Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH
Darryl Preston

Creating a safer
Cambridgeshire

Joint Audit Committee

31 July 2026

Report Title	External Audit plan and strategy for the year ending 31 March 2026
Responsible Officer	Jon Lee and Phil Trussell
Report author	Katie Henry – KPMG director Presenter of report – Natalie Reid – Audit Assistant Manager
Risk register reference	Not applicable
Previous papers to Committee	None
Report summary	The external audit plan focuses on the 2025/26 accounts for both PCC and CC. The two significant audit risks are management override of controls and the valuation of pension liabilities, with pensions remaining a key area due to the size of the balances and the level of actuarial judgement involved. For Value for Money work, no significant risks were identified in relation to financial sustainability or improving economy, efficiency and effectiveness; however, one significant governance risk has been raised following the cancellation of the Monks Wood training centre project, which may indicate weaknesses in investment appraisal and decision-making processes.

	The audit has been categorised by MHCLG as "Category A", meaning it is expected to be capable of returning to a fully ISA-compliant, unmodified audit opinion within the build-back period, with unmodified opinions currently expected by 2027 for the Chief Constable and 2028 for the PCC.	
Purpose of the report *Why is the report being presented to the Committee? (Tick all boxes that apply)*	Update/progress report	
	Provide assurance	
	Present audit findings	YES
	Risk escalation	
	Policy/strategy review	
	Statutory requirement	YES
	Other *(please specify)*	
Related Police and Crime Plan Pillar		
Source(s) of assurance *(Tick all boxes that apply)*	Internal Audit	
	External Audit	YES
	Internal management controls	
	Independent review	
	Inspection findings	
	Other *(please specify)*	
Key issues, assurances and concerns	**Key assurance(s):** KPMG's planning work has not identified any new significant financial statement risks beyond the standard risks of management override and pension valuation, and the body has been assessed as MHCLG Category A, indicating a credible route back to unmodified audit opinions through the build-back programme.	
	Significant concern(s):	

<table>
<tr><td rowspan="2"></td><td colspan="2">The key audit focus areas are the valuation of pension liabilities following the 2025 triennial valuation, ongoing rebuild of assurance following several years of disclaimed opinions, and a significant VFM governance risk arising from the cancellation of the Monks Wood training centre project.</td></tr>
<tr><td colspan="2">Mitigating action(s):
Management should continue to prioritise high-quality audit evidence and disclosures, support the additional build-back audit procedures over historic balances, and demonstrate strengthened governance, scrutiny and monitoring arrangements for major projects and investment decisions.</td></tr>
<tr><td rowspan="5">Action required
What is the Committee being asked to do? (Tick one box only)</td><td>Information – to note the contents of the report</td><td>YES</td></tr>
<tr><td>Assurance – to review and provide assurance that arrangements are adequate and effective</td><td></td></tr>
<tr><td>Recommendation – endorse a recommendation to the PCC or CC</td><td></td></tr>
<tr><td>Approval – approve a documen, plan or approach where authority is delegated to JAC</td><td></td></tr>
<tr><td>Decision – make a decision wtihin the Committee’s delegated authority</td><td></td></tr>
<tr><td>Recommendation</td><td colspan="2">To note the report.</td></tr>
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