

Police Fire and Crime Commissioner for Cumbria and Chief Constable of Cumbria Constabulary

Auditor's Annual Report
Year ending 31 March 2026

10 September 2026



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Police, Fire and Crime Commissioner and Chief Constable for Cumbria during 2025/26 as the appointed external auditor. The core element of the report is the commentary on the Value for Money (VfM) arrangements. The responsibilities of the Police, Fire and Crime Commissioner (the PFCC) and the Chief Constable (the CC) are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the PFCC and CC as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under the Local Audit and Accountability Act 2014, auditors of an Authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 13 with a commentary on whether any of these powers have been used during this audit period.

- Statutory recommendations to the full Authority which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PFCC and CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

During 2024/25, the NAO consulted on and updated the Code to align it with accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. The deadline requirement for 2025/26 AARs is 30 November 2026.

Local Police Reform – organisational change and risk



National Context

Abolition of PCCs

In November 2025, the Government announced its intention to abolish PCCs with transition to new governance arrangements planned for 2028. PCCs were introduced in 2012 under the Police Reform and Social Responsibility Act 2011 to replace police authorities and enhance local accountability for policing. In 2017, PCCs were enabled to take on fire governance by the Policing and Crime Act 2017.

In PFCC areas, the PFCC is directly responsible for delivering statutory fire and rescue services, setting the Fire and Rescue Plan, agreeing the fire precept, managing the fire budget, and overseeing service performance. Those governance functions will transfer to a new body, for Cumbria this will be the Mayoral Authority and is discussed further on the following page.



Residual risks

Heightened risks will remain as organisational change moves from transition into steady-state operation.

The impact of organisational change such as significant reform does not always crystallise at the point of design or implementation.

The abolition of PFCCs / PFCCs represents a major shift in governance, moving from a single elected official to a more integrated model aligned with broader local government structures. Significant change can often lead to ongoing risks such as clarity around accountability and decision-making, leadership and management capacity, and loss of institutional knowledge. These could place additional pressure on operational performance, control, assurance and decision-making arrangements if not actively monitored and strong Board and Working Group focus will be required to manage risk as arrangements begin to transition.

To manage risks within the transfer, the OPCC has developed a number of key principles as part of its Governance Framework, these include ensuring appropriate decision-making processes remain in place, maintaining business continuity, ensuring staff are fully integrated into the new organisation, managing risks effectively, protecting public services, and enabling the Mayor to deliver their responsibilities without disruption. The governance arrangements emphasise collaboration between the OPFCC, Combined Authority, police, and fire service to ensure a safe, legal, and operationally effective transfer

We provide further commentary on the following page of our report.

Local Police Reform – organisational change and risk



What we observed in 2025/26

The PFCC currently provides governance and oversight of policing and fire services in Cumbria

Devolution for Cumbria will entail the transfer of an existing single elected PFCC model, to a directly elected Mayor on 10 May 2027.

On 17 July 2025, the Minister of State for Local Government and English Devolution confirmed that the Devolution Priority Programme had completed public consultations on proposals to establish Mayoral Strategic Authorities. Following the formal consent given by Cumberland Council and Westmorland and Furness Council in October 2025, the Combined Authority was established in April 2026, operating in a transitional phase until the first mayoral election scheduled for May 2027. The OPFCC, Fire and Rescue Authority (FRA) and Constabulary are scheduled to transfer to the Combined Authority following the Mayoral Elections in May 2027.

The PFCC recognises the risks to a smooth handover of powers and work is underway through joint working arrangements with the Combined Authority. A number of dedicated workstreams have been established. The programme is being managed through a detailed project management approach, with progress tracked against milestone plans and workstream objectives. The PFCC has established the Governance Framework to oversee the transfer. It sets out clear statutory accountability, defined leadership roles, formal governance boards, structured escalation pathways, risk management arrangements and regular reporting requirements.

