Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH
Darryl Preston

Creating a safer
Cambridgeshire

COMPLIANCE WITH THE CIPFA FINANCIAL MANAGEMENT CODE

CAMBRIDGESHIRE CONSTABULARY AND CAMBRIDGESHIRE AND PETERBOROUGH OPCC

2025/26

Introduction

The CIPFA Financial Management (FM) Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Any reference to local authorities in the Code also encompasses policing bodies.

The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium and long term finances of a local authority;
- Manage financial resilience to meet unforeseen demands on services;
- Manage unexpected shocks in their financial circumstances.

Each local authority must demonstrate that the requirements of the Code are being satisfied, and it is a responsibility of the Chief Finance Officer to ensure that compliance is reviewed.

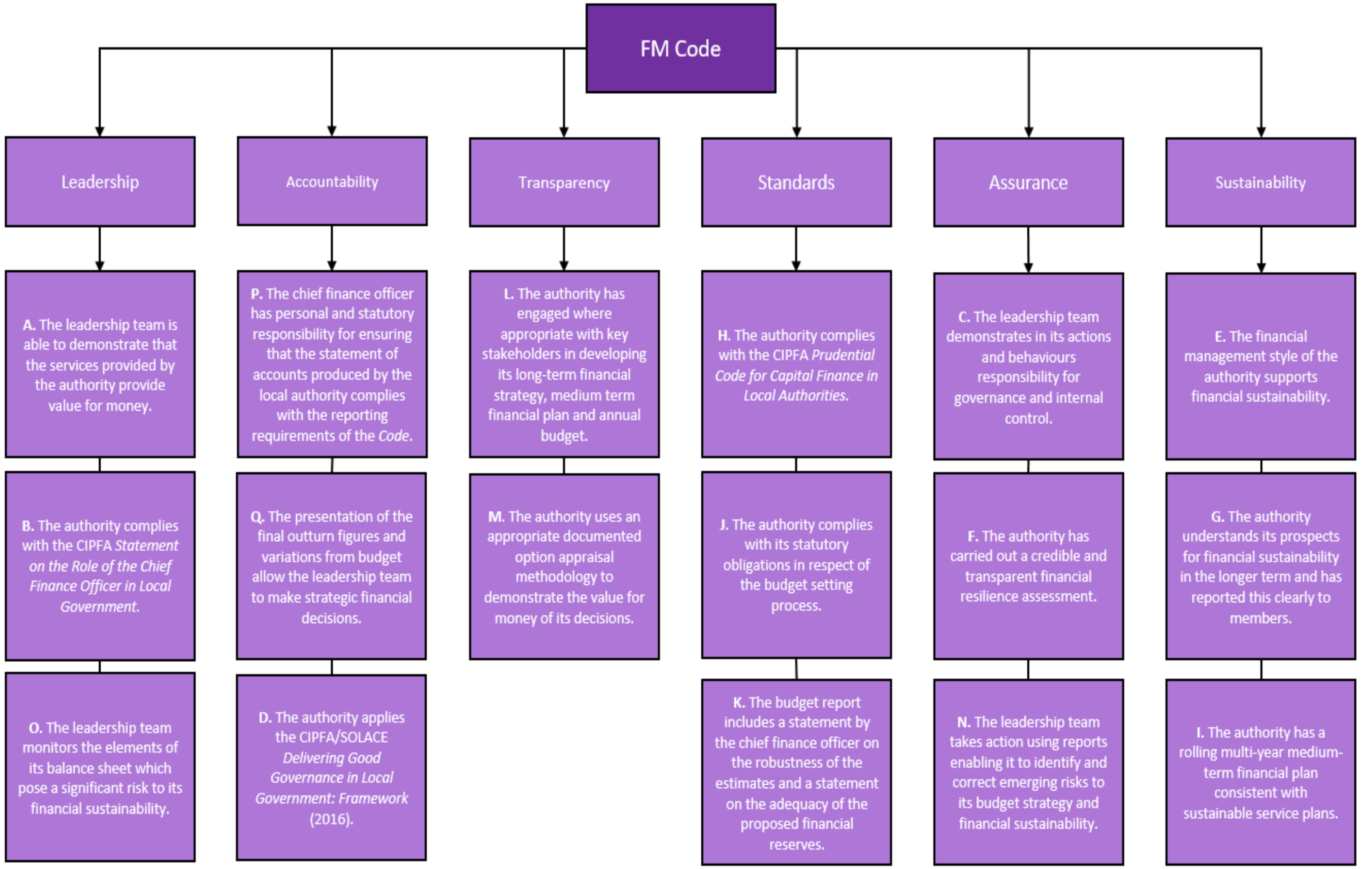
The Code has been in effect since 1 April 2020 with the first full year of compliance being 2021/22.This is the sixth self-assessment undertaken by the Constabulary and the OPCC and reports on the financial year 2025/26.

