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Our reference: JAC/MO

Date: 12 September 2025

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY - JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 24th September 2025 between Police HQ Penrith and Fire Headquarters**. The expected timings and locations are as follows:

Times	Activity	Location
09:00-09:45	JAC Members private meeting	Conference Room 1, Police HQ Penrith
09:45-10:45	Private Meeting with External Audit	Conference Room 1, Police HQ Penrith
11:00-12:50	JAC Meeting – PFCC/Constabulary	Conference Room 1, Police HQ Penrith
12:50-13:30	Lunch Break	Conference Room 1, Police HQ Penrith
13:30-15:00	JAC Meeting – Fire	Control Room, Fire HQ Penrith
15:15-16:30	Development Session – Fire Specific	Control Room, Fire HQ Penrith

Gill Shearer
Chief Executive

Note: Members are advised that allocated car parking for the meeting is available in the Visitors' Car Park at the Police HQ.

Note: If members of the public wish to participate in this meeting please contact megan.owens@cumbria.police.uk by 19th September 2025 for an invitation.

COMMITTEE MEMBERSHIP

Mr Malcolm Iredale (Chair)
Wing Commander (Retired) Tim Mann
Mr Jake Cornthwaite
Mr Mike Roper
Mr John Barradell
Mrs Susan Giles

AGENDA

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

Note – Items to be considered by exception, it is assumed that members will have read all papers before the meeting.

Agenda Item	Report Pack Page No	Agenda Item	Officer/Lead	Time (Est)
01		APOLOGIES FOR ABSENCE <ul style="list-style-type: none"> Michelle Bellis Constabulary CFO Megan Owens FSA 	Chair	11:00
02		URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure. Items for Exclusion of Press and Public (PART 2) <ul style="list-style-type: none"> Item 08a – Internal Audit Report Management of Sexual Offenders 	Chair	11:00
03		DISCLOSURE OF PERSONAL INTERESTS Members are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the agenda. If the personal interest is a prejudicial interest, then the individual member should not participate in a discussion of the matter and must withdraw from the meeting room unless a dispensation has previously been obtained.	Chair	11:00
04		MINUTES OF MEETING AND MATTERS ARISING To receive and approve the minutes of the committee meeting held on 25 th June 2025.	Chair	11:05
05		ACTION SHEET To receive the action sheet from previous meetings. <ul style="list-style-type: none"> a) PFCC / Constabulary b) Joint Audit Committee 	Chair	11:10

06		CORPORATE UPDATE To receive a brief corporate update from each of the below. a) Constabulary To Follow b) The OPFCC c) Finance	DCC PFCC CFO PFCC CFO	11:15
07		INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan.	Director of Audit MIAA Ltd	11:30
08		INTERNAL AUDIT REPORT(S) To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the committee. a) Management of Sexual Offenders (PART 2) b) Commissioner Grants	Director of Audit MIAA Ltd	11:35
09		MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations	Director of Audit MIAA Ltd	11:45
10		AUDITOR’S ANNUAL REPORT: To receive from the External Auditors the Auditor’s Annual Report incorporating the External Auditor’s Value for Money Conclusion.	Grant Thornton	11:55
11		EXTERNAL AUDIT: AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements.	Grant Thornton	12:05
12		ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS: To receive a report from the PFCC CFO in respect of the PFCC and Constabulary framework of assurance.	PFCC CFO	12:15
13		ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts (with marked up changes): a) PFCC/Constabulary Group b) Constabulary	PFCC CFO	12:20

14		STRATEGIC RISK REGISTER: To consider the strategic risk registers as part of the Risk Management Strategy: a) OPFCC b) Constabulary	PFCC CFO DCC	12:30
15		PFCC ANNUAL REPORT: To receive a copy of the PFCCs annual report.	PFCC CFO	12:40
16		JAC ANNUAL REPORT: To receive the annual report of the joint audit committee following the committee's review of effectiveness.	PFCC CFO	12:45
17		TREASURY MANAGERMENTS ACTIVITIES: To receive information reports on Treasury Management Activity - Quarter 1	Group Accountant	12:50
18		CIPFA FINANCIAL MANAGEMENT CODE OF PRACTICE UPDATE: To receive an update from the CC CFO on compliance with the CIPFA FM Code	PFCC CFO	12:55
19		POINTS FOR CONSIDERATION BY THE COMMISSIONER, CHIEF CONSTABLE AND/OR THE CHIEF FIRE OFFICER		13:00
20		AOB		13:00

Future JAC Meeting Dates (For Information)

26th November 2025 @ 11:00– Police HQ Conference Room 1 and Fire HQ Penrith

25th March 2026 @11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

17th June 2026 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

23rd September 2026 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

13th October 2025 - TBC

30th January 2026 - TBC



Agenda Item 4 – Part 1

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY - JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Wednesday 25th June 2025
Conference Room 1, Police HQ, Penrith, at 1.00pm.

PRESENT

Mr Malcolm Iredale (Chair)
Mr Jake Cornthwaite
Mr Mike Roper
Mr John Barradell

Also present:

Office of the PFCC

Chief Executive (CE), Office of the Police, Fire and Crime Commissioner (Gillian Shearer)
PFCC Chief Finance Officer/CFRS Chief Finance Officer (PFCC CFO), (Steven Tickner)

Cumbria Constabulary

Temporary Deputy Chief Constable (T/DCC), (Jonathan Blackwell)
Staff Officer Management Support, (Richard Barry)
Constabulary Chief Finance Officer (CC CFO), (Michelle Bellis)
Group Accountant, (Lorraine Holme)
Financial Services Assistant (FSA), (Megan Owens)
Financial Services Assistant (FSA), (Simon Love)

Internal Audit

Director of Audit (DA), TIAA, (Martin Ritchie)

External Audit

Audit Manager (AM), Grant Thornton LLP, (Hannah Foster)

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

The Chair called the meeting to order at 13:00hrs.

01. APOLOGIES FOR ABSENCE

Apologies were received from:

Wing Commander (Retired) Tim Mann (Member)

Mrs Susan Giles (Member)

MIAA Ltd

02. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

One paper was a Part 2 item and was discussed in the meeting whilst no members of the public were present.

The Part 2 minutes of the previous meeting held Wednesday 25th March 2025 were circulated to members. They were signed as a true record by the Chair.

03. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of interest.

04. MINUTES OF MEETING AND MATTERS ARISING

The minutes of the previous meeting held Wednesday 25th March 2025 were circulated to members. They were signed as a true record by the Chair.

There were no matters arising.

05. ACTION SHEET

- a) An Action Sheet for the PFCC and Constabulary showing any actions discussed in previous JAC meetings and the progress made was circulated to the members prior to the meeting.

No comments were made.

- b) An Action Sheet for the Joint Audit Committee was circulated to members prior to the meeting.

A member asked if these items should now be marked as complete.

CC CFO responded that once the review of effectiveness was completed new actions would be picked for 2025/26 and then the 2024/25 actions can be completed.

- c) An update to the MIAA Audit Plan to include days was circulated to members prior to the meeting.

Members were satisfied with this as a resolution to Action 10a (26/03/2025).

06. CORPORATE UPDATE

- a) Members had received and reviewed the Constabulary corporate update prior to the meeting.

T/DCC Blackwell provided further details and briefly highlighted certain aspects of the report.

The Chair queried why the Constabulary was moving away from staffing the control room with police officers.

T/DCC Blackwell confirmed there would still be police officers present in the control room, but the numbers would be reduced. They explained that the Neighbourhood Policing Guarantee funding allows the Constabulary to replace police officers in back-office functions with police staff in order to get officers out on the streets.

There was further discussion.

The Chair raised another point regarding the key issue of recruitment and retention. They asked if there was a financial risk further down the line if more bodies equal more money and we are not getting and retaining the bodies.

T/DCC Blackwell identified there were two elements of risk. One being the Constabulary does not make the most of the £1.68m grant money. And the other being maintaining the overall uplift numbers.

T/DCC Blackwell provided reassurance that obtaining the staff and officer numbers looks positive and that a lot of resources are being put into the retention of police staff and officers. Examples of these resources were provided.

There was further discussion regarding police staff and officer retention, specifically in Barrow.

- b) Members received and reviewed the OPFCC corporate update prior to the meeting.

OPFCC Chief Exec provided further details and briefly highlighted certain aspects of the report.

OPFCC Chief Exec brought focus to drugs arrests that have been covered in the media recently and that the Constabulary have been doing drugs raids through funding of the drugs fund. This was allocated to the constabulary through the Commissioner.

No comments were made.

- c) Members had received and reviewed the Finance corporate update prior to the meeting.

CC CFO provided further details and briefly highlighted certain aspects of the report.

The Chair asked if the savings from the Futures Programme were recurring or non-recurring and if future budgets have been altered in response to the savings.

CC CFO responded that when the budget was set in February 2025 the budget gap had been reduced from £16m down to £11m, the majority of this was as a result of the Futures Programme and changes to budgeting assumptions. It is estimated that £2.7m of recurring savings have been identified to date in 2025/26 through the futures programme of work. However, this depends on everything else staying the same. The budget is forecast five and a half years into the future which is tricky to predict.

A member requested that something be circulated to the Committee when the settlement is agreed to give them an early view.

ACTION: PFCC Chief Executive to share the Police, Fire and Crime Commissioner panel papers with the Committee from the meeting following the settlement.

There was further discussion about the underspend in the previous financial year and income from treasury management.

07. INTERNAL AUDIT – PROGRESS REPORT

CC CFO provided a brief overview of the internal audit progress made by MIAA Ltd.

No comments were made.

The Chair asked for the contact details for MIAA Ltd to discuss expectations and how they can work better together alongside the Committee.

ACTION: Financial Services Assistant to provide the Chair with contact details for MIAA Ltd.