The Cumbria PFCC and OPFCC maintain statutory responsibilities until they transfer to the Cumbria Mayor when they take office on 10 May 2027 and the mayor will assume the statutory responsibilities of the PCC and FRA for:

- Police and Crime Commissioner (PCC) functions, including legal powers and duties set out in The Policing Protocol Order 2023; Police Reform and Social Responsibility Act 2011; and Policing and Crime Act 2017.
- Fire and Rescue Authority (FRA) functions, the Fire and rescue national framework for England sets out the government's priorities and objectives which FRAs must have regard to in carrying out their duties. It is a requirement of the Fire and Rescue Services Act 2004.
- This includes setting policing and fire precepts for 2027/28 (in February 2027). ▪ The PFCC remains decision maker for policing, fire and crime until the Mayor takes office 10 May 2027 – The CCA will not make any policing, fire, and crime decisions.
- The PFCC and OPFCC remain gatekeeper / relationship owner for Home Office and Ministry of Justice and Chief Constable and Chief Fire Officer discussions.

To manage the transition, the OPFCC has established an Executive Group, Executive Board, Programme Board, and five workstream Groups. The programme is designed in two phases: firstly, preparing for the legal transfer by May 2027, and secondly, supporting any future organisational changes determined by the Mayor after taking office.

Local Police Reform – organisational change and risk



National Context

From Local to National: A New Model for Policing - January 2026 White Paper

In January 2026, the UK government published the Police Reform White Paper, marking the most significant redesign of policing since the 1960s. Central to this vision is the creation of a National Police Service (NPS), which will unify functions such as forensics, counter-terrorism, organised crime units, and national roads policing under a single organisation led by a national police commissioner.

Abolition of PFCCs

In November 2025, the Government announced its intention to abolish PFCCs with transition to new governance arrangements in 2027-2028, PFCCs were introduced in 2012 under the Police Reform and Social Responsibility Act 2011 to replace police authorities and enhance local accountability for policing, and in 2017, PFCCs were enabled to take on fire governance by the Policing and Crime Act 2017.



What we observed in 2025/26

The PFCC currently provides governance and oversight of policing and fire services in Cumbria

Devolution for Cumbria will entail the transfer of an existing single elected Police, Fire and Crime Commissioner (PFCC) model, to a directly elected Mayor. The transfer of Cumbria's PFCC model to a Mayoral model on 10 May 2027, relates to the PFCC as the Elected Local Policing Body (PCC); and the Fire and Rescue Authority. The PFCC recognises the risks to a smooth handover of powers and has put in place plans to ensure a seamless transition. The PFCC has established the Governance Framework to oversee the transfer. It sets out clear statutory accountability, defined leadership roles, formal governance boards, structured escalation pathways, risk management arrangements and regular reporting requirements. Collectively, these arrangements demonstrate plans for effective oversight, decision-making and accountability, supporting the safe transfer of PFCC functions to the Mayor in May 2027.



Residual risks

Heightened risks will remain as organisational change moves from transition into steady-state operation.

The impact of organisational change such as significant reform does not always crystallise at the point of design or implementation.

The abolition of PFCCs / PFCCs represents a major shift in policing governance, moving from a single elected official to a more integrated model aligned with broader local government structures.

Significant change can often lead to ongoing risks such as clarity around accountability and decision-making, leadership and management capacity, and loss of institutional knowledge. These could place additional pressure on operational performance, control, assurance and decision-making arrangements if not actively monitored and strong Board and Working Group focus will be required to manage risk as arrangements begin to transition.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the PFCC’s and CC’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 Assessment of arrangements
Financial sustainability	G No significant weaknesses identified and no improvement recommendations raised.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendation made.
Governance	G No significant weaknesses identified and no improvement recommendations raised.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendation made.
Improving economy, efficiency and effectiveness	G No significant weaknesses identified and no improvement recommendations raised.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendation made.

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendation(s) made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Police Fire and Crime Commissioner's (PFCC's) and Chief Constable's (CC's) arrangements in respect of value for money.



Financial sustainability

The PFCC and CC continue their record of sound financial management. In addition to delivering a balanced 2025/26 budget which had no savings requirement, the CC secured £1.7m of in-year efficiencies, with an ongoing annual benefit of £2.8m. The in-year efficiencies were mainly used to bolster earmarked reserves and strengthening overall financial resilience.

The PFCC and CC recognise the challenges to future financial sustainability, with the Medium-Term Financial Forecast identifying forecast funding gaps in the period to 2030/31 and the Futures Change Programme supporting delivery of the savings required from 2027/28.

We have not reported any key or improvement recommendations in this area. Further details can be found on pages 18 to 20 of our report.



Governance

The PFCC and CC maintain effective governance, risk management and internal control arrangements that support sound financial management, informed decision-making and compliance with appropriate standards.