A self-assessment of the Constabulary and OPCC's standing against each of the standards is assessed using a RAG rating approach. The self-assessment can be summarised below:

RAG Rating	Progress	Number of Financial Management Standards
GREEN	Compliance is demonstrated.	17
AMBER	Minor to moderate improvements are required to demonstrate compliance	0
RED	Moderate to significant improvements are required to demonstrate compliance	0
TOTAL		17

The results of the self-assessment demonstrate an overall rating of green with all standards being complied with in full and importantly no red areas of non-compliance.

The six principles and supporting standards are shown in the graphic below with the remainder of the report providing the commentary of the self-assessment against each standard.


FM Code
Leadership
Accountability
Transparency
Standards
Assurance
Sustainability
A. The leadership team is able to demonstrate that the services provided by the authority provide value for money.
B. The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.
O. The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.
P. The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code.
Q. The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.
D. The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).
L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget.
M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.
H. The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.
J. The authority complies with its statutory obligations in respect of the budget setting process.
K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.
C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
F. The authority has carried out a credible and transparent financial resilience assessment.
N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.
E. The financial management style of the authority supports financial sustainability.
G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.

Financial Management Standard A	RAG Rating: Green
The leadership team is able to demonstrate that the services provided by the authority provide value for money.	The leadership within both the Constabulary and the OPCC actively pursue the delivery of value for money (VfM). This runs through all decisions and requires the need to balance operational threat and risk, with performance and finance. When the need arises both the Chief Constable and the PCC and their staff will challenge VfM as appropriate. During 2025/26 examples of this include: • The Corporate Change and Benefits Management Framework to facilitate effective and consistent management of change initiatives and benefit identification and delivery. Examples of projects managed through the Framework include the Right Care Right Person approach, Co-Pilot review, an auto-redaction tool project, consideration of a Missing Person teams and the Milton Electric Vehicle project. Continuous improvement reviews are also undertaken as part of the framework. • The new Milton Police Station has progressed during the year to completion (due in May 2026). Monthly governance meetings have been held chaired by the Chief Constable's CFO and the project will be delivered to the £49m total budget through strong and robust contractual management by the Strategic Director of Estates whilst in the spirit of a collaborative approach with the contractor. This has enabled the development and completion of modern premises for the southern hub including state-of-the-art custody facilities. • Continued alignment between the business planning process and financial planning to deliver a sustainable financial plan. Through SLT meetings and finance focussed leadership team meetings savings plans are reviewed and monitored to ensure a balanced budget was achieved for 2025/26 with £6.9m of savings being tracked and delivered during the year. • By necessity any proposal for investment that has not been budgeted has been considered in the context of affordability and value for money with the financial environment becoming more constrained. An example of this has been the injection of Officers into the Firearms and Explosives Licensing team to address backlogs in applications and renewals. In this instance

	there was an immediate issue to resolve and the decision to invest resources was taken to improve performance and achieve better value for money. The 7 Force Commercial Services function continues to target VfM through effective contract and supply chain management, contract pipeline and competitive procedures to drive VfM through consolidated procurement across the Eastern region. The 7 Force Commercial Services function works in conjunction with the Blue Light Commercial (BLC) Services providing procurement, commercial lifecycle, and national contract framework arrangements for the whole of policing. These arrangements help to ensure VfM through procurement arrangements both nationally, within the region and locally. Further still 7 Force Commercial Services are represented in the commercial work of the Police Efficiency and Collaboration Programme (PECP) working with the Home Office and BLC. Cashable budget savings have continued to be difficult to deliver through procurement in 2025/26 due to the ongoing inflationary environment and taxation policy such as the increases in the employer national insurance contributions. Cost avoidance however in procurement exercises remains strong. KPMG, the current external auditors, undertook their audit of the 2024/25 financial statements which included their assessment of VfM. KPMG concluded that the Group does have appropriate arrangements in place. One risk to securing VfM identified by KPMG in their audit planning was the HMICFRS cause for concern from the latest PEEL inspection relating to call handling and response times. The risk being that without improvement the Constabulary's quality of service could be adversely impacted. After testing and auditing this risk KPMG concluded that they had not identified any significant weaknesses in the arrangements relating to the Constabulary's response on the matter. Overall KPMG concluded that they did not identify any significant weaknesses in the arrangements to secure economy, efficiency, and effectiveness in the use of resources. A Value for Money Strategy has been in place since 2021 which sets out the approach to VfM and how the Constabulary seeks to demonstrate VfM through all business activity and service provision. Consideration of VfM topics at the Chief Constable's Senior Leadership Team (SLT) occurs every six months.