08. INTERNAL AUDIT REPORT(S)

Members had received and reviewed the Internal Audit Reports prior to the meeting. TIAA provided a brief overview of each report and highlighted any recommendations made.

- a) **Data Protection & GDPR** – A member asked management if there were implications of enforcing mandatory training.

T/DCC Blackwell advised the Committee that completion rates of mandatory training are monitored which comes to the organisational board.

Another member noted that the Information Management Board (IMB) had not met for six months and asked for assurance that GDPR oversight had not lapsed during that period.

T/DCC Blackwell assured members that IMB is not the only board that covers GDPR oversight. Operational board and organisational board also cover topics that fall under GDPR such as cyber security and prevention work. There is also national assurance in place.

The Chair added that the report raised concerns, however following discussion in the meeting and answers provided by T/DCC Blackwell they feel reassured that there are other mechanisms in place that cover these concerns.

There was further discussion about tools in place to provide GDPR guidance to staff and officers such as the Digital Academy.

- b) **ICT Disaster Recovery** – A member noted that the findings of this report were concerning due to the level of exposure to cyber risks. They also raised concerns that the change of internal audit provider may mean these recommendations are not revisited as urgently as they should be. It was suggested that this should be flagged with MIAA Ltd and this area should be revisited as a thorough audit rather than a follow-up of the recommendations.

It was agreed to raise this with the Police, Fire and Crime Commissioner and Chief Constable.

Another member asked if the accepted implementation timetables are on track.

T/DCC Blackwell acknowledged concerns raised by the report and informed the Committee about work that has put the Constabulary in a strong position in terms of digital security and disaster recovery, which is not reflected in the report. This included Mark 43 which is a cloud-based record management system which has disaster recovery built into it. At the time of the report this system was still in progress so the disaster recovery process could not be said to be in line with audit expectation. However, now the system is in place all expectations should be met.

ACTION: T/DCC Blackwell to ensure the documentation and housekeeping for the disaster recovery plans are updated to reflect Mark 43 being implemented.

- c) **Workforce Planning** – The Chair queried if there were any Futures Programme opportunities identified by Workforce Planning as 75% of the spending is on staffing.

T/DCC advised that in terms of the ability to save money, with such a high proportion of the budget being people related, there was limited opportunity for maneuverability. Overall, there will be savings made where needed whilst increasing police staff to achieve the Neighbourhood Policing Guarantee funding requirements. It is hoped this will achieve savings whilst avoiding making people compulsorily redundant.

- d) **Body Worn Video** – T/DCC advised the Committee of the reason the deadline on this report was extended. This is because when body worn footage is received it is not always obvious as to what the Constabulary is dealing with, and it can take time to review and confirm if it is worth using as evidence or not.

09. INTERNAL AUDIT – ANNUAL REPORT

Members had received and reviewed the Internal Audit – Annual Report prior to the meeting.

TIAA Ltd provided a brief overview of the report.

The Chair questioned why there were more recommendations in this financial year than the previous one, as it raises concerns that the internal control within the Constabulary has weakened.

TIAA Ltd answered that several aspects can affect how many recommendations are made, such as – what area is being audited and the thoroughness of the audit. It was stated that there were no indications of diminishing quality of internal controls within the Constabulary.

CC CFO provided further assurance by informing the Committee that over recent years the focus of internal audit has moved from core financial systems to operational activities. Therefore, initially there is likely to be more points identified when auditing a new area.

There was further discussion.

10. EXTERNAL AUDIT PLAN

Members received and reviewed the External Audit Plan prior to the meeting. Audit Manager for Grant Thornton LLP provided a brief overview of the report.

It was noted that the proposed fees for 2024/25 (page 39) did not add up to the total given, Grant Thornton confirmed they will correct this.

The Chair raised a query on valuations as there has been problems in previous years with the base data that went to the valuers. They asked if there was anything being considered regarding this as even if the process works there is still an issue if the base data is incorrect.

Audit Manager for Grant Thornton LLP advised this is something they will look at during their work.

CC CFO added that following the recommendation on this two years ago there has been extra checks added to reduce the risk of it happening again.

The Chair also commented on the other significant risk mentioned which was pensions and asked if there was anything that could be used comparatively with other forces / organisations to see if the OPFCC and Constabulary were in the right field.

CC CFO answered that Grant Thorntons technical team will look at the range they would expect the assumptions to be in, and check against assumptions made in relation to the Cumbria schemes by the OPFCC and Constabulary scheme actuaries.

The Chair commented that the fees were not comparable and suggested clearer presentation next time so that the current year's fees could clearly be compared against previous years.

11. RISK MANAGEMENT MONITORING

Members received and reviewed the Risk Management Monitoring report prior to the meeting. OPFCC Chief Executive provided a brief overview of the report.

This report was discussed in the Fire meeting and there were no queries raised.

12. ANTI-FRAUD AND CORRUPTION ACTIVITIES

Members had received and reviewed the Anti-Fraud and Corruption Activities report prior to the meeting. OPFCC Chief Executive provided a brief overview of the report.

This report was discussed in the Fire meeting and the following queries were raised –

A member questioned if there is more that could be done regarding assurance around risk, and it was agreed that this can be raised at the respective Executive Boards for Police & Fire prior to coming to the Joint Audit Committee to map assurances and identify any gaps.

Another member raised a concern regarding the published gifts and hospitality register published for the Police, Fire and Crime Commissioner regarding it not identifying who has offered the gift / hospitality.

ACTION: Hospitality register to be updated to display who has offered the gift / hospitality.

13. COMMUNITY SCRUTINY GOVERNANCE

Members had received and reviewed the Community Scrutiny Governance report prior to the meeting. OPFCC Chief Executive provided a brief overview of the report.

This report was discussed in the Fire meeting and the following query was raised –

The two Chairs of the Joint Audit Committee and Community Scrutiny Panel will arrange to meet with the OPFCC Chief Executive and Temporary Deputy Chief Constable to discuss synergies.

There was discussion on the complaints and misconduct of Young in Service Officers.

No further queries were made.

14. EFFECTIVENESS OF AUDIT

Members had received and reviewed the Community Scrutiny Governance report prior to the meeting. OPFCC CFO provided a brief overview of the report.

This report was discussed in the Fire meeting and there were no new queries raised.

15. JOINT AUDIT COMMITTEE – REVIEW OF EFFECTIVENESS

Members had received and reviewed the Joint Audit Committee – Review of Effectiveness report prior to the meeting.

CC CFO provided a brief overview of the report.

No comments were made.

16. ANNUAL GOVERNANCE STATEMENT

Members had received and reviewed these reports prior to the meeting.

a) Effectiveness of Governance Arrangements – no comments were made.

b) Code of Corporate Governance

i. PFCC – PFCC CFO provided a brief overview of the report.

No comments were made.

ii. Constabulary – CC CFO provided a brief overview of the report.

No comments were made.

c) Annual Governance Statement

i. PFCC - PFCC CFO provided a brief overview of the report.

The Chair noted the importance of Partnerships, which is an interest to the Joint Audit Committee and asked to be involved in any developments on this.

ii. Constabulary - CC CFO provided a brief overview of the report.

The Chair commented that the last bullet point on page 11 was incomplete.

ACTION: CC CFO to update the AGS so the last bullet point on page 11 is completed.

17. ANNUAL STATEMENT OF ACCOUNTS

The Annual Statement of Accounts (Subject to Audit) for the PFCC/Constabulary Group and the Constabulary were circulated to members prior to the meeting.

CC CFO advised there was a small error in the Exit Packages / Termination Payments table in the notes to the accounts for both sets of accounts that were circulated to members for the meeting. It was reported that the Constabulary had six voluntary or other redundancies and one compulsory. However, the one compulsory was actually voluntary, Grant Thornton have given their permission for this table to be amended due to the public message it provides.

The reason for the error was paperwork timing.

CC CFO asked that any comments on the accounts could be received by the end of July.

ACTION: To receive members' comments on the Annual Statements of Accounts by end of July 2025.

18. TREASURY MANAGEMENT ACTIVITIES

Members received and reviewed the Treasury Management Activities 2024/25 Quarter 4 and Annual report prior to the meeting.

CC CFO provided a brief overview of the report.

There was discussion regarding the average return on investments, but no queries were raised about the report.

19. POINTS FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE

The Committee agreed to raise the points discussed on item 8b with the Police, Fire and Crime Commissioner and Chief Constable to ensure that a robust follow-up is made by the new internal audit team on the findings of the disaster recovery audit.

20. AOB

A Member acknowledged the efforts put in by TIAA Ltd to provide a timely final audit and asked for thanks to be passed onto the team.

Meeting ended at 14:40hrs.