The Head of Internal Audit provided a “Moderate” Assurance opinion on the overall adequacy and effectiveness of the PFCC's and CC's framework of governance, risk management and control. No audits received a “Limited” or “No” assurance opinion, and no critical recommendations were issued.

We have not reported any key or improvement recommendations in this area.

Further details can be found on pages 21 to 23 of our report.



Improving economy, efficiency and effectiveness

Regular performance monitoring and reporting provide the PFCC and CC with assurance over progress against strategic priorities.

The 25-27 PEEL inspection report from His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) was broadly positive, noting two areas of innovative practice including the impact of partnership working.

We have not reported any key or improvement recommendations in this area.

We provide an insight slide with a suggestion how the PFCC could obtain greater assurance that performance issues are being actively managed and addressed

Further details can be found on pages 24 to 27 of our report.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the PFCC’s and CC’s financial statements and sets out whether we have used any of the other powers available to us as the PFCC’s and CC’s auditors.

Auditor’s responsibility	2025/26 outcome
Opinion on the Financial Statements: PFCC	We have substantially completed our audit of your financial statements expect to issue an unqualified audit opinion following the Joint Audit Committee meeting on 23 September 2026. Our findings are set out in further detail on pages 12 to 15.
Opinion on the Financial Statements: CC	We have substantially completed our audit of your financial statements expect to issue an unqualified audit opinion following the Joint Audit Committee meeting on 23 September 2026. Our findings are set out in further detail on pages 12 to 15.
Use of auditor’s powers	We did not make any written statutory recommendations to the PFCC or CC under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 29 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the PFCC's and CC's financial statements, and whether we have used any of the other powers available to us as the PFCC and CC auditors.

Audit opinion on the financial statements

We have substantially completed our audit of your financial statements expect to issue unqualified audit opinions on the PFCC and CC's financial statements following the Joint Audit Committee meeting on 23 September 2026.

The full opinion is included in the PFCC's and CC's Statement of Accounts for 2025/26, which can be obtained from the PFCC's and Force/Constabulary websites.

Grant Thornton provides an independent opinion on whether the PFCC's and CC's financial statements:

- give a true and fair view of the financial position of the group, of the PFCC and of the CC as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the NAO Code of Audit Practice (2024), and applicable law. We are independent of the PFCC and CC in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The PFCC and CC provided draft accounts in line with the national deadline of 30 June 2026.

Draft financial statements were of a good standard and supported by detailed working papers.

The only adjustment to the financial statements was in respect of the IFRIC14 asset calculation and has no impact on the reported outturn.

No significant deficiencies or recommendations were identified through our audit work.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the PFCC's and CC's Joint Audit Committee on 23 September 2026. Requests for this Audit Findings Report should be directed to the PFCC and CC.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.



Use of auditor's powers

We bring the following matters to your attention:

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

The PFCC is the statutory governing authority responsible for overseeing policing services across Cumbria. The PFCC sets the purpose, objectives, priorities and values and are responsible for the provision of an effective and efficient Police Service. Cumbria Constabulary carries out day-to-day operations, whilst the PFCC sets the strategic direction for the Constabulary and is responsible for governance, oversight of the Constabulary and holds the Chief Constable to account.

All PFCCs and CCs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. PFCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their individual Annual Governance Statements.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PFCC and CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the PFCC and CC:	Commentary on arrangements:	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The PFCC and CC continue to demonstrate strong financial management. The revenue outturn was largely breakeven with a small overspend of £10k at group level (0.01% of budget) comprising PFCC overspend of £695k offset by CC underspend of £685k. The MTFF incorporates reasonable assumptions, supported by sensitivity analysis to assess financial risks. Forecast budget gaps from 2027/28 onwards (£1.7m in 2027/28 up to £6.8m in 2030/31) have been identified and reflected within the MTFF, with work underway to bridge the gaps. The Reserves Strategy supports financial resilience to 2030/31 through the planned use of earmarked reserves while maintaining adequate general reserves. General reserves increased to £4.8m in 2025/26 and are projected to reach £5.2m by 2030/31, while earmarked reserves are forecast to reduce from £21.0m at 31 March 2026 to £13.4m as they are deployed to support budget resilience and priority projects.	G
plans to bridge its funding gaps and identify achievable savings	Whilst no savings were required to balance the 2025/26 budget, the CC delivered £1.7m of in-year efficiencies with a recurring full-year benefit of £2.8m. The in-year efficiencies strengthened earmarked reserves, including the Management of Change Reserve, enhancing financial resilience. The MTFF forecasts widening budget gaps, with required savings increasing from £1.7m in 2027/28 to £6.8m by 2030/31. The recurring £2.8m efficiency benefit partially mitigates this challenge, with reviews underway to delivering further savings driven by the Futures Change Programme, with oversight by the Executive Board.	G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the PFCC and CC:

Commentary on arrangements:

Rating

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The PFCC’s and CC’s financial planning processes support the five priorities set out in the Police, Fire and Crime Plan 2025-29 alongside sustainable service delivery. The MTFF aligns resources to strategic and statutory priorities for example, improving efficiency through technology, collaboration, shared services and robust financial management related to the “making best use of resources” priority in the Plan. Progress against the Plan is monitored through performance reports presented at Public Accountability Conferences (PAC), with outcomes informing budget setting and future financial planning.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The PFCC’s and CC’s financial planning is aligned with the Police, Fire and Crime Plan 2025-29’s supporting strategies including workforce, estates, DDaT (Digital, Data and Technology) and fleet. The Capital Strategy and 10-year Capital Programme align investment with operational priorities, supported by business case approval processes and treasury management arrangements. Progress with the capital programme is monitored quarterly in year at Constabulary Chief Officer Group and Executive Board-Police with summary reporting to Police, Fire and Crime Panel. In 2025/26, capital outturn was reported at £4.4m against a budget of £6.8m (65%). The underspend is mainly related to capital projects re-profiled to future years, including £1.9m for DDaT projects largely driven by the rescheduling of the Mark43 case and custody modules development to 2026/27. The capital programme approved in February 2026 included a 2026/27 budget of £6.2m. Proposed re-profiling from 2025/26 would have increased this to £9.2m; however, following a deliverability review and discussions with both Chief Finance Officers, a prudent adjustment was made to reduce the budget to a more achievable £6.9m including £1.9m relating to DDaT projects. Given this proactive action, we have not raised an improvement recommendation, but will review delivery as part of our 2026/27 audit.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the PFCC and CC:

Commentary on arrangements:

Rating

identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The PFCC and CC identify and manage risks to financial resilience through regular budget monitoring, strategic risk management and scrutiny of financial planning assumptions. Key risks and emerging pressures are monitored through Executive Board reporting and maintenance of risk registers reviewed biannually by Joint Audit Committee (JAC). Financial planning includes sensitivity analysis to evaluate the financial impact of changes in key funding, inflation, workforce and council tax assumptions enabling the financial impact of changes in these to be understood and mitigated.	G
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- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the PFCC and CC:

Commentary on arrangements:

Rating

monitors and assesses risk and how the PFCC and CC gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The PFCC and CC have arrangements in place for identifying, assessing and managing risk as part of their governance arrangements. Both bodies maintain risk registers that are subject to quarterly review. Key strategic risks are reported biannually to JAC, facilitating independent scrutiny and assurance. Internal Audit reviewed the CC’s risk management arrangements in 2025/26 and provided Moderate Assurance, identifying areas of good practice alongside raising one high rated recommendation which has been implemented by management.

Assurance over internal controls is obtained through Internal Audit, governance boards and independent scrutiny arrangements. The 2025/26 Head of Internal Audit Opinion provided a “Moderate Assurance” opinion which indicates that the PFCC and CC have an adequate system of internal control. While some control design weaknesses and/or inconsistencies in the application of controls were identified, these are not considered significant enough to undermine the overall control framework. No audits received a “Limited” or “No” assurance opinion, and no critical recommendations were issued. Timely implementation of Internal Audit recommendations continues to be scrutinised by JAC to ensure ongoing improvement is sustained.

Anti-fraud, corruption and whistleblowing arrangements are supported by established policies, regular reviews and oversight from specialist scrutiny bodies such as the Community Scrutiny Panel. Annual reporting to JAC confirmed no instances of fraud, corruption or irregularity and concluded that controls and prevention arrangements were operating effectively.