	Constabulary	OPCC	Source/Evidence
	The 2025/26 Corporate Plan maintained Resources as an Organisational Priority focusing on using our resources efficiently and effectively to ensure value for money and to invest in priority areas and integrate new technologies to improve policing. The Corporate Plan is published to the organisation and embedded in everyday discussion in meetings and through 'My Conversation' (1:1 and annual Performance and Development Reviews). The entire Constabulary is encouraged to consider VfM in everything we do. The Force Financial Instructions includes reference to maximising VfM as part of the Force financial strategy. The Constabulary does consider the HMICFRS Value for Money profiles which do demonstrate that Cambridgeshire is one of the lowest funded Police Forces and that expenditure on services generally reflects this. Ongoing analysis of the VfM profiles will continue to be undertaken to inform future planning.	OPCC Budget remains less than 1% of Net Budget Requirement. The BCH Combined Financial Regulations contain the 7F Contract Standing Orders which target VfM. All Grants and Contracts from the OPCC have specific outcome monitoring reporting to ensure VfM is key. The OPCC Finance & Audit Manager challenges requests for spend to ensure VfM is being considered.	Constabulary Corporate Plan 2024/25 External Auditor's Annual Audit Report 7F Commercial Services Contract Standing Orders VfM Strategy HMICFRS VfM Analysis HMICFRS Peel assessment report 2023-25

	The Constabulary's PEEL assessment 2023-25 stated that "The constabulary manages its finances well. Its financial plans are sensible and sustainable,"		
Financial Management Standard B		**RAG Rating: Green**	
The authority complies with the CIPFA *Statement on the Role of the Chief Financial Officer in Policing.*	Both the Constabulary and OPCC CFOs are fully compliant with the CIPFA statement and principles contained therein. The CFOs fully understand their own roles and how they work together. The CFOs are key to the leadership teams of both organisations and are actively involved in key decisions. Both CFOs are professionally qualified and suitably experienced.		
	Constabulary	**OPCC**	**Source/Evidence**
	The Chief Constable's CFO is CIPFA qualified and has been in post since December 2019 and is part of the Chief Officer Team advising on strategic financial matters. The CFO works effectively with the OPCC CFO in an open and transparent way as well as with CFO counterparts in the BCH collaboration and 7 Force Eastern Region. The Constabulary CFO is the NPCC finance lead for the Emergency Services Network (ESN) Programme, which is led by the Home Office, and in addition is participating in the national sub-groups of the Police Efficiency and Collaboration Programme (PECP)	The PCC's CFO is part of the OPCC SMT and advises the PCC on strategic financial matters. The OPCC CFO and the Constabulary CFO work together effectively and in an open and transparent way.	Job descriptions of the CFOs Board and meeting agendas and minutes

	as one of the Eastern region CFO representatives.		
Financial Management Standard C		**RAG Rating: Green**	
The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	The Police Accountability Board and Resource Group are joint meetings between the Constabulary and OPCC attended by senior management. A well-established Joint Audit Committee is in place and has good attendance by senior management to meetings. The Internal Auditor's opinion for 2025/26 for both organisations on the adequacy and effectiveness of the system of internal control, stated that they have an adequate and effective framework for risk management, governance and internal control [to check once Opinion is received (for May JAC). Internal Audit undertook a review of the Risk Management arrangements as part of the 2025/26 Audit Plan providing a reasonable assurance opinion. The conclusion from the review for the Constabulary and OPCC stated that "the OPCC and Force can take reasonable assurance that the controls upon which the organisation relies to manage risk are suitable designed, consistently applied and effective". Recommendations were made by the internal auditor to enhance the risk management arrangements further consisting of 7 low priority and 3 medium priority recommendations, which the OPCC and Constabulary will work to implement during 2026/27.		
	Constabulary	**OPCC**	**Source/Evidence**
	The Constabulary has in place a Corporate Framework detailing the governance arrangements including the terms of reference for each meeting and how they interrelate. The Force Executive Board meets monthly and the agenda covers the breadth of the Chief Constables responsibilities including collaborated areas.	Chief Executive ensures OPCC is staffed to undertake all statutory duties for delivery of the Police and Crime Plan. Governance structures are in place for the PCC to hold the Chief Constable to account.	BCH Scheme of Governance BCH Financial Regulations Force Financial Instructions