Signature _____ **Date** _____

Future JAC Meeting Dates (For Information)

24th September 2025 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith
26th November 2025 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith
25th March 2026 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith
17th June 2026 @ 11:00 - Police HQ Conference Room 1 and Fire HQ Penrith
23rd September 2026 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

23rd July 2025 – Cathedral Room, Civic Centre, Carlisle
13th October 2025 – Council Chamber, Allerdale House, Workington
30th January 2026 – TBC

Joint Audit Committee – Action Update and Plan (PFCC/Constabulary)

Completed
Ongoing within Original Timescale
Ongoing with original timescale extended
Overdue

Minute Item and date	Action to be taken	Person Responsible	Target Date	Subsequent Updates	Status
28b (25/09/24)	LGR & Partnerships Audit - TIAA to confirm to the committee that the Cumbria Partnership Strategy has been updated	TIAA Director of Audit OPFCC	31/12/2024 31/05/2025 30/09/2025	January 2025 - The strategy is due for replacement from April 2025 so will be updated at that point in time. May 2025 - The Partnership Strategy is currently being discussed and updated by the Partners with an expectation it will be complete by September.	Ongoing with Original Timescale Extended
06c (25/06/25)	PFCC Chief Executive to share the Police, Fire and Crime Panel papers with the Committee from the meeting following the settlement.	OPFCC	31/01/2026	August 2025 – The papers will be shared with JAC members after the PFCCP meeting in January	Ongoing within Original Timescale
07 (25/06/25)	Financial Services Assistant to provide the Chair with contact details for MIAA Ltd.	FSA	30/06/2025	June 2025 – Contact details for MIAA Ltd passed onto to chair via email.	Completed
08b (25/06/25)	T/DCC Blackwell to ensure the documentation and housekeeping for the disaster recovery plans are updated to reflect Mark 43 being implemented.	T/DCC	30/09/2025	September 2025 - The DDAT business continuity plan has been updated to reference the implementation of M43. The contract with M43 includes arrangements for disaster recovery.	Completed

Minute Item and date	Action to be taken	Person Responsible	Target Date	Subsequent Updates	Status
12 (25/06/25)	OPFCC to update the hospitality register to display who has offered the gift / hospitality	OPFCC Chief Executive	30/09/2025	August 2025 – The Gifts and Hospitality registers on the OPFCC website now include a column to show to whom the gift/hospitality was offered.	Completed
16cii (25/06/25)	CC CFO to update the AGS so the last bullet point on page 11 is completed.	CC CFO	31/07/2025	July 2025 – The Constabulary AGS has been updated	Completed
17 (25/06/25)	To receive members' comments on the Annual Statements of Accounts by end of July 2025.	Committee	31/07/2025	August 2025 – The committee chair Malcolm Iredale shared a list of queries/observations in relation to the 2024/25 Statement of Accounts for OPFCC/Group and Constabulary with the CFOs on 04/08/25. The Financial Services Team are currently working through these and will respond asap,	Completed

Joint Audit Committee – Review of Effectiveness Action Plan 2025/26

Completed					
Ongoing within Original Timescale					
Ongoing with original timescale extended					
Overdue					
Ref	Improvement Area	Planned Action	Owner	Review Date	Status
JAC1	Support and monitor the OPCC and Constabulary plans to address sustainability.	<ul style="list-style-type: none"> • Maintain longer term budget overview through Corporate Updates • Follow through any sustainability issues from audit reports • Identification, analysis and comment on sustainability issues within Annual Accounts 	JAC	June 2026	
JAC2	Achieve a greater understanding of HMICFRS work, reports and findings and how these are integrated into mainstream activities, including risk registers and the Futures Programme / benefit realisation process.	<ul style="list-style-type: none"> • Development Session on HMICFRS / Futures Programme • HMICFRS reports included as formal agenda item for JAC • Monitor through Corporate Updates 	JAC	March 2026	
JAC3	To improve the profile and engagement of JAC with those tasked with the overall responsibility for governance, and any governance committees as necessary / considered beneficial to enhance its work.	<ul style="list-style-type: none"> • JAC Chair to meet key individuals • Link with Community Scrutiny Panel • JAC attendance at Police, Fire and Crime Panel 	JAC	March 2026	
JAC4	Achieve a greater understanding of partnerships that the PCC and Constabulary are involved with.	<ul style="list-style-type: none"> • Development session on partnerships • Analysis and follow up of relevant audit reports • Overview through Corporate Updates - especially any changes 	JAC	March 2026	

JAC5	Support and challenge any new or emerging governance arrangements including the greater collaboration and joint working with other organisations on service delivery.	<ul style="list-style-type: none"> • Overview through Corporate Updates • Specific JAC agenda item if required • Link with other organisations as necessary 	JAC	March 2026	
JAC6	To ensure that internal JAC arrangements support its overall aims through the introduction of an annual assessment and development process for members, including the active uptake and participation in appropriate training opportunities.	<ul style="list-style-type: none"> • Annual discussion and assessment with all JAC members • Individual development plans for JAC members • Formal training / courses for JAC members. 	JAC	March 2026	

Chief Officer Group



TITLE OF REPORT: Joint Audit Committee – Constabulary Corporate Update

DATE OF MEETING: 24th September 2025

ORIGINATING OFFICER: T/Deputy Chief Constable Jonathan Blackwell

Constabulary Performance Overview *(Year to date to include exceptions and comparisons (where available))*

For the Year to Date (01/04/2025 – 31/08/2025)

- 94.1% of 101 calls answered in less than 5 minutes
- 92.4% of 999 calls answered within 10 seconds
- 90.6% of G1 incidents attended in target
- 90.2% of G2 incidents attended in target
- All Crime volume has decreased by 1.9% compared to last year (15,769, down from 16,076 - 307 fewer crimes). The all crime positive outcome rate is 18.2%, which is a 1.4pp decrease from the same period last year. Latest national data (12 months up to the end of June 2025) indicated that Cumbria had one of the highest outcome rates nationally.

Performance Exceptions

- Reduced residential burglary of a home by 23.2% (56 fewer homes being burgled), and have increased the positive outcome rate by 1.9pp (outcome rate of 17.3%, up from 15.6% in the same period last year). Latest national data (12 months up to June 2025) indicates that our crime rate per 1000 population is one of the lowest nationally.
- Drug offences have reduced by 16.0% (142 fewer offences), the outcome rate has seen a slight decrease of 0.9pp compared to last year (75.3%, down from 76.3%). Latest national data indicates that our outcome rate is substantially above the national average.
- Violence with injury has reduced by 3.5% (102 fewer victims), the outcome rate has reduced by 1.6pp compared to the same period last year (14.5%, down from 16.2%). Latest national data indicates that Cumbria's positive outcome rate is approx. 2pp above the national average and above the average of our Most Similar Group.
- 11.4% reduction in Other Theft (126 fewer victims), the outcome rate has increased by 1.5pp (7.2%, compared to 5.7% in the same period last year).
- The offence of exposure and voyeurism has decreased 14.7%. This is influenced by Operation Achillies and Operation Lynx, which were separate operations aimed at identifying and detaining 2 prolific offenders of indecent exposure. The positive outcome rate has increased by 20.6pp (31.3%, up from 10.7% in the same period last year).
- Vehicle offences have reduced by 24.5% (98 fewer crimes). The biggest proportional reduction is seen in aggravated vehicle taking, which has reduced by 53.9% (14 fewer offences). The greatest volume reduction is seen in theft from vehicle, which has reduced by 24.7% (41 fewer crimes).
- ASB has continued to decrease, with a reduction of 42.8% for the Year to Date (808 fewer incidents). The biggest volume reduction is seen within the sub-category 'ASB-Nuisance', which has reduced by 40.6% (615 fewer incidents), the biggest proportional reduction is seen in 'ASB-Personal', which has reduced by 57.9% (154 fewer incidents).

- Shoplifting - has increased by 10.6% (+109 offences), 31 forces in total have reported seeing increases in shoplifting over the last 12 months. Cumbria's crime rate per 1000 population is the 4th lowest nationally. The outcome rate 32.4% and is one of the highest nationally.

Corporate Updates *(HR and Inspection)*

Resourcing

- As of 8th September 2025, the Constabulary establishment is as follows:
 - Officers: Budget = 1359, Actual = 1387.97
 - Staff: Budget = 672.54 Actual = 590.46
 - PCSOs: Budget = 60, Actual = 51.11
- Recruitment for Officers continues as part of the Uplift programme, with 10 new PCDA officers starting on 29th September 2025 and further intakes of 20 planned for November, January and March. Transferee recruitment also remains open.
- Recruitment for PCSOs and CMR Operatives has been completed with individuals starting or due to start imminently.

Inspection Programme

- The State of Policing report was published 10th September. There are no formal recommendations from HMICFRS. Cumbria was referenced once in the report: *"We haven't given any force a grade of 'outstanding'. But we found some notable examples of strong performance in this area. For example, Humberside Police and Cumbria Constabulary have shown a clear understanding of demand, effective resource management, robust governance and strong use of data to inform decision-making."* Findings will be presented at the HMICFRS board on the 16th September.
- The Constabulary has been notified for its Child Protection Inspection. The initial document request has been submitted for the deadline of the 8th Sep. Work is now ongoing for the timetable and strategic briefing.

Operations and Events *(Local / National Incidents and Events of Note)*

The below reporting period covers the 31st July to the 8th September 2025.

- August – ongoing - Operation Leste – National tension relating to anti immigration sentiment. Cumbria Command Structure put in place. Arrests made over the bank holiday weekend.
- August – ongoing - Operation Vigo – Command Structure in place to deal with objections to the South Lakes Islamic Centre, Dalton in Furness, associated negative social media commentary and protest activity:
 - 16th August right wing protest in Barrow Town Centre.
 - 6th September planned protests outside South Lakes Islamic Centre, 40 protesting against the centre, 80-100 protesting for the centre, no arrests.
- 31st July – 3rd August – Kendal Calling Music Festival, Lowther Deer Park, near Penrith. Event attended by 40,000 people. 10 arrests over the four-day event, for drug offences, assaults, driving offences and one public order offence.
- Operation Collosus – Ongoing road safety operation between Operational Support and Neighbourhood Policing. Eight days of action so far across Barrow, Carlisle Kendal, Whitehaven, Windermere, Workington, resulting in; 670 vehicles stopped, 78 individuals prosecuted for traffic offences, 10 arrests, 6 vehicle seizures.

