JOINT AUDIT COMMITTEE

APPROVED MINUTES

Date: 25 February 2026

Time: 10:15 hours

Location: Teams

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| Members: | John Pye | Chair |
| | Lucy Sales<br>Sophie Cook<br>Amna Rehman<br>Cecilie Booth<br>Benjamyn Damazer | |
| In Attendance: | Simon Megicks | Chief Constable |
| | Jack Hudson | Chief Executive OPCC |
| | Phil Trussell | CFO for the OPCC |
| | Jon Lee | Director of Finance & Resources |
| | Daniel Harris | RSM |
| | Richard Lee | KPMG |
| | Kirsty Toone | Head of Finance for the Constabulary |
| | Elaine Fox | Principal Accountant for the Constabulary |
| | Les McCracken | Force Risk & Non-financial IA Controller, Organisational Improvement, Constabulary |
| | Nancy Leversha | Finance & Audit Manager for the OPCC |

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| 1. | Welcome and Apologies |
| | Apologies were received from: |

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| | • Darryl Preston, PCC<br><br>JP welcomed everyone to the meeting especially Cecilie and Benjamyn as it is their first meeting. JP noted that LS needs to leave part way through the meeting but asked her to say some words on behalf of the committee to NL as it is her last meeting. |
| 2. | Declarations of Interest |
| | There were no declarations of interest. |
| 3. | Agreement of the minutes from the last meeting held on 27 October 2025 |
| | The minutes were agreed as correct and approved.<br><br>The actions had all been completed and were closed. |
| | Resolved<br><br>(i) The minutes were agreed as correct. |
| 4. | Internal Audit |
| | a. Progress Report – DH stated this appraises the committee of the progress against the 2025/26 programme. No audits that have taken place to date might impact upon DH's annual opinion. One Cambs only report has been finalised on Fleet Management with a positive assurance. There was some potential good practice identified with the use of PowerBI dashboards. The actions will be picked up in the Follow Up in 2026/27. The Risk Management audit is in progress. For BCH one draft audit report has been issued with quite a few management actions although not many are aimed at Cambs. All audits are on track for completion. LS asked if DH could explain how the failure to prevent fraud (FTPF) audit had been included and the ramifications. DH stated the FTPF offence comes from the Economic Crime and Transparency Act which came into effect on 1 September 2025. This is aimed at larger organisations to have reasonable procedures in place to prevent fraud. The audit was to look across BCH.<br><br>b. Draft Internal Plan 2026/27 – DH explained the process of meeting with individual forces of Beds, Cambs and Herts to identify the priority areas |

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| | | for the next year's programme of audits. RSM link these to the relevant risk register There is then a subsequent meeting with representatives from the six corporation soles to prioritise the BCH element of the plan. The plan provides a backwards look at previous audits with assurance levels. DH stated the 7Force audit is subject to agreement by the other four forces Essex, Kent, Norfolk and Suffolk. DH stated there had been a lot of discussion in Cambs around governance and transition arrangements and it was agreed for April 2027. The plan remains flexible if risks materialise through the year. LS asked for the follow up, in past years that has been the opportunity to re-examine areas that have been unfavourable. Have you agreed with management that this will review findings and how actions are progressing. DH answered it is a standard of the Audit Charter for follow up coverage, we need to get to the end of the 25/26 plan and then can discuss what is on the tracker to see what is outstanding. We could look at actions in year that have passed their implementation date. LS added the backwards looking view is helpful and is a positive picture. LS also asked whether there is a governance audit planned in BCH in the next two years following the changes. DH stated the Corporate Review under BCH is governance related and will focus on performance reporting and this will have an element of governance focus.<br><br>JP stated subject to debates in this meeting, he would like consideration of BCH governance and Transition planning arrangements for consideration to the plan. JP asked DH if he can be included in the plans for the draft IA plan for 2027/28.<br><br>JP noted the papers providing updates on actions and asked if there were any questions or observations. LS asked JL linked to fraud, there has been articles in the media about key jamming and wondered if this is something being looked at by Cambs. JL answered yes this comes under PSD and will be picked up in the annual fraud report, but it is proactively looked at by PSD. SM added that PSD is leading on this |