Commented [NL1]: Needs to be updated once we have IA Annual Report

Commented [NL2]: To be added once Final report received

	Chief Officers ensure that business and decisions are undertaken through the correct governance routes and processes and are appropriately minuted and recorded. Effective risk management arrangements are in place for the Constabulary and the BCH collaboration. Internal Audit is well embedded with the Constabulary and is provided by an independent third party. The outcome of internal audits are reported to the JAC for consideration, review and challenge. The Constabulary also has whistle blowing, fraud and corruption and risk management policies, the latter also being the subject of periodic internal audit.	The PCC signed a declaration on re-appointment to post which contains the NOLAN principles and the Code of Ethics for Policing as well as a specific pillar for Ethical Policing.	JAC ToR, minutes and papers. PCC Oath. AGS Constabulary Corporate Framework Internal Audit Risk Management

<table>
<tr><th colspan="2">Financial Management Standard D</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td rowspan="3">The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).</td><td colspan="3">Annual Governance Statements (AGS) for the Constabulary and OPCC set out governance arrangements in line with the CIPFA/SOLACE framework. The last available External Auditor’s Annual Audit Report for the 2024/25 financial year concluded that proper arrangements are in place to secure economy, efficiency and effectiveness in its use of resources.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>The draft AGS is prepared independently by the Internal Auditors for the Force as a separate and objective engagement to the Internal Audit Service. The Constabulary owns and finalises the draft AGS which is presented to the JAC for review and comment before being finalised alongside the Statement of Accounts.

The Constabulary has in place a Corporate Framework detailing the governance arrangements including the terms of reference for each meeting and how they interrelate.

A Scheme of Governance is in place for the Constabulary which includes delegated authorities, working agreements between the PCC and the Chief Constable and the Financial Regulations. The Nolan principles also underpin the anti-</td><td>The draft AGS is prepared independently by the Internal Auditors for the OPCC as a separate and objective engagement to the Internal Audit Service. The OPCC owns and finalises the draft AGS which is presented to the JAC for review and comment before being finalised alongside the Statement of Accounts.

OPCC compiles an Annual Integrity report to JAC highlighting compliance across the PCC’s statutory duties.</td><td>AGS for both Constabulary and OPCC.

Annual Integrity report.

Constabulary Corporate Framework

Scheme of Governance</td></tr>
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	fraud and anti-bribery strategy contained within the Financial Regulations. In addition, the Constabulary has a Code of Ethics to abide by and the Corporate Plan sets out the Values that Officers and Staff are expected to demonstrate: Fairness, Integrity, Diligence and Impartiality. For 2025/26 the Constabulary has a Culture Statement, outlining the behaviours, ways of working and approach to being inclusive and valuing all individuals and perspectives. The Culture Statement aims to build trust and confidence in one another and the communities we serve.		
Financial Management Standard E		**RAG Rating: Green**	
The financial management style of the authority supports financial sustainability.	The financial management style of the OPCC and Constabulary is one of openness, transparency and constructive challenge to: • Deliver accountability; • Support performance; and • Enable transformation. Business and financial planning processes within the Constabulary target sustainable and well considered solutions to financial challenges and savings proposals. The business and financial planning approach is recognised by the Home Office as good practice.		