Media Highlights *(Since the previous report and anticipated over the next reporting period).***Reporting period: August 2025****Proactive campaigns / operational activity**

- Operation Colossus
 - Significant media and social media activity conducted in relation to a 15-week campaign targeting dangerous driving behaviour and antisocial behaviour across Cumbria.
 - Media releases and media opportunities (with local press attending policing activity) has resulted in extensive positive media coverage.
 - Video content published on social media, including our new TikTok account, has amassed more than two million views.
 - Summer Safety campaign linked to personal safety during the summer. The social media campaign attracted almost one million views.
- Supporting victims
 - Promoted an initiative where victims of domestic abuse, fleeing from abusive settings, are provided emergency bags including supplies and provisions to support them. Positive media coverage and social media reaction.
 - Supporting multi-agency activity in the Lake District. A multi-agency initiative, to address concerns raised by people connected to antisocial behaviour in the Lake District.
- Operation Enhance : posts on NPT social media pages highlighting Operation Enhance activity.

High profile incidents / activity / court results

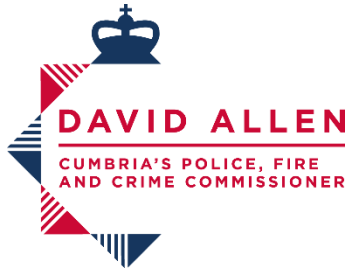
- Protest activity connected to the South Cumbria Islamic Centre
 - Significant media coverage connected to protest activity in Dalton-in-Furness.
 - Work to challenge misinformation circulating on social media.
 - There is ongoing communications support being provided by our Media & Communications Team in relation to the operation.
- Whitehaven rape
 - There was significant local media attention following the report of a rape in Whitehaven.
 - Media and social media appeals have been conducted to assist the investigation and reassure local residents.
- Sentencing of Rhys Eaton
 - There was significant positive local media coverage following a media release highlighting the sentencing of a Cleator Moor man who was jailed for 25 years for 15 sexual offences, including multiple rapes.

Ethnicity and nationality of suspects

- We adopted new national interim guidance designed to provide clarity on ethnicity and nationality of suspects amid rising tensions across the UK as a consequence of the migrant crisis.
- A process is in place and is routinely considered for cases which may apply.

Upcoming campaigns and promotion of operational activity

- Spiking Intensification Week (15 – 21 September)
 - Media and social media will issued released highlighting spiking prevention and public safety advice.
- Operation Colossus
 - Campaign targeting dangerous driving and antisocial behaviour across Cumbria.
- Chief Awards
 - Media, social media and internal comms to promote the Chief Constable's awards ceremony, celebrating the achievements of our workforce (10th September).
- Sextortion
 - Social media campaign aimed at providing advice on sextortion, including encouraging people to report.



Joint Audit Committee – 24 September 2025

Item 06b Corporate Update – OPFCC

Executive Summary

This paper provides a brief corporate update in relation to the OPFCC and has been prepared by the OFCC Chief Executive.

Recommendation

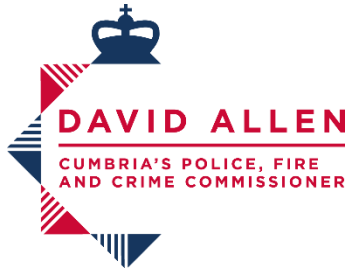
Joint Audit Committee members are asked to note the contents of the update.

1.0 Devolution

- 1.1 The two unitary authorities will be taking their consent decisions in early October and if approved, the programme to deliver devolution will step up to establish the combined authority for April 2026. Elections for a Mayor have been deferred until May 2027 which is the point at which PCC (PFCC) functions will transfer to Mayoral control.

Gill Shearer

OPFCC Chief Executive



Joint Audit Committee – 24 September 2025

Item 06c Corporate Update – Finance

Report of: Michelle Bellis, Constabulary CFO and Steven Tickner, PFCC/Fire CFO

Executive Summary

This paper provides a brief corporate update in relation to financial matters and has been prepared by the Constabulary and the OFCC Chief Finance Officers.

Recommendation

Joint Audit Committee members are asked to note the contents of the update.

Corporate Update – Financial Matters

Statutory Audit of Accounts

2024/25 – The external auditors (Grant Thornton) review of the 2024/25 financial statements is now largely complete and the draft Audit Findings Report (AFR) and Annual Audit Report (which contains their review of arrangements for VFM) appears on the agenda for the September meeting.

2025/26 Budget Monitoring

The quarter 1 revenue budget position as at 30th June for the PFCC/Constabulary Group reported a combined forecast underspend of £0.486m which represents 0.19% of the budget and which is well within the target of +/- 1% of budget. Some underspends have arisen in year, largely as a result of the Futures Programme work and these have been earmarked in reserves to support the budget and the futures programme in future years.

Internal Audit

The internal audit contract has moved to a new internal audit provider, Mersey Internal Audit Agency (MIAA), from April 2025. Two audits for quarter 1 and one audit from quarter 2 have been finalised and the reports are included on the agenda for the September meeting. The remaining 2 audits in relation to the audit plan for quarter 2 are currently underway and these are due to be reported to JAC in November. In addition to the above, MIAA have conducted a 'follow up' review of the outstanding actions from TIAA reports which were b/fwd, their report on progress against these actions is also included on the agenda.

Pay Award September 2025

On 1 August 2025 the Government announced that the Home Secretary had agreed the Police Pay Review Body recommendation for police officers to be awarded a 4.2% pay rise from September 2025. At the time of writing there has been no announcement in relation to the police staff pay award but this is generally set at the same level as police officers. The budget/MTFF included an assumed pay award of 2.8% for all staff types. The estimated part year effect of the pay award is £3.2m against which budget of £2.1m had been provided (2.8%) which leaves a potential budget shortfall of £1.1m. In the Home Office announcement, it states that an additional £120m is being made available to fund the in-year budget pressure. If the allocation of this grant is made based on our current formula share, the PFCC/Constabulary expects to receive £1.0m which will largely cover the increased costs.

Internal Audit Progress Report

Joint Audit Committee (24th September 2025)

Cumbria Police, Fire & Crime Commissioner

Cumbria Constabulary

Contents

1 Introduction

2 Key Messages for Joint Audit Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Appendix C: Key Areas and Actions to be Delivered

Appendix D: Assurance Definitions and Risk Classifications

Global Internal Audit Standards (UK public sector)

Our work was completed in accordance with Global Internal Audit Standards (UK public sector).

1 Introduction

This report provides an update to the Joint Audit Committee in respect of the progress made in against the Internal Audit Plan for 2025/26 and brings to your attention matters relevant to your responsibilities as members of the Joint Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Global Internal Audit Standards (UK public sector).

This progress report covers the period 25th June 2025 – 10th September 2025.

2 Key Messages for Joint Audit Committee Attention

Since the last meeting of the Joint Audit Committee, there has been the focus on the following areas:

2025/26 Audit Reviews

The following reviews have been finalised:

- Management of Sexual Offenders – Confidential
- Commissioner Grants – Property & Community Funds – Substantial Assurance

Refer to Appendix C for details of Key Areas and Actions to be Delivered

The reviews below are currently at draft report stage or are in progress:

- Futures Programme - Cost Improvement/ Efficiencies (draft report)
- Pensions (fieldwork)
- Problem Solving – Local Policing (fieldwork)

Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.

- There are no current proposals to amend the approved audit plan.

Added Value

Briefings

Our latest briefings/blogs/podcasts are:

- [Celebrating 10 Years of the MIAA Internship Programme: Reflections from Our 2024 Interns](#)
- [25/26 MIAA Insight - AI Governance Checklist](#)
- [25/26 MIAA Insight - Local Authority Audit Committee Members Roles and Responsibilities](#)
- 25/26 MIAA Insight – Audit Committee Briefing – Global Internal Audit Standards UK Public Sector

Events





- [Prevention: How do we shift the focus on tackling the causes of ill health and make prevention a priority? \(18th September 2025\)](#): This event will consider the government's shift within the 10 year Plan to focus on preventing ill health and the research underpinning the case for change. We will showcase how North West colleagues are leading the charge on prevention and the wider determinants of health.
- [The Value of Storytelling in health and social care \(9th October 2025\)](#): Storytelling has the power to engage, influence, teach and inspire listeners. That's why we argue for organisations to build a storytelling culture and place storytelling at the heart of their learning programs. There's an art to telling a good story, and we all know a good story when we hear one. But there's also a science behind the art of storytelling.
- [The Kindness Deficit: What Happens When Care Stops Caring \(4th November 2025\)](#): There is no doubt that we are all living through a time of collective collapse; our systems, our ecology and what was most familiar, are both fractured and fragile. We all feel this. Fear, survival and self-importance may be in the driving seat, with kindness and care, relegated to the back of the bus. Whilst we may all acknowledge how important

kindness is, why have we pushed it away and how is it costing us? Our NHS is founded on the principles of care, compassion and kindness. In this session, we ask how this kindness deficit became our reality and how as a system, have we stopped caring enough.

Appendix A: Contract Performance

The Global Internal Audit Standards (UK public sector) state that 'In the UK public sector, a chief audit executive must prepare such an overall conclusion at least annually in support of wider governance reporting, mindful of any specific sector obligations or processes. This overall conclusion must encompass governance, risk management and control.'

Below sets out the overview of delivery for your Head of Internal Audit Opinion for 25/26:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Core/ Mandated Assurances				
Key Financial Systems		Review scheduled for Q3		
Risk Management		Review scheduled for Q4		
Risk Based Assurances				
Cost Improvement/Efficiencies		Draft Report		
Management of Sexual Offenders		Final Report	Confidential	September 2025
Local Policing – Problem Solving		Fieldwork		
Commissioner Grants		Final Report	Substantial	September 2025

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Pensions	✓	Fieldwork		
Attendance Management Policy/Retention		Review scheduled for Q3		
Child Protection		Review scheduled for Q3		
IT Asset Management		Review scheduled for Q4		
Follow Up				
Qtr 1/2	N/A	Complete	N/A	September 2025
Qtr 3	N/A			
Qtr 4	N/A			

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Joint Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Percentage of recommendations which are implemented	Each Joint Audit Committee	Green	From 30 (100%) outstanding recommendations, 25 (83%) recommendations have been completed in total. 3 (10%) actions have been superseded or are no longer required. There are 2 (7%) overdue recommendations, awaiting an update or evidence is required.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 65% qualified staff. The Senior Team delivering the Internal Audit Service to the Constabulary are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. MIAA conforms with the Global Internal Audit Standards (UK public sector).

