the BCH office.

## 10. Priorities for 2024/25.

10.1 The Committee recognises the principles embedded in the Corporation Sole structure in policing and the relatively 'arm's length' nature of our independent and advisory role.

10.2 The Committee continues to be appreciative of the openness and transparency that characterises all our dealings with the OPCC and Cambridgeshire Constabulary. It is vital for the Committee's effectiveness that we do all we can to encourage this behaviour. Our experience of both organisations is that they have continued to be open to challenge from the Committee, and that there has been good ownership of outcomes.

10.3 The Committee anticipates a continuation of 6 monthly 'catch ups' with both the PCC and the Chief Constable outside the formal meetings structure, and a variety of other meetings with senior management.

10.4 The Committee is about to welcome a new Chair, Mr John Pye, who together with continuing members will reassess priorities and approach for this and subsequent years.

## 11. **Recommendation**

11.1 The Committee is asked to note the contents of this report.

11.2 That this annual report be approved by the PCC and the Chief Constable.