	The Medium-Term Financial Strategy is a multi-year document with a requirement to ensure the forthcoming year's budget is balanced and to focus on financial sustainability for future years incorporating the revenue budget, capital programme and reserves forecast. Budget savings were delivered in 2025/26 of £6.9m representing 87% of the planned savings. These were tracked and reported throughout the year and where savings were not delivered these were offset in the year by other budget variances and removed in the 2026/27 budget plans. Further planned savings for 2026/27 of £5.7m have been agreed in the MTFS. Savings are monitored throughout the year to ensure delivery and identify mitigating actions where necessary. The 2025/26 budget and the 2026/27 MTFS are set without any significant planned use of reserves as the Constabulary protects reserves to maintain ongoing financial resilience and plan for known commitments in future years. The reserves strategy aims to maintain the General Fund reserve at 5% of the net revenue budget each year. Based on current MTFS assumptions the MTFS is balanced through to the 2028/29 financial year, following which budget gaps begin to re-emerge. Internal audits were undertaken during 2025/26 in financial areas with one audit covering the General Ledger, which received a substantial assurance audit opinion, and a second audit covering Payments and Creditors which received a reasonable assurance audit opinion. Decisions in respect of business cases or service investment are taken with a focus on sustainable financial arrangements into the future by ensuring return on investment to release savings, enhanced value for money, for example through improved productivity, or ensuring specific grant funding is not over committed.		
	Constabulary	**OPCC**	**Source/Evidence**
	The Constabulary has a robust set of guidance evidenced through the Corporate Framework, Financial Regulations and Contract Standing Orders which are supported by the Force Financial Instructions.	As above Financial documents are available on the PCC website to enable transparency.	Constabulary Corporate Framework Scheme of Governance

	The Corporate Plan includes Resources as one the Organisational priorities to use our resources efficiently and effectively. The CFO and Director of Resources is a member of the Chief Officer Team (COT) providing input to strategic discussion and direction within the Constabulary. The COT meet weekly and the financial considerations of any decisions through the Corporate Framework focus on finance and value for money. In addition, Senior finance representatives sit on all key decision making and informative boards e.g. Change Board, Risk Review Board, Strategic Workforce Planning and Programme Boards. The Constabulary empowers budget holders with financial management through budget delegation supported by a Finance Business Partnering approach. This enables strong budget management, accountability and ownership in financial planning through closer working between the business and finance across the organisation.	The Resource Group provides a forum for the Constabulary and OPCC to discuss financial sustainability.	Corporate Plan Business Planning Medium Term Financial Strategy 2025/26 Internal Audit reports on General Ledger and Payments & Creditors

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<tr><th colspan="2">Financial Management Standard F</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td rowspan="3">The authority has carried out a credible and transparent financial resilience assessment.</td><td colspan="3">A four-year MTFS is in place and which is refreshed on an annual basis to identify emerging pressures, investments, service / policy changes, economic impacts, pay awards and more. CIPFA advocate a minimum coverage of three years. The CamSTRA process identified strategic threats and demands. The Constabulary keep the OPCC informed through the Resources Group and Police Accountability Board as the budget and MTFS is developed to ensure a common understanding.

The MTFS is presented to the Police and Crime Panel for contextual information for consideration of the proposed precept as well as providing a briefing to the Panel members ahead of the relevant Panel meeting where the precept is voted on.

Alongside the revenue budget, the capital programme is also based on a four-year period and the Treasury Management Strategy Statement is informed by the capital programme. The whole suite of documents is refreshed annually to update for new information and changes to assumptions and estimates. The Constabulary’s in-force arrangements are robust in regard to sustainable financial planning.

During 2025/26 further improvements have been made in the BCH business and financial planning process. Detailed financial planning workshops were coordinated to consider budget proposals and to challenge services further to deliver the required level of savings. Budget reports ultimately being presented to JCOB and the BCH Strategic Alliance Summit for approval.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>The business planning processes of the Constabulary remains strong through well embedded business and financial planning providing a robust planning process focussing on operational priorities alongside sound and sustainable financial management.</td><td>Paper on budget considerations taken to Police and Crime panel in November 2025 to provide them with an overview of the budget and how inflexible it is.</td><td>MTFS MTFP, Budget presentation Capital Programme

Revenue & Capital monitoring reports to FEB & BCB</td></tr>
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	Regular reports are provided to the PCC's Resources Group and Police Accountability Board during the financial planning cycle as the proposals develop. This includes updates on key assumptions, and sensitivity analysis in respect of precept funding and pay award. The BCH Business Planning process is undertaken in parallel with specific reports and returns which are used to make the budget proposals to JCOB after discussions through CFOs and DCCs.		
Financial Management Standard G		**RAG Rating: Green**	
The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	A four-year MTFS is in place and refreshed annually. CIPFA advocate a minimum coverage of three years. The CamSTRA process identified strategic threats and demands. The Constabulary keep the OPCC informed through the Resources Group and Police Accountability Board as the budget and MTFS is developed to ensure a common understanding. The MTFS is presented to the Police and Crime Panel for contextual information for consideration of the proposed precept as well as providing a briefing to the Panel members ahead of the relevant Panel meeting where the precept is voted on. Importantly the MTFS includes a Reserves forecast to demonstrate planned movements to and from reserves. The Constabulary and OPCC has worked hard and continues to work hard to protect reserves to maintain financial resilience and to provide for known risks and investment requirements through earmarked reserves where appropriate.		