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	Management of Sexual Offenders
Executive Sponsor	Chief Superintendent - Crime & Intel Command
Objective	To provide assurance in respect that sexual offenders were managed in line with relevant national guidance.
Summary	The findings of the review are confidential. A verbal summary will be provided to Joint Audit Committee Members at the Part Two meeting.

Report Title	Commissioner Grants – Property & Community Funds			
Executive Sponsor	OPFCC Chief Executive			
Assurance Level	Substantial			
Objective	<p>To provide assurance in respect of the effectiveness of systems and processes in place for the management of Commissioner grants within the Office of the Police, Fire and Crime Commissioner (PFCC). This review will focus on the arrangements in place in respect of the Community and Property Funds.</p> <p>Limitation: The review focussed on the key elements supporting the grant claim process. The review has not assessed the specific aspects of delivery of the initiatives funded but ensures that activities/outputs stated in the claim are in line with the grant offer.</p>			
Recommendations	0 x Critical	0 x High	2 x Medium	1 x Low

Summary	<p>The office of the PFCC have developed a robust process to manage the awarding and monitoring of grants awarded through the community fund resulting in a substantial assurance level in that there is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.</p> <p>The findings contained in this review a primarily focused on the controls in place in respect of the Community Fund as during 24-25 the Property Fund remained closed due to there being limited funding to distribute (the Property Fund balance is predominantly generated from the disposal of property coming into the possession of the Police.)</p> <p>The total funds disbursed in 24/25, through the Community fund, were £128,678.62 against a budget of £135,058 (61 applications approved.)</p> <p>Many examples of good practice were identified including the publicising of the funds and the availability of information to applicants, the consideration of applications and the inclusion of Neighbourhood Policing Teams (NPTs) in this process. Testing indicated that strong arrangements are in place for the consideration and evaluation of funded projects and opportunities are sought for the publicising of achievements.</p> <p>Areas identified for further enhancement include the creation of a standard operating procedure covering the process and respective roles and responsibilities, enhancing the process for the assessment of funding related risks and evaluating the effectiveness of communication channels used to promote the availability of the funds.</p>
Key Areas Agreed for Action	<p>A formal standard operating procedure to be created, to ensure a consistent approach is applied to open grants and to prevent process inefficiencies, especially when key individuals leave the organisation (Medium Risk).</p> <p>A formal recording process for capturing risks linked to applications received will be developed. (Medium Risk).</p>
Key Risks Highlighted with No Agreed Action	N/A

Appendix D: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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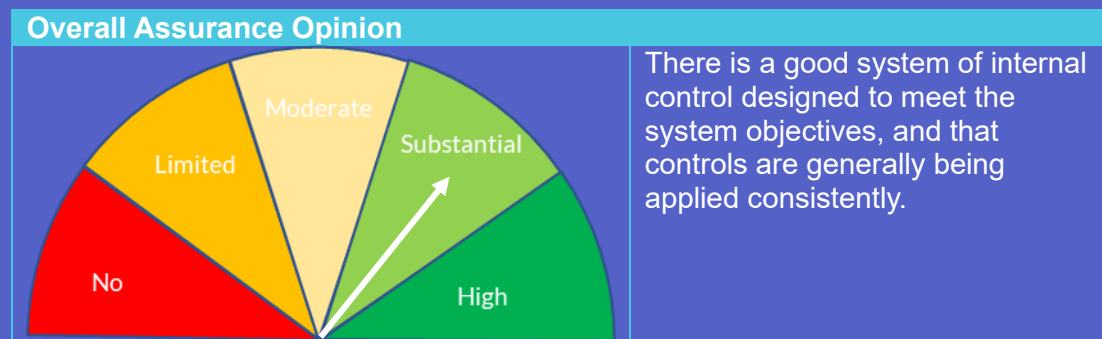
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Commissioner Grants: Property & Community Funds

Assignment Report 2024/25 (FINAL)

Cumbria Office of the Police, Fire and Crime Commissioner
and Cumbria Constabulary

309CPFCCC_2526_007



Contents

1 Executive Summary

2 Findings and Management Action

Appendix A: Engagement Scope

Appendix B: Assurance Definitions and Risk Classifications

Appendix C: Report Distribution

MIAA would like to thank all staff for their co-operation and assistance in completing this review.

This report has been prepared as commissioned by the organisation and is for your sole use. If you have any queries regarding this review, please contact the Engagement Manager. To discuss any other issues then please contact the Director.

3 Executive Summary

Overall Audit Objective: to provide assurance in respect of the effectiveness of systems and processes in place for the management of Commissioner grants within the Office of the Police, Fire and Crime Commissioner (PFCC). This review will focus on the arrangements in place in respect of the Community and Property Funds.

Scope Limitation: The review focuses on the key elements supporting the grant claim process. The review has not assessed the specific aspects of delivery of the initiatives funded but ensures that activities/outputs stated in the claim are in line with the grant offer.

Key Findings/Conclusion

The office of the PFCC have developed a robust process to manage the awarding and monitoring of grants awarded through the community fund resulting in a substantial assurance level in that there is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.

The findings contained in this review are primarily focused on the controls in place in respect of the Community Fund as during 24-25 the Property Fund remained closed due to their being limited funding to distribute (the Property Fund balance is predominantly generated from the disposal of property coming into the possession of the Police.)

The total funds disbursed in 24/25, through the Community fund, were £128,678.62 against a budget of £135,058 (61 applications approved.)

Many examples of good practice were identified including the publicising of the funds and the availability of information to applicants, the consideration of applications and the inclusion of Neighbourhood Policing Teams (NPTs) in this process. Testing indicated that strong arrangements are in place for the consideration and evaluation of funded projects and opportunities are sought for the publicising of achievements.

Areas identified for further enhancement include the creation of a standard operating procedure covering the process and respective roles and responsibilities, enhancing the process for the assessment of funding related risks and evaluating the effectiveness of communication channels used to promote the availability of the funds.

Objectives Reviewed	RAG Rating
Roles and responsibilities	Amber
Accessibility of Programmes	Green
Application Review	Green
Risk Management	Amber
Budgetary Control	Green
Achievement of Outcomes	Green
Evaluation Processes	Green
Overall Assurance Rating	Substantial

Recommendations		
Risk Rating	Control Design	Operating Effectiveness
Critical	0	0
High	0	0
Medium	2	0
Low	1	0
Total	3	0

Areas of Good Practice

- Information is made available to potential applicants on the OPFCC's website including application forms, FAQ documents and guidance notes.
- Social media, online videos and newsletters are used to make potential applicants when the Community Fund is open and receiving new applications for funding.
- The Blue Light Support Officer is available to provide advice and support to applicants throughout the process.
- A review of the Property Fund processes was undertaken to ensure that the awarding criteria was clearer, improve scrutiny, and make the process more streamlined. This resulted in a new guidance document, frequently asked questions, process chart, application form, grant agreement and evaluation form being produced.
- Local police officers are required to support, where appropriate, community organisations/ groups with their applications.
- Applicants, via the application form, are required to explain how funding requests are linked to the stated priorities of the PFCC.
- All submitted applications must be considered and supported by an Inspector from the relevant Neighbourhood Policing Team (NPT.)
- Approved applications are reviewed and sifted to be considered by PFCC and NPT Inspectors via the PFCC Decision Meeting.
- A Community Fund Register details all applications received (both successful and unsuccessful) along with other key information such as funding/payments, breakdown of risk and the stages in the approval process.

- Payments are not made unless a signed grant agreement document has been received along with a completed new supplier form.
- Supplier forms forwarded to the delegated Finance Officer, who handles the payment process on behalf of the OPFCC.
- Once payment the Partnerships & Commissioning Manager is required to approve the payment thus ensuring separation of duties. The Finance Officer will then notify the OPFCC when payment has gone through.
- After 6 months, evaluations are distributed to successful applicants. The evaluations are compulsory to complete, as they reflect the success of the project.
- Applicants who report that they no longer require funding or have underspends are requested to return the funds to the office of the PFCC.
- Activities receiving grant funding provided publicity information that can be used by the OPFCC to promote the positive impact of the funds and raise awareness of their existence to potential future applicants.
- As part of the Community Fund process for 2024/2025 a summary report of evaluations will be taken to Executive Team Gold at the end of 2025 (02/12/2025). This is a forum where key documents for the office of the PFCC are reviewed and/or approved by OPFCC Senior Leadership Team (attendees are, PFCC, Chief Executive, Chief Finance Officer and Head of Estates)

Key Findings – Issues Identified

Medium

3.1. A Standard Operating Procedure (SOP) is not in place covering the key aspects of the grant awarding and evaluation processes.

Key Findings – Issues Identified

	3.2. Risks associated with applications are considered but these are not being documented and assessed in a formal manner to support effective decision making and maintaining a sufficient audit trail
Low	3.3. The effectiveness of communication channels used to raise awareness of the funds is not monitored

Chief Executive Comments:

I am pleased to have received an overall assurance opinion of 'substantial'. This demonstrates that the OPFCC has robust mechanisms in place for awarding and managing public funds.

The audit findings provide a fair assessment of the potential risks associated with our Property and Community Funds. Work is now on-going to address the issues raised in the recommendations and will be monitored through our internal governance arrangements.