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| | across BCH and is taking a robust stance and looking at learning in this area. |
| | Resolved<br>(i) The Committee noted the updates.<br>(ii) JP asked to be included in the draft internal audit plan discussions for 2027/28. |
| 5. | External Audit |
| | a. ISA Completion Report – RL stated there are two reports the ISA260 which provides a summary of the findings from the audit and the annual report which contains the VfM commentary. The committee has seen versions of these documents at a previous meeting, but these reports have been updated ahead of the backstop date of 27 February. The audit of the accounts has dragged on for the Finance Team since August/September 2025 and recognised it is a significant undertaking for the team from then to now and RL thanked the Finance Team. RL added although it is the backstop deadline for 2024/25 on Friday, KPMG will start the process of the build back report planning. RL confirmed that the opinion issued is a disclaimed opinion and this is inline with the National Audit Office (NAO), Financial Reporting Council (FRC) and other regulatory bodies have set in legislation dates where a line is drawn under audit work completed which allows me to issue an opinion on work completed by that time. RL stated on page 5 of the ISA there are three bullet points which are the areas of focus to build back assurance and hopes to be able to remove the disclaimer.<br><br>RL noted there are two risks identified. The first is Management Override and the audit identified there could be improvements to how journal postings are undertaken and KPMG have made a recommendation which is driven by auditing standards. The second risk relates to valuation of post-retirement benefit obligations (Pensions) and RL stated that a lot of work was undertaken by actuaries and feels this places them in a good position for next year. It is a requirement to include work against risk in |

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| | the report but RL assured the committee there were no weaknesses identified.<br><br>RL continued on page 22 there is an uncorrected audit misstatement but there is no requirement to update the accounts for this. Page 23 shows the corrected misstatements, and these are presentational points for technical reasons and have not altered the figures. The control deficiencies are recorded on page 24 with management responses.<br><br>CB stated this is a very comprehensive report and she has no concerns. CB asked RL after the backstop do you have sufficient resources to perform the audit and provide your opinion. RL answered that a significant point is not the audit work undertaken, but the balances from previous years have not been subject to audit. The build back work is intended to cover incremental work to get back on an even keel. Resourcing is good. This is unprecedented to have a sector wide position, but KPMG are working hard to remove disclaimers where they can, it may mean certain areas of the accounts will receive qualifications. JL added we have seen a much more professional and well-resourced service with KPMG to provide assurance. JL stated that he and RL could pick up the build back outside of the meeting but asked if the build back will be separate or at the same time as the 25/26 audit. JL also added his thanks to KT and EF and Team for all their work on the accounts. JL noted it is a positive position even though the accounts are disclaimed.<br><br>b. Annual Auditors Report (AAR) – RL stated there is a requirement for this to be published alongside the accounts. Page 11 of the AAR provides the VfM commentary on arrangements in place in three domains, financial sustainability, governance and improving economy, efficiency and effectiveness. RL stated the PEEL assessment was an identified area of risk but RL is comfortable that plans are in place and concluded there are no significant weaknesses and that arrangements are in place across all three domains. JP added he VfM now has a wider remit on how an organisation functions rather than just being about money. RL stated this version is set out by the NAO along with the methodology but yes VfM has |

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| | changed over the years.<br>c. Letters of Representation – RL stated these are to be issued alongside the accounts but there is an additional sentence that needs inclusion around the pension presentation that will be sent through for updating. |
| | Resolved<br>(i) The Committee noted the update. |
| 6. | Statement of Accounts and Annual Governance Statements |
| | JP noted the role of the committee is to consider the accounts and note any concerns.<br>PT stated the accounts have undergone a previous review and the committee had received a presentation in July 2025 on the draft accounts and the reports presented by RL are more pertinent for today.<br>CB stated the AGSs tend to be a window to the organisation, and these appear to have a lot in them about process. Are any key issues not identified in there or is there anything management wish to draw attention to. JL stated for context RSM do the initial work so there is some independence in the process. KPMG look at compliance with what should be included and there is a balance between the process and mechanisms in place that provides the assurance. At the end of the AGS are significant areas/issues reported. JH stated the OPCC is very similar and would welcome any suggested good practice. CB stated she was not criticising but has experience from other organisations where significant issues were not identified and is looking for assurance the AGS is reflective. DH stated this is a pertinent point to make and there is a danger of the AGS being a ‘rollover’. RSM use the CIPFA guidance on AGSs and DH ensures that a member from his team undertakes the AGS work that has not worked on the audits. DH added that RSM plan to use copilot to sample some police/OPCC AGSs and come up with a top ten significant governance issues that have been flagged as a check and challenge to the AGS process. JP stated this was a helpful discussion and good to get the right things included. |