<table>
<tr><td rowspan="3"></td><td colspan="3">The revenue budget the capital programme is also based on a four-year period and is underpinned by the capital financing plans. In turn the capital financing implications from borrowing (minimum revenue provision and interest costs) are factored into the revenue budget ensuring the long-term implications of external borrowing are known and planned for. Quarterly treasury management meetings are held by the CFO of the OPCC supported by the Chief Constable’s CFO and the finance team to keep under review the cash position and capital financing needs to ensure sustainable decisions.

The whole suite of documents is refreshed annually to update for new information and changes to assumptions and estimates.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>The business planning processes of the Constabulary remains strong through the CamSTRA which is now well embedded. Business and financial planning have been brought together providing an improved planning process focussing on operational priorities alongside robust and sustainable financial management.

Regular reports are provided to the PCC’s Resources Group and Police Accountability Board during the financial planning cycle as the proposals develop. This includes updates on key assumptions, and sensitivity analysis in respect of precept funding and pay award.</td><td>As above

Regular revenue and capital monitoring reports discussed at Business Co-ordination Board.</td><td>MTFS, MTFP, Budget presentation, Capital programme

Revenue & Capital monitoring reports to FEB & BCB

JCOB and SAS reports</td></tr>
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	The BCH Business Planning process runs alongside the CamSTRA with specific reports and returns managed through the DCCs which are used to make the budget proposals to JCOB and subsequently SAS.		
Financial Management Standard H		**RAG Rating: Green**	
The authority complies with the CIPFA *Prudential Code for Capital Finance in Local Authorities.*	The Capital Strategy is informed by the Estates Strategy and the Accommodation Strategy forms part of the MTFS. The Capital Programme is incorporated within the Capital Strategy and is based on a four-year period and fully costed with associated capital financing plans. The borrowing and consequently MRP implications are included in the revenue budget. The Treasury Management Strategy Statement also includes the Prudential Indicators which are reported on in the Treasury mid-year report and the Annual Treasury Report. The budget monitoring report includes in year monitoring of the key Treasury indicators in addition to the mid-year and outturn treasury reports. During 2025/26 quarterly treasury management review meetings were put in place to consider treasury matters in more detail as external borrowing requirements have increased with the significant major schemes in the capital programme. These quarterly meetings are attended by the CFOs from the OPCC and Constabulary as well as key members of the finance team. The meetings are also recorded.		
	Constabulary	**OPCC**	**Source/Evidence**
	As above	As above	MTFS including Capital Strategy and Programme, Accommodation Strategy, TMSS Quarterly treasury management meetings

Financial Management Standard I	RAG Rating: Green
The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	A four-year MTFS is in place which is refreshed on an annual basis to identify emerging pressures, investments, service / policy changes, economic impacts, pay awards and more. CIPFA advocate a minimum coverage of three years. The CAMSTRA process identified strategic threats and demands. The Constabulary keep the OPCC informed as the budget and MTFP is developed to ensure a common understanding. The MTFS is presented to the Police and Crime Panel for contextual information for consideration of the proposed precept as well as providing a briefing to the Panel members ahead of the relevant Panel meeting where the precept is voted on. The capital programme and reserves forecast are also based on a four-year period. The whole suite of documents is refreshed annually to update for new information and changes to assumptions and estimates. Alongside the Constabulary's robust in force financial planning arrangements BCH business and financial planning has become much stronger during 2025/26. Specific service areas were identified for review during 2025/26 to inform the 2026/27 operating model and budget plans including ICT, HR, the Joint Transformation Team and the Administration of Justice service. Service reviews with business cases were undertaken and reported to a separate governance board chaired by the Bedfordshire Deputy Chief Constable (DCC) as Senior Responsible Officer. Other Board members included the DCC's from Cambridgeshire and Hertfordshire and the CFOs from each force supported by subject matter experts. The approach enabled delivery of savings were identified ahead of the start of the 2026/27 financial year. Those BCH services not undergoing specific reviews were also tasked with identifying savings of 3% to 5% which were also overseen by the BCH DCC's and CFOs and reported to JCOB for approval. The BCH budget plans are incorporated into the Cambridgeshire MTFS with savings included as well as forward looking assumptions on pay awards, and multi-year plans where available such as the ICT capital programme. The current MTFS forecasts a balanced budget in 2026/27 through to 2028/29 based on planning assumptions for grant funding and precept increases. A budget gap is forecast for 2029/30 – the final