4 Findings and Management Action

1. Standard Operating Procedure		Risk Rating: Medium
Control Design		
<p>Key Finding – There is no formal standard operating procedure in place which sets out all the key stages in the grant awarding process.</p> <p>Whilst sufficient evidence has been provided for this review to satisfy the sub objectives this has been provided on a piecemeal basis and was reliant upon the knowledge and history of a key individual in the process who left the employment of the OPFCC during the review.</p>	<p>Specific Risk – Failure to have a Standard Operating Procedure in place could result in:</p> <ul style="list-style-type: none"> • Inconsistent Decision-Making • Audit Failures • Process Inefficiencies • Poor Communication and Coordination • Loss of Institutional Knowledge • Perceived Unfairness • Exclusion of Marginalized Groups • Negative Public Perception 	<p>Recommendation – A standard operating procedure should be devised in respect of the Community and Property funds which would include:</p> <p>Purpose and Scope</p> <p>Roles and Responsibilities</p> <p>Call for Applications</p> <p>Application Submission Process</p> <p>Eligibility Criteria</p> <p>Evaluation and Scoring</p> <p>Award Decision Process</p> <p>Notification and Feedback</p> <p>Disbursement of Funds</p> <p>Monitoring and Reporting</p> <p>Review and Continuous Improvement</p>
<p>Management Response - We acknowledge the importance of developing a formal standard operating procedure to ensure a consistent approach is applied to our open grants and to prevent process inefficiencies, especially when key individuals leave the organisation.</p>		Evidence to confirm implementation –

Responsible Officer – Partnerships & Commissioning Manager Implementation Date – 1 st February 2026	A formal approved Standard Operating Procedure document(s) covering the key aspects of the grants process from application to evaluation.
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2. Risk Assessment/ Evaluation		Risk Rating: Medium
Control Design		
<p>Key Finding – Whilst there are several opportunities for potential risks, associated with applications; to be discussed during the awarding process there is no formal assessment/evaluation of risk being undertaken.</p> <p>For example, the Community Fund Decision Meeting on the 24/02/2025 documents an application which has been classified as ‘tentative’ on the basis that this is a “ambitious project”, but the narrative provided does not clearly explain this risk or quantify it so that those making the decision can clearly understand what this issues are.</p>	<p>Specific Risk – Failure to develop a formal risks assessment process can lead to:</p> <ul style="list-style-type: none"> • Poor Decision Making • Missed Threats and Opportunities: • Inconsistent Actions • Financial and Legal Consequences • Legal Liability • No Institutional Memory • Reduced Accountability • Leadership Blind Spots 	<p>Recommendation – An appropriate, proportionate, risk assessment process should be devised which effectively captures identified risks obtained from various parties/ sources, assesses those risks against impact and likelihood and then records actions mitigations to be taken to manage those risks.</p>
<p>Management Response – The Office does risk assess each application before formally approving funding. However, we acknowledge the above recommendation and will</p>		<p>Evidence to confirm implementation – Risk Assessment Documentation</p>

commence a review to develop a formal recording process for capturing risks linked to applications received. Responsible Officer – Partnerships & Commissioning Manager Implementation Date – 1 st February 2026	Evidence of its application in the grant process through documentation/ action plans etc
---	--

3. Communication Effectiveness		Risk Rating: Low
Control Design		
<p>Key Finding – the OPFCC use a variety of communication methods to publicise to potential interested parties the opening of funds to applicants. Methods utilised include social media, online videos, newsletters and NPTs.</p> <p>Currently no evaluation is undertaken to establish how effective these methods of communication have been in attracting interest in the two funds.</p>	<p>Specific Risk – Failure to analyse the effectiveness of communication channels could lead to:</p> <ul style="list-style-type: none"> • Low Application Rates • Misalignment with Target Groups • Wasted Resources • Perceived Lack of Transparency • Equity and Inclusion Gaps 	<p>Recommendation – the standard application forms for the Community and Property funds should be revised to incorporate a requirement for applicants to state how they became aware of the funding channels.</p> <p>This information should be collated following the periodic closure of each of the funds and shared with the communications team so that opportunities to further enhance/ re-focus activities can be explored before the funds are re-opened to new applicants.</p>
<p>Management Response – The high volume of applications received via the Property and Community Funds shows that currently the promotion of these grants is effective. However, we accept the above recommendation and will incorporate this into the next funding round.</p> <p>Responsible Officer – Partnerships & Commissioning Manager Implementation Date – 1st February 2026</p>	<p>Evidence to confirm implementation –</p> <p>Revised application form including a requirement to state how the applicant became aware of the funds.</p>	

Appendix A: Engagement Scope

Scope

Police and Crime Commissioners (PCCs) across the UK offer various grant schemes to support initiatives that reduce crime, support victims, and improve community safety. Within Cumbria the Office of the Police, Fire and Crime Commissioner has established a range to funds, from which grants can be awarded to help achieve these objectives.

The overall objective is to provide assurance in respect of the effectiveness of systems and processes in place for the management of Commissioner grants within the Office of the Police, Fire and Crime Commissioner. This review focuses on the arrangements in place in respect of the Community and Property Funds.

The following sub-objectives are covered in this review:

- Roles and responsibilities are clearly defined in relation to assessing, evaluating and approving applications for funds.
- Funding programmes are accessible, understandable and useable by applicants and recipients.
- Applications are evaluated against clear criteria aligned to the Police and Crime Plan and successful bids include measurable key deliverables.
- The application and funding process takes account of risk.
- Cost-effective oversight and budgetary controls are in place.
- Adequate monitoring and reporting arrangements are in place for funds that have been awarded to ensure anticipated outcomes are achieved.

- Appropriate governance arrangements are in place to evaluate and report on the value for money and outcomes achieved.

Scope Limitations

The review focuses on the key elements supporting the grant claim process. The review has not assessed the specific aspects of delivery of the initiatives funded but ensures that activities/outputs stated in the claim are in line with the grant offer.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system

Appendix B: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives. has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however, implementation of the recommendation would improve overall control.

Appendix C: Report Distribution

Name	Title
Gill Shearer	OPFCC Chief Executive
Steven Tickner	OPFCC Chief Finance Officer (s.151) / CCFRA Chief Finance Officer (s.151)
Michelle Bellis	Constabulary Chief Finance Officer
Stephanie Stables	Blue Light Collaboration Manager



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Limitations

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Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

Internal Audit Follow Up Report - Police Joint Audit Committee (24th September 2025)

Cumbria Police, Fire & Crime Commissioner

Cumbria Constabulary

Contents

- 1 Introduction
- 2 Objective
- 3 Summary
- 4 Internal Audit Action Tracker
- 5 Outstanding Internal Audit Critical, High and Medium Risk Audit Recommendations

Appendix A: Assurance Definitions and Risk Classifications

Global Internal Audit Standards

1 Introduction and Background

In making recommendations and agreeing action plans it is intended that improvements may be made to both internal controls and operational effectiveness. However, in order to verify that the benefits of the process are achieved, it is necessary to subsequently follow up on the implementation of agreed actions, in order to fully assess:

- Whether implementation has occurred or been superseded by further events; and
- Whether the actions have produced the intended effect.

Follow-up is, therefore, a vital aspect of the internal audit process.

This report provides an update on the progress of implementing previous internal audit recommendations against the last position reported to the Joint Audit Committee and on recommendations contained in internal audit reports issued since then.

Section 3 and 4 summarises the status of previous audit recommendations and Section 5 details the high and critical risk recommendations that are in progress/outstanding or are not yet due.

When all recommendations have been completed, reviews from previous years will be removed from the tracker once presented to Joint Audit Committee.

To assist the Joint Audit Committee the definitions of risk levels and assurance ratings are included in Appendix A.

2 Objective

The objective of this follow-up review was to provide an update on progress made towards the implementation of agreed internal audit recommendations. The reported position is at the 10th September 2025.

3 Summary Table

The summary of our follow-up work is contained below:

	September 2025	
Total number of recommendations made (including those of the previous TIAA Internal Auditors)	40	-

Actions not yet due	(10)	-
Actions included within this report	30	100%
Actions previously reported as completed	4	13%
Actions confirmed by MIAA as complete in this report	21	70%
Actions confirmed by MIAA as no longer required/superseded	3	10%
Actions overdue and in progress / awaiting update	2	7%
Actions deemed by management to be complete but not yet confirmed by MIAA	0	0%

There are 40 internal audit recommendations in relation to 15 reviews, of which 10 recommendations are not yet due for implementation: leaving 30 to be reported upon in this briefing note.

- 25 recommendations have been completed in total, with 21 recommendations completed since the last report at the Joint Audit Committee in June and 4 having been completed previously.
- 3 actions have been superseded or are no longer required.
- There are 2 overdue recommendations awaiting an update or evidence is required.

The next formal follow up of previously agreed recommendations will be reported in Q3 2025/26.

A detailed breakdown by review is provided in section four below.