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| | PT stated unless there are any specific questions, we need to publish the accounts by Friday and do the committee accept the accounts for publication. JP asked the committee and it was agreed unanimously.<br><br>EF added subject to KPMG's go ahead, the accounts are ready to be uploaded. |
| | Resolved<br><br>(i) The Committee noted the update. |
| 7. | Risk Registers |
| | JP reminded the committee their role is to consider the risk registers. JP added that both registers are here at his request so the committee can consider risk in the round.<br><br>a. Operational – SM stated that the constabulary are looking at commonality and consistency through the risk registers, so they make sense at a tactical level up to the strategic level. There are some uncertainties/risks that emerge from the White Paper, and we need to be alive and responding to those amongst the multitude of change whether its local government reform, the white paper or the transition of governance. SM added that the constabulary are working with the OPCC to ensure risk is managed. SM stated that the direction of travel for operational risks is downwards and the two areas SM would highlight are the work that is being undertaken around the ability to respond as noted with the inadequate grading from the PEEL assessment. Our call handling is far better; we still have challenges but are making significant progress. A review of our ability to respond has been commissioned in relation to risk 510. Risk 514 FEL, a huge amount of work has been going on. This has been deemed a critical incident, and it is being managed across BCH with a DCC chairing the board. Cambs have put in an extra 12 individuals since September to help bring that risk down. The trajectory is some significant months to rectify.<br><br>b. Strategic – JH stated the OPCC had reviewed our approach following feedback and the new risk register is based upon risks that could impact |

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| | delivery of the Police and Crime Plan or the current statutory responsibilities of the PCC. With Police Reform these are likely to change. The revised register contains ten clearly defined strategic risks, each risk has an owner and where relevant highlights areas where risks are shared with the constabulary. Risk appetite has been introduced together with a risk score and an assessment of whether each risk sits within appetite. This provides us with visibility of tolerances, prioritisation and where active management or escalation is required. We have a separate approach to events, conditions and known issues which are monitored through our ELT. JP thanked JH and supports the way the risk register is moving forward. JP also noted the internal audit of risk is timely. AR asked when will risks be introduced about the Mayoral model. JH stated that the latest update is to follow at Item 10 with a timeline if she can wait for that. JP asked if there is a specific risk or are elements implied in other risks. JH stated there is a risk for transition and everything is currently monitored through that risk, this may increase as more becomes clear.<br><br>JP thanked SM and JH and agreed there is a need for cohesion between the risk registers and that it is helpful to see them both together at these meetings. JP added that at the next meeting the internal audit report will be available. BD asked noted the learning point about alignment between the Cambs registers and asked is there a danger of that not happening across BCH and is there a process to ensure conformity of understanding. SM answered that is at the heart of the challenges and benefits of collaboration. SM stated it is about ensuring there is a strong relationship built on trust, understanding and also where decisions made elsewhere create local implications. JP added the process is the OPCC hold the constabulary to account and the Chief Constable has to manage the BCH context. What others do is not germane to Cambs. What is germane is getting the service for Cambs residents. |
| | Resolved:<br><br>(i) The Committee noted the reports. |