	year of the current plan. However, there will be movements, new requirements, issues that need managing and service investment that will create pressure on the MTFS requiring ongoing identification of savings. The Constabulary is seeking to transform in the way digital technology is used. The cost, savings and productivity gains will be fully considered to ensure this is done in a sustainable way for the force.		
	Constabulary	**OPCC**	**Source/Evidence**
	The business planning processes of the Constabulary remain strong through the CamSTRA. Business and financial planning have been brought together providing an improved planning process focussing on operational priorities alongside robust and sustainable financial management. The Constabulary has an Accommodation Strategy in respect of the operational policing needs of the Constabulary. The Accommodation Strategy informs the PCC's Estates Strategy which ultimately informs the Capital Programme and the TMSS and becomes part of the Capital Strategy including the capital financing plans.	As above	MTFS and MTFP, STRA outcomes. Capital Strategy Accommodation Strategy Estates Strategy Treasury Management Strategy Statement Sustainability Strategy

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<tr><th colspan="2">Financial Management Standard J</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td rowspan="3">The authority complies with its statutory obligations in respect of the budget setting process.</td><td colspan="3">Budget setting process is known and understood by all senior managers and finance staff. Deadlines are known and work is undertaken to meet those deadlines including liaison with local precepting authorities for required information. The CFO for the OPCC provides assurance in the MTFS regarding the robustness of estimates and adequacy of reserves.

CFOs are aware of the statutory powers available to them through S114 notices should the Constabulary be in a position where it is unable to balance its budget or have sufficient resources to meet in year expenditure.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>As above</td><td>Letters to precepting authorities and all required notification completed within statutory timeframes.</td><td>Precept report, MTFS, MTFP</td></tr>
<tr><th colspan="2">Financial Management Standard K</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td rowspan="3">The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.</td><td colspan="3">The MTFS includes a statement by the OPCC CFO on robustness of estimates and adequacy of reserves. Reserves are all detailed with purpose and the forecast for the 4-year MTFP period is reported in the MTFS. Reserves are discussed at the Resource Group and Police Accountability Board and are monitored throughout the year.
.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>As above</td><td>As above</td><td>MTFS</td></tr>
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<tr><th colspan="2">Financial Management Standard L</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td rowspan="3">The authority has engaged, where appropriate, with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.</td><td colspan="3">There is close working between the Constabulary and OPCC in the development of the MTFP/MTFS. Matters are discussed at Resource Group. BCH budget processes have been improved with stronger governance and reporting.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>The Constabulary engages with relevant stakeholders in setting its budget which include in the main forces that the Constabulary is in collaboration with. These include the Chiltern Transport Consortium, the 7 Force Eastern Region collaboration, the National Police Air Service (NPAS) and the tri-force collaboration with Bedfordshire and Hertfordshire.

Where appropriate other stakeholders are engaged with as necessary. Examples include in respect of other national policing initiatives which impact the budget.</td><td>Engagement activity took place in January on precept increase.</td><td>Precept report</td></tr>
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<tr><th colspan="2">Financial Management Standard M</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td rowspan="3">The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</td><td colspan="3">Within BCH and other collaborations major business cases are based on the Treasury Green Book including the options appraisal methodology. Outline Business Cases are discussed at Board level in BCH and internally within the Force prior to approval for the Full Business Case to proceed. Benefits realisation form part of the business cases.

The Organisation Improvement Centre (OIC) has a standardised approach to business cases and options appraisals in force. A Corporate Portfolio Change and Benefits Management Framework is in place to facilitate effective and consistent management of change initiatives and benefit identification and delivery.