4 Internal Audit Action Tracker

The following summarises progress against the internal audit recommendations, including those raised by previously raised by TIAA as at 10th September 2025:

Audit Title	Assurance Level	Total	Progress on recommendations					C	H	M	L
			Previously reported as complete / Superseded	Implemented since June 2025	Not Due	Due and in progress / awaiting update	Total Outstanding				
The following are TIAA Audit Team Recommendations. Assurance levels differ to those used by MIAA.											
2022/23 Reviews											
Firearms Licensing	Reasonable	1	-	1	-	-	-	-	-	-	-
2023/24 Reviews											
Fleet-Strategy and Management of Fleet	Reasonable	2	-	2*	-	-	-	-	-	-	-
Partnerships and LGR	Reasonable	1	-	-	1	-	1	-	1	-	-
2024/25 Reviews											
Data Protection and GDPR	Reasonable	5	1	-	4	-	4	-	2	2	-
ICT – Disaster Recovery	Limited	6	-	4	2	-	2	1	1	-	-
Body Worn Video	Reasonable	1	-	-	1	-	1	-	1	-	-

Audit Title	Assurance Level	Total	Progress on recommendations					C	H	M	L
			Previously reported as complete / Superseded	Implemented since June 2025	Not Due	Due and in progress / awaiting update	Total Outstanding				
Equality, Diversity and Inclusivity	Reasonable	3	-	3	-	-	-	-	-	-	-
Business Continuity	Reasonable	1	-	-	1	-	1	-	1	-	-
Contractor Vetting	Substantial	2	-	2	-	-	-	-	-	-	-
Wanted People	Reasonable	4	-	3	-	1	1	-	-	1	-
Review of Stop and Search	Reasonable	3	-	3	-	-	-	-	-	-	-
Review of Fleet - Fuel Usage	Limited	6	2	2/1*	-	1	1	1	-	-	-
Use of Force Reporting	Reasonable	2	1	-	1	-	1	-	1	-	-
Budgetary Control	Substantial	2	-	2	-	-	-	-	-	-	-
Use of Social Media	Substantial	1	-	1	-	-	-	-	-	-	-
Cyber Security Maturity Assessment	Confidential										
Totals		40	4	21/3*	10	2	12	2	7	3	0

*Actions have been superseded or are not being taken forward by the constabulary. See section 5 for information.

5 Internal Audit Critical, High and Medium Risk Recommendations

The following provides the details of the critical, high and medium risk recommendations that have been implemented/ superseded and those outstanding as at 10th September 2025. They include recommendations raised by the previous auditors TIAA who used different assurance levels to MIAA.

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
2022/23		
Audit Title: Firearms Licensing 2223 Responsible Officer: Ch/Supt Bird Action due: 30/04/2023	R1 Recommendation (risk rating 2): A Firearms Licensing Policy be agreed, documented and introduced Management Response: Specific A Force Policy is in the process of being produced and once completed will be taken to the ACC's Operational Board for review and consultation. If supported, it will then be remitted to the Strategic Management Board for Chief Officer approval. Measurable The policy will be produced and once approved, will be stored within the force policy library to ensure its continually reviewed and updated. Achievable The work to create the policy is already In progress Realistic As above, work is already underway and will be delivered by the timescales indicated Timely This will be achieved by 30th April 2023	Implemented
2023/24		

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Fleet-Strategy and Management of Fleet Responsible Officer: Head of Fleet Action due: 30/06/2024	<p>R1 Recommendation (risk rating 2): Policies be documented for the areas that fall under the Fleet team to provide clear direction and to support the delivery of the Fleet Strategy.</p> <p>Management Response: "Specific - Fleet governance, policy and procedures are to be created. Setting guidelines and standard operating procedures for the fleet team for all core functions of fleet services. Measurable - Once established an internal audit plan is to be implemented to regularly test and revise. Achievable – Yes, these documents will contain all current working practices and procedures. Relevant – The fleet team requires guiding documents in policy and procedure. This will aid business continuity and allow best practice development with revisions and audits. Time-bound – Complete by Jun 24 with audit plan to commence Aug 24."</p>	<p>Fuel policy produced. Management advised all fleet activities are now covered by the NPCC National Police Fleet Maintenance Standards therefore superseded.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Fleet-Strategy and Management of Fleet Responsible Officer: Head of Fleet Action due: 30/06/2024	<p>R2 Recommendation (risk rating 2): Procedures be documented for the activities undertaken across the Fleet team.</p> <p>Management Response: Specific – Fleet activities to be identified and procedure documents created to reflect alongside rec 1. Measurable – Will regularly been seen in the application of activities carried out by the fleet team. Alongside the audit plan they will be refined into best practice. Achievable – Yes, these documents will consolidate all working practices. Relevant – This will give the fleet team procedures to follow increasing resilience and preventing single point of failure. Time-bound – alongside rec 1, Complete by Jun 24 with audit plan to commence Aug 24.</p>	<p>Management advised all fleet activities are now covered by the NPCC National Police Fleet Maintenance Standards therefore superseded.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Partnerships and LGR</p> <p>Responsible Officer: Safer Cumbria Business Manager</p> <p>Action due: 31/07/2024</p> <p>Revised: 30/04/2026</p>	<p>R1 Recommendation (risk rating 2):</p> <p>The Safer Cumbria Partnership Strategy be updated to reflect key changes as a result of the newly formed unitary authorities including structural and functional changes.</p> <p>Management Response:</p> <p>The changes to the Local Authority Landscape have been recognised through the work of the Safer Cumbria Partnership and named individuals from both Local Authorities are in attendance at both the main board and across the associated subgroups, with all terms of reference updated to reflect the changes.</p> <p>The changes to the strategy need to be made out with of the office due to the design packages required. This work is scheduled in with the Force Marketing and Media Department.</p>	<p>Previous Management Update:</p> <p>Management confirmed that this is still ongoing and half way complete. Completion is scheduled for end of November.</p> <p>Management Update for September Joint Audit Committee</p> <p>This action is still ongoing. The OPFCC Chief Executive has agreed an extension to this deadline to 30/04/26</p> <p>Not yet due.</p>
2024/25		

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Data Protection and GDPR</p> <p>Responsible Officer: Data and Information Privacy Manager</p> <p>Action due: One month following delivery of the revised national package</p>	<p>R2 Recommendation (risk rating 3):</p> <p>Data protection training completion rates be monitored once accurate monitoring information is available and reminders be issued to staff who have not completed the training at the required intervals.</p> <p>Management Response:</p> <p>S – Review capability of performance data and adopt a framework to monitor completion.</p> <p>M – By the ability to efficiently and effectively provide completion compliance.</p> <p>A – If the national package provides the required capability.</p> <p>R – To raise awareness and reduce risk.</p> <p>T – Is dependent on the delivery of the revised package from the College of Policing, See implementation timetable column.</p>	<p>Not yet due.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Data Protection and GDPR Responsible Officer: Data and Information Privacy Manager Action due: 31/12/2025	R3 Recommendation (risk rating 2): The central IAR be reviewed and departmental IARs be developed with business leads responsible for their ownership and management. Management Response: S – Review the existing central IAR and develop Departmental registers. M – An up-to-date central IAR and creation of Department owned registers. A – With support from department heads and Constabulary leadership. To achieve this, additional resource may be required. R – Reduce risk and identify efficiency. T – See Implementation Timetable.	Not yet due.
Audit Title: Data Protection and GDPR Responsible Officer: Cyber Security and Risk Intelligence Advisor Action due: 31/12/2025	R4 Recommendation (risk rating 2): The Department Heads and Commands maintain oversight and accountability for information assets and records. Specific responsibilities for data ownership be clearly defined and enforced through relevant policies. Management Response: S – Review the Information Asset Owner framework and revise or create any required Policies. M – Completion of appropriate policies that define responsibilities. A – With support from leadership across the Constabulary and capacity allows. R – Improve accountability, reduce risk and achieve efficiencies T – See Implementation Timetable column.	Not yet due.

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Data Protection and GDPR Responsible Officer: Data and Information Privacy Assistant Action due: 31/12/2025	R5 Recommendation (risk rating 3): A review of the Information Sharing Repository to be conducted to identify DSAs that are no longer required. Management Response: S – Continue with the improvement work already commenced on the central repository for Data Sharing Agreements. M – A comprehensive registry of current Data Sharing Agreements. A – Only with engagement and support from Heads of Department and capacity allows. R – Reduce risk, support operational policing, secure confidence in sharing. T – See Implementation Timetable column.	Not yet due.
Audit Title: ICT – Disaster Recovery Responsible Officer: CTO Action due: 31/08/2025 Revised Deadline 31/10/2025	R1 Recommendation (risk rating 1): A dedicated Disaster Recovery Plan be developed, enhancing the information in the Business Continuity Plan and enabling the Constabulary to separate out business continuity from disaster recovery in its plans. Management Response: S: Create a dedicated DR Plan, and a separate enhanced BCP plan. M: completion of and approved by DDAT SLT. A: by the technical team leaders and DDAT SLT. R: Captured as part of technical team leaders meeting and DDAT SLT meeting. T: by 31st August 2025.	ACC Bird and DCC Blackwell have agreed to extend the deadline for this recommendation. Management Update for September Joint Audit Committee The disaster recovery document is to be produced as part of the SyAP project. The DCC has approved an extension to this deadline to 31/10/2025. Not yet due.