| 8. | Review of Cambridgeshire's BCH Governance Arrangements |
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| | JH stated this request came out of the last meeting where we discussed the line of sight for Cambs through BCH and how FEL had been a case study where the OPCC was receiving different information from members of the public from what was being reported upwards through BCH. JH has prepared a map of the Cambs BCH governance structure and internal controls to provide assurance that Cambs is delivering its BCH commitments, and the other partners are meeting their obligations. BCH is not a separate entity, it is a series of functions formed through collaboration agreements, section 22 agreements, which are intended to deliver specific operational and back-office functions, based on threat, risk and harm and also economies of scale. The BCH governance arrangements all fed up into Joint Chief Officers Board (JCOB) underpinned by the DCCs Collaboration Board. The challenge was how to hold the chief constable to account for BCH functions through JCOB and how that fed into our Police Accountability Board (PAB).<br><br>Changes to the governance structure of BCH were made in November 2025 and were agreed at Strategic Alliance Summit (SAS) attended by the three PCCs, in November 2025. Risks, issues, performance and a new alert system have been introduced in a report that is presented to JCOB, and this is now also discussed at SAS and direct reporting to force performance boards.<br><br>With SM's agreement Cambs will take a structured approach to all functions within the BCH collaboration and will hold the chief constable to account through PAB for the individual functions where the chief constable will be asked directly if there are any issues or concerns in relation to that BCH function that he would like to bring to PAB.<br><br>JCOB is not a holding to account board and OPCCs have no involvement in this meeting. SAS is where the collective risks, issues and performance are discussed and where the section 22 agreements are signed each year. They were last signed in May 2025. The section 22 agreements contain the governance arrangements, what services are offered and key performance indicators. |

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| | JH then talked the committee through the diagram at the bottom are the BCH collaborated functions all subject to section 22 agreements with delivery plans, risk registers and performance framework. All of these functions report into the DCCs Board which reports into JCOB. In addition, the PSD and SIRO Boards meet quarterly and representatives from OPCCs attend these for oversight. The DCCs all report into their individual Chief Officer Teams (COT). The OPCC also attends the Business Assurance and Risk Review Board meetings. SAS which includes the PCCs now has an overview of the collaborated functions.<br><br>JP thanked JH for clarifying something that is extremely complicated.<br><br>SM added that his focus is on getting the right information into the force performance board so that risk can be addressed and managed. It is also about making sure the right mechanisms are in place to identify areas of particular concern at the right stage.<br><br>JL added it's a really good piece of work to distil into one page as we know how complex it is. The collaborated units at the bottom have a lead force sitting over them, it might need a reference to explain that. JP thanked JL and suggested that a colour code would work for showing lead forces. JP also asked are we assured this system will identify the next issue earlier than FEL. SM answered that is has more assurance with this process. He added that it will also be important with organisational transformation not to denude parts of the organisation so they fall over.<br><br>AR looking forward, is there a risk to funding this model. JL answered there is potential risk but also an opportunity in terms of the broader reform and how that may flow through. SM added it adds to the conversations we've had around risk and the turmoil of change, we will need to be disciplined around this and there may be a slightly different diagram, but we will need to work through the risk and what our tolerance is with mitigations. JH agreed that yes it will change with the abolition of PCCs, the proposal for bigger forces and the national police service all mooted. We are keeping a watching brief.<br><br>JP thanked JH and asked if this area can be added to this year's internal audit |

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| | plan and how it is functioning. |
| | Resolved:<br>(i) The committee noted the report.<br>(ii) JP requested the governance plan be included in the 2026/27 internal audit plan. |
| 9. | Review of Terms of Reference |
| | Not discussed. For discussion outside the meeting and to be brought to May 2026 meeting. |
| | Resolved<br>(i) The committee noted the report. |
| 10. | Transition to Mayoral Model |
| | JH provided a verbal update. On 26 January 2026 the government published the police reform white paper entitled From Local to National, a new model for policing. This seeks to deliver a series of police reforms including some priority proposals around the national police service. The paper also includes the removal of the directly elected PCC model and that has a designated date of 4 May 2028. There is an independent review of the number of police forces, a set of national policing priorities and a new performance system. The policing priorities will replace the strategic policing requirements. The government have also promised a review of the police funding formula. They are seeking to assure that policing remains primarily a local policing with emergency response, safeguarding the most vulnerable, and crime investigation. The Home Office will take a more active leadership role in policing.<br><br>Indicative dates are the new police performance dashboard is being launched in early 2026. AI will start to be brought in from Spring 2026. In May there is a leadership commission with findings to be presented to help the government crystallise these reforms. In summer 2026 the independent review is due to start. Legislation for police reform is expected in the second session of Parliament around summer 2026 with Royal Assent anticipated in March 2027. Between Spring 2027 and 2028 the government will work with local areas to progress |