This will involve a single project management methodology which will include standard templates based on the 5-case model for business cases, highlight reports and benefits realisation. Value for money will be incorporated into this approach and reporting arrangements will be given greater focus as part of the arrangements. Six month and twelve-month post implementation reviews will also be undertaken as part of the process.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>As above</td><td>As above</td><td>Corporate Portfolio Change and Benefits Management Framework</td></tr>
<tr><th colspan="2">Financial Management Standard N</th><th colspan="2">RAG Rating: Green</th></tr>
<tr><td>The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</td><td colspan="3">Monthly revenue and capital monitoring reports are produced for the Constabulary and OPCC which are taken to FEB and quarterly to PAB. The reports consolidate the revenue and capital monitoring along with key performance indicators for prompt payment and debt management, the reserves position and cash flow forecasts. The monthly financial report provides a complete picture to management and leadership on a regular basis. The reports set out variances (both over / under spends) upon which decisions are taken and risks are managed. Examples during 2025/26 include the approval to increase the revenue contribution to capital outlay (RCCO) from the in-year underspend to</td></tr>
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	reduce the need to borrow and therefore the associated financing costs in later years. Various transfers to reserves have also been undertaken during the year to mitigate future known risks such as the Emergency Services Network replacement. Financial monitoring on BCH collaborated areas are also produced for JCOB meetings, and 7 Force finances are reported to the Regional Finance Steering Group of which the Chief Constable's CFO attends. Non-financial reports are also received from across the business which consider the breadth of implications such as finance, estates, HR and / or procurement as well as risks and opportunities. Such reports are either proposed by the service areas or commissioned by the OPCC and / or the Constabulary.		
	Constabulary	**OPCC**	**Source/Evidence**
	As above Internal audit reports on Payments & Creditors (reasonable assurance) and General Ledger (reasonable assurance) in 2025/26.	As above	Revenue and Capital Monitoring reports. Internal Audit Reports on Payments & Creditors and General Ledger

Financial Management Standard O	RAG Rating: Green		
The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.	Outstanding debt and KPIs of Purchase Ledger performance are included in monthly Revenue and Capital monitoring reports and are discussed at the relevant FEB or BCB when required. Cash flow forecasts and loans are also reported on in the same report. Any unplanned use of reserves would be reported through the financial monitoring report; however, it should be noted that there has not been any unplanned use of reserves in recent years. Through the budget monitoring the leadership has been able to make contributions to reserves to mitigate future risks.		
	Constabulary	**OPCC**	**Source/Evidence**
	As above	As above	Revenue and Capital Monitoring reports.
Financial Management Standard P	**RAG Rating: Green**		
The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the *Code of Practice on Local Authority Accounting in the United Kingdom.*	The CFOs for the PCC and Chief Constable are fully aware of the statutory requirement for the production and external audit of the annual Statement of Accounts. This also extends to the requirements for Public Inspection of the accounts. The CFOs and relevant members of the finance team attend annual closedown briefings where relevant to ensure current issues and developments are understood and considered. The Statement of Accounts are completed on time and this remained the case for the 2024/25 accounts published on 31 May 2025. The finance team are on course to meet the statutory deadline for the 2025/26 draft accounts. Due to the audit backlog and the disclaimed opinions for 2021/22 and 2022/23 meant that the newly appointed auditors, KPMG, had to issue disclaimed opinions on the 2023/24 and 2024/25 accounts in order to meet the statutory backstop date. Work is progressing by the KPMG on the build back of assurance which will be reported to the Joint Audit Committee as part of the 2025/26 audit process, the aim being to move the audit opinions away from a disclaimed position. This is a national issue and not one created, or solely affecting the Constabulary.		

<table>
<tr><td rowspan="3"></td><td colspan="3">Despite these issues the CFO ensures the accounts are prepared in line with relevant Statute and guidance.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>As above</td><td>As above</td><td>External Auditors Opinion 2024/25

Audited accounts 2024/25 published on the Constabulary/OPCC websites</td></tr>
<tr><td colspan="2">Financial Management Standard Q</td><td colspan="2">RAG Rating: Green</td></tr>
<tr><td rowspan="3">The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.</td><td colspan="3">The final outturn report is an extension of the monthly monitoring report across the entire activity of the Constabulary, updated for the year end and including all necessary accruals. Therefore, the commentary provided at Standard N similarly apply to this Standard. The outturn report provides an overview of the key variances and issues experienced during the year and where necessary issues are carried forward to be addressed in the following year's budget (although this would be set before the outturn report is in place) or for inclusion in the next budget / MTFS refresh.</td></tr>
<tr><td>Constabulary</td><td>OPCC</td><td>Source/Evidence</td></tr>
<tr><td>As above</td><td>As above</td><td>Outturn Reports
PCC Annual Report</td></tr>
</table>