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: ICT – Disaster Recovery Responsible Officer: CTO Action due: 31/08/2025	<p>R2 Recommendation (risk rating 2): The BCP for DDaT be reviewed more regularly than every four years (an annual review cycle would be recommended) to ensure that the Plan remains current and reflects any changes required.</p> <p>Management Response: S: Review and Update the BCP. M: Review the BCP annually, this will be tracked by DDAT SLT. A: by the technical team leaders and DDAT SLT. R: Captured as part of technical team leaders meeting and DDAT SLT meeting. T: by 31st August 2025.</p>	Implemented
Audit Title: ICT – Disaster Recovery Responsible Officer: CTO Action due: 31/05/2025	<p>R3 Recommendation (risk rating 2): Update contact details for all DDaT and other staff relevant to the business continuity plan.</p> <p>Management Response: S: Update the BCP to reflect the contact details are kept by Civil Contingencies in various locations. M: completion of and approved by DDAT SLT. A: by the technical team leaders and DDAT SLT. R: Captured as part of technical team leaders meeting and DDAT SLT meeting. T: by 31st May 2025.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: ICT – Disaster Recovery Responsible Officer: CTO Action due: 31/08/2025 Revised Deadline 31/10/2025	R4 Recommendation (risk rating 2): It be ensured that BIAs are in place and up to date for all IT services / systems, and that they contain sufficient detail and objectives. Management Response: S: Review existing BIA and identify the gaps. M: by completion of and approved revised BIA for identified services. A: by DDAT team leaders. R: Captured as part of DDAT team leaders meetings and DDAT SLT meeting, and report to Org board on a quarterly basis. T: By 31st August 2025	ACC Bird and DCC Blackwell have agreed to extend the deadline for this recommendation. Management Update for September Joint Audit Committee BIAs have been removed from the BCP. The SyAp project will coordinate the work for producing new and updated BIAs. Not yet due.
Audit Title: ICT – Disaster Recovery Responsible Officer: CTO Action due: 31/05/2025	R5 Recommendation (risk rating 3): The BCP be updated to reflect the current source for Constabulary wide contact information. Management Response: S: Review existing BCP and identify gaps. M: by completion of and approved revised policy. A: by technical team leaders. R: Captured as part of technical team leaders meeting and DDAT SLT meeting. T: 31st May 2025.	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: ICT – Disaster Recovery</p> <p>Responsible Officer: CTO</p> <p>Action due: 31/05/2025</p>	<p>R6 Recommendation (risk rating 3): Formalise failover testing by recording activities to allow any issues identified, or lessons learned to feed into development of the DR Plan.</p> <p>Management Response: S: Review existing testing provisions. M: by completion of and approved revised failover testing and recording of activities. A: by the technical team leaders. R: Captured as part of technical team leaders meeting. T: 31st May 2025.</p>	<p>Implemented</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Body Worn Video</p> <p>Responsible Officer: Chief Superintendent Kennerley</p> <p>Action Due: 08/09/2025</p> <p>Revised Deadline: 31/10/2025</p>	<p>R1 Recommendation (risk rating 2):</p> <p>Where a decision is made to retain a record for longer than the designated retention period stated in the relevant guidance, the justification and lawful basis for the extended timescale be recorded to preserve the audit trail.</p> <p>Management Response:</p> <p>The decision to retain information beyond national guidelines was made by the SIRO (DCC Carden) in Information Management Board. However, there was some challenge in supplying the record of the decision to the auditor.</p> <ul style="list-style-type: none"> • S- Review the Constabulary policy / procedure in line with new national guidance on BWV footage with review of retention periods. • M- Measurable by approval and publication of the revised policy/procedure document. • A- Policy is already in existence so a review in line with new guidance is achievable in the timescales • R- Policy is already in existence, this is a review in line with new guidance so can realistically be achieved. • T- Operations Scrutiny Board on the 19th August followed by SMB 08th September 	<p>ACC Bird and DCC Blackwell have agreed to extend the deadline for this recommendation.</p> <p>Management Update for September Joint Audit Committee</p> <p>The BWV Policy went to Ops Board on 19/08/25, At Ops Board concerns were raised about an aspect and an updated version is due to go to Ops Board on 17/09 and then to SMB 08/10 for formal approval. The DCC has approved an extension to this deadline to 31/10/25.</p> <p>Not yet due.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Equality, Diversity and Inclusivity Responsible Officer: Chief Superintendent Matt Kennerley Action due: 31/03/2025	<p>R1 Recommendation (risk rating 2): To support the Police Race Action Plan (PRAP), risks relating to the non-compliance of the Equality Act 2010, be identified and recorded in the relevant risk register for monitoring and to ensure appropriate mitigating controls are in place.</p> <p>Management Response: Risks relating to non-compliance of the EA would generally result in fines, ET and civil cases, as well as reputational damage. This is a generic risk and although the issue relating to the scrutiny of EIA could be identified as a risk, current measures are in hand to address it. It may be prudent to place it on the register to monitor progress in case of subsequent challenge. It may be considered by the SLT if they wish to include a specific risk register for the Confidence and Equality Board to capture this.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Equality, Diversity and Inclusivity</p> <p>Responsible Officer: Chief Superintendent Matt Kennerley</p> <p>Action due: 30/04/2025</p>	<p>R2 Recommendation (risk rating 2):</p> <p>All new policies including those where substantial changes have been made upon review, be presented to the Valuing Individuals Group (VIG) for review of the Equality Impact Assessments (EIA) to obtain comments and possible recommendations in order to ensure compliance with the Equality Act 2010, prior to this being approved by the relevant authority.</p> <p>Management Response:</p> <p>This is in place. Although there are still some teething problems which we are working through to ensure all EIAs come through the correct channel. We are now seeing a steady stream of policies and EIA come to VIG and to SIAG for reviews.</p> <p>It was discussed during the audit that although some could not be evidenced as going through VIG (As is the process) the policies and EIA still had consultation on them as they went through the required senior leader boards members for consultation and approval.</p>	<p>Implemented</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Equality, Diversity and Inclusivity Responsible Officer: Chief Superintendent Matt Kennerley Action due: 31/03/2025	<p>R3 Recommendation (risk rating 2): The Diversity, Equality and Inclusion data report to the Workforce Board be strengthened to include data on more gender groups and protected characteristics of the Equality Act 2010.</p> <p>Management Response: This feedback is noted. The WFB template was created as previous meetings had no record of what was discussed. The template reflected what was predominantly discussed in WFB relating to PRAP, as opposed to DEI as a whole. This has been updated for the next meetings. The breakdown of male / female represents the force data provided and where there are groups which have a '0' representation, they were previously not included in the data we were sent. All data will now include '0' responses.</p>	Implemented
Audit Title: Business Continuity Responsible Officer: Chief Superintendent Operations Carl Patrick Action due: 31/10/2025 Revised Deadline: 28/02/2026	<p>R1 Recommendation (risk rating 2): Business Continuity Plans and Business Impact Assessments and all related appendices be appropriately reviewed and brought up to date in line with relevant requirements and standards.</p> <p>Management Response: To address the recommendation a review will be undertaken of Business Continuity Plans consisting of Force Operations undertaking the following: 1. A review of all Business Continuity Plans with a view to placing them in a prioritisation list April 2025. 2. Training for relevant officers / staff across Commands / Directorates across the force May 2025. 3. Business Continuity Plans to be reviewed and refreshed if needed October 2025.</p>	<p>Not yet due. Partially implemented.</p> <p>ACC Bird and DCC Blackwell have agreed to extend the deadline for this recommendation to 28/02/2026</p> <p>Management Update for September Joint Audit Committee 1. A revised Business Continuity Policy and Business Continuity Framework was approved at Org Board on 07/08/25. The documents were formally agreed at SMB on 03/09/25. 2 - It is suggested that the target date is extended, following the policy documents are approved on 03/09/25 the training with individual Depts can be scheduled.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Contractor Vetting Responsible Officer: DCI 1476 Hayley Wilkinson Head of PSD Action due: 30/04/2025	R1 Recommendation (risk rating 3): A fast-track procedure be created and implemented within the Vetting Policy. Management Response: S – Devise and implement a fast-track procedure for contractor vetting. M- Measure via PSD management meetings and performance meetings. A-achievable by working with sponsors to devise prioritisation triggers. R-relevant to improve timeliness of processing applications. T-Achievable within 6 months.	Implemented
Audit Title: Contractor Vetting Responsible Officer: DCI 1476 Hayley Wilkinson Head of PSD Action due: 30/04/2025	R2 Recommendation (risk rating 3): Vetting Sponsors be given at least three months advance warning of vetting expiry so that they can reach out to the relevant contractors to confirm re-vetting Management Response: S-Implement a system to provide 3 months' notice to sponsors of vetting expiry. M-measurable by including this in vetting performance data. A-via timely flagging. R-relevant to improve timeliness of processing renewals. T-Achievable within 6 months.	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Wanted People Responsible Officer: DCS 3580 David Ashton Action due: 02/11/2024	<p>R2 Recommendation (risk rating 2): A wanted people risk assessment form be created for use to ensure consistency across the Constabulary.</p> <p>Management Response: S- Wanted person risk assessment already exists, and this will be enhanced to incorporate measures to protect officers. This 'form' will be a direct entry on to the associated crime. M- The use and effectiveness of the risk assessment will be measured via the monthly wanted persons tactical meeting and BIU audits supported by BCU 'wanted' SPOCs. A - The use of this risk assessment is mandatory and is achievable by all officers following the guidance. R - This will be relevant to all crimes with an outstanding named suspect and; T - requires immediate implementation and monitoring on a monthly basis.</p>	Implemented
Audit Title: Wanted People Responsible Officer: DCS 3580 David Ashton Action due: 31/03/2025	<p>R3 Recommendation (risk rating 3): Update the policy to include clear monitoring guidelines, defining roles and responsibilities, establishing regular reporting mechanisms, and implementing escalation processes.</p> <p>Management Response: Update Cumbria wanted person Policy – last updated 2023. To Include the PowerApps Monitoring of supervision Approvals. S - Updated policy. M - Rewritten and in line with audit requirements. A - Link in DCI Yallop. R - Yes as policy is incorrect. T - 6 month.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Wanted People Responsible Officer: DCS 3580 David Ashton Action due: 31/03/2025	<p>R1 Recommendation (risk rating 3): Explore the possibility of automatically sending reminders to officers and their supervisors if a Power Apps form is incomplete or awaiting approval to identify and reduce delays</p> <p>Management Response: Create an automatic reminder to the supervisor. Dependant on Third party. ICT department. S - Create automatic function in PowerApps to reduce risk and reliance on other depts. M - That It provide a function in the Power app. A - Laise with ICT second line. R - Yes, to reduce risk and demand. T - 6 months.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Wanted People Responsible Officer: DCS 3580 David Ashton Action due: 31/03/2025	<p>R4 Recommendation (risk rating 3): The process for reconciling court reports and wanted persons data be documented to ensure other members of staff can understand and carry out the procedure in the absence of the Warrants Team Leader.</p> <p>Management Response: Create process map for monthly reconciliation