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| | implementation.<br><br>There is uncertainty around the model from May 2028. We know PCCs will be abolished and at this point policing governance will likely be transferred to mayoral strategic authorities or policing and crime boards. The different structure have yet to be articulated. Policing and crime boards will comprise of local authority leaders and all strategic mayors. We are waiting for further clarity but the Home Office is clear that the whole model is to be scalable to cover larger forces also in the pipeline.<br><br>The National Police chiefs council (NPCC), the Association of Police & Crime Commissioners (APCC), Association of Police and Crime Commissioners Chief Executives (APACE) and the Police and Crime Commissioner Treasurers Society (PACCTS) plus others including unions and other representatives are involved in Home Office transition groups that report into the Police Governance Reform Project Board which in turn reports to the Cross Systems Police Reform Board which reports to the Home Secretary. The transition workstreams are staffing and transition, finance, board mechanics, board accountability and functions, scrutiny, partnership and commissioning, fire and Wales.<br><br>At a local level we have a risk around transition and all the work is being managed under our ELT. We can escalate matters up to PAB. Environmental scanning is discussed at Resources Group. Recruitment is considered on a case-by-case basis. The OPCC held a team collaboration event in January where further points were raised for consideration. Last week we had an initial meeting with the combined authority who may potentially host us. We agreed to have a further meeting in April/May time with the wider SLT to discuss how the transition will progress.<br><br>JP thanked JH for his update. CB stated there is a lot of information to take in around governance arrangements and thinks there needs to be some oversight from the committee of the governance. CB asked if it would be possible for a diagram to consider and scrutinise. JH answered he can try, but there is a lot of uncertainty currently.<br><br>DH stated reflecting on everything we've heard in this meeting, we know it has |

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| | always been complex and challenging, but this feels unprecedented and the next couple of years is going to be a challenging governance and risk environment.<br><br>JP added that when the committee met with SM earlier, it was made clear that business as usual needs to continue whilst all the mayhem of change is going on. The committee need to be assured that the processes are in place for business as usual and what processes are in place for moving to something else which is two years away. JP asked JH is there is a project manager or plan. JH answered yes we have a project outline, the SRO is JH and there is a project lead for the various workstreams but it is being pulled together. JH added that DH makes a really good point, the changes at the moment are phenomenal and we are trying to keep pace with them. There is local government reform which is another element and we are trying to keep track of lots of different elements.<br><br>JP stated two years away is not very far and the committee has a role to help.<br><br>JH stated he can bring information to the committee as and when the situation develops. JP asked that when there is something to report this be done by email to the committee so the project plan and timelines can be reviewed following the meeting with the combined authority. JP noted the committee have a development session scheduled for 19 March and that can some of the time be used for the committee to discuss as there are seven JACs before the end of the PCC. JP asked that JH provide feedback on what the joint project management arrangements and the future is looking like following the next meeting with the combined authority. |
| | Resolved<br><br>(i) The committee noted the update.<br><br>(ii) JH to develop a plan of the governance structure for the change that is currently ongoing.<br><br>(iii) JH to provide an update to the committee by email following the meeting with the combined authority. |
| 11. | Review of Forward Work Plan 2026 |
| | Any issues or comments to be dealt with outside of the meeting. |

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| | Resolved<br><br>(i) The committee noted the report. |
| 12. | AOB |
| | There was no AOB. |
| | Date of Next Meeting |
| | The next meeting will be held on Thursday 28 May 2026 at 10.15 hours at Conference Room 3 Police Headquarters, Huntingdon. |
| | Scheduled Meeting Dates<br><br>Thursday 3 September 2026 at 10.15 hours<br><br>Thursday 26 November 2026 at 10.15 hours<br><br>Thursday 21 January 2027 at 10.30 hours |