G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the PFCC and CC:

Commentary on arrangements:

Rating

approaches and carries out its annual budget setting process	The PFCC’s and CC’s annual budget-setting process is integrated with the ongoing refresh of the MTFF. The process is undertaken collaboratively by the PFCC and CC and includes consultation with stakeholders such as the National Police Chiefs’ Council (NPCC), to ensure alignment with sector-wide assumptions. Consultation with Cumbria residents and other interested parties also forms an integral part of the process. The draft budget is presented in January and approved by the PFCC in February, following approval of the Council Tax precept by the Police, Fire and Crime Panel. A mid-year review is conducted each September to assess funding, savings plans, capital expenditure, reserves, and key risks, with the results informing the ongoing refresh of the MTFF.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The PFCC and CC have well-established budget monitoring and reporting arrangements that provide effective oversight of financial performance and support informed decision-making and statutory financial reporting. Quarterly reports provide oversight of revenue, capital and treasury performance, identify variances and risks, and support timely corrective action through scrutiny by the Chief Officer Group and Executive Board. The Police Fire and Crime Panel is presented with a summary of these quarterly reports so they are appraised of financial performance and mitigations. Clear financial accountability is established through the Joint Financial Regulations governing the preparation, oversight and reporting of financial information and statutory accounts. The 2025/26 financial statements were published in line with statutory reporting guidelines for audit purposes. There have been no issues arising from the audit of the financial statements to date which are indicative of weaknesses in final accounts processes.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the PFCC and CC:	Commentary on arrangements:	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The PFCC and CC operate established governance arrangements that support informed and accountable decision-making. Executive Boards, Public Accountability Conferences, the Police, Fire and Crime Panel and JAC provide effective oversight, scrutiny and challenge. Governance records demonstrate decisions are supported by appropriate evidence, with no indication of inappropriate decision-making or leadership behaviour. Formal business case processes ensure risks, costs and delivery implications are considered before decisions are taken.	G
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The PFCC and CC have embedded Codes of Conduct, ethical policies and transparency arrangements that promote compliance with legislative and regulatory requirements. Declarations of business interests required at each Board or Committee meeting, alongside registers of interests, gifts and hospitality, anti-fraud controls and procurement oversight help manage conflicts of interest and support high standards of conduct. No significant breaches of legislation, regulatory requirements, data security or cyber security were reported during 2025/26. Independent scrutiny is provided through the Community Scrutiny Panel, which meets quarterly and reviews complaints, misconduct, grievances, vetting activity and other integrity matters. Vetting arrangements help reduce the risk of unsuitable individuals entering or remaining within the police service. The CC’s arrangements align with national professional standards and regulations and are subject to regular monitoring by Professional Standards. There is no evidence of significant backlogs or delays in processing vetting applications.	G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the PFCC and CC: Commentary on arrangements:

Rating

uses financial and performance information to assess performance to identify areas for improvement	The PFCC and CC use comprehensive performance, financial and benchmarking information to monitor service delivery and identify areas requiring improvement. Performance is scrutinised through Chief Officer Group and Public Accountability Conference (PAC) reporting, supported by trend analysis, exception reporting and benchmarking comparing Cumbria’s performance to other forces. Where performance falls below expectations, targeted action plans, governance oversight and service reviews are implemented. The CC presented its 2025/26 end of year performance overview at PAC in June 2026. Performance was strong in a number of areas, for example Cumbria being ranked the top force nationally for public confidence (76% compared with a 67% national average). For areas of underperformance such as rising numbers of fatal road traffic collisions (up 4.5% compared to the prior year) actions being taken to reduce these are described in the report. Overall, whilst the report provides clear performance context, it is not consistent in providing detail of remedial actions, ownership and success measures for underperforming areas. We consider this an opportunity to further enhance reporting to strengthen the PFCC’s insight and assurance over actions taken by the CC to improve performance, details are provided on page 28. Robust data quality, governance and independent scrutiny arrangements provide a sound basis for decision-making, ensuring leaders can rely on accurate information, challenge assumptions and take corrective action where required. Financial benchmarking informs efficiency reviews, organisational planning and the Future Change Programme as part of the CC’s drive to deliver savings over the medium term.	G
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- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the PFCC and CC: Commentary on arrangements:	Rating
evaluates the services it provides to assess performance and identify areas for improvement	The PFCC and CC use external inspection and internal improvement frameworks to assess performance and drive continuous improvement. HMICFRS' PEEL 2025-27 report (August 2026) identified two areas of innovative practice, two areas of promising practice and four Areas for Improvement (AFIs). Four areas were graded Good and four Adequate. The Child Protection Inspection report (June 2026) identified two areas of innovative practice, one area of promising practice and six AFIs. Two areas were graded Good, two Adequate and one Requires Improvement. No areas were graded Inadequate in either inspection. Progress against all AFIs is monitored through established governance arrangements, including the monthly HMICFRS Board chaired by the Deputy Chief Constable, with regular assurance reporting to the PAC and JAC. G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the PFCC and CC: Commentary on arrangements:	Rating
ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives The PFCC and CC engage stakeholders through consultation, partnership forums and collaborative governance arrangements. Partnership activity is monitored through established scrutiny, performance and accountability processes, including PAC, Executive Boards and the JAC. Positive outcomes and HMICFRS findings provide assurance that partnership working supports delivery of strategic objectives. For example, HMICFRS’s 25-27 PEEL inspection report flags innovative practice with partners to reduce delays and improve early intervention for children through out-of-court resolution decisions. The PFCC, CC and Fire Authority operate established collaborative arrangements overseen through the Joint Executive Working Together Board and supporting executive boards. Collaboration extends beyond formal agreements to shared approaches in areas such as occupational health and procurement, delivering efficiencies and service benefits. Opportunities for further integration remain under review to maximise value from shared resources while maintaining operational effectiveness. The Authority has commenced work to support the transition into the Cumbria Combined Authority. The OPFCC for Cumbria has developed a Governance Framework setting out the arrangements for transferring the current PFCC model to a directly elected Mayor on 10 May 2027 as part of the wider devolution programme. We have provided further narrative on pages 4 and 5 of our report. G	

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the PFCC and CC: Commentary on arrangements:

Rating

commissions or procures services, assessing whether it is realising the expected benefits	The PFCC and CC have appropriate arrangements to monitor whether expected benefits from commissioned and procured services are being realised, through defined contract management responsibilities, comprehensive contract registers, governance oversight and regular KPI performance monitoring. These arrangements are further supported by collaborative procurement activity with the Fire Authority and the use of national procurement frameworks to drive efficiencies and value for money. The CC continues digital transformation through its partnership with Mark43, replacing legacy systems with a fully integrated platform. Phase 1 has been delivered. The programme is now progressing Phase 2, overseen through the Mark 43 Programme Board with onward reporting to Executive Board for assurance. Delivery is targeted for 2027 in collaboration with Greater Manchester Police. Despite some challenges, arrangements are in place to support delivery of the project in line with target.	G
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- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Grant Thornton insights – learning from others

The PFCC and CC has the arrangements we would expect to see in respect of performance management but could challenge itself to go further, based on the best arrangements we see across the public sector

What the PFCC and CC are already doing

- The PFCC's Public Accountability Conference performance reports provide clear performance trend analysis and explains factors contributing to changes in performance.
- Performance reports also reference operational activity to improve performance, such as Operation THEMIS to tackle residential burglary, the introduction of a Collision Harm Index to inform decision making for locations of speed cameras and police visibility.

What others are doing

- Performance reporting explains not only performance outcomes, but where improvement is required also includes narrative such as:
 - actions being taken to improve performance.
 - who is responsible for delivery.
 - expected outcomes and timescales.
 - how success will be measured.
 - other considerations to drive performance improvement.

The PFCC could consider

- Requesting a brief "Actions and Improvement" section for areas of underperformance. This would provide greater assurance that performance issues are being actively managed and enable more effective scrutiny of progress against improvement plans.

07 Appendices

Appendix A: Responsibilities of the Police and Crime Commissioner (PFCC) and the Chief Constable (CC)

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PFCC's and the CC's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PFCC and Chief Constable will no longer be provided.

The PFCC and the Chief Constable are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the PFCC’s and CC’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the PFCC’s and CC’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

**A range of different recommendations can be raised by the auditors as follows:**

Statutory recommendations – recommendations to the PFCC and CC under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the PFCC and CC where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the PFCC’s and CC’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Police and Crime Panel
Interviews and discussions with key stakeholders	External review such as by CIPFA
Progress with implementing recommendations	Regulatory inspections such as from HMICFRS
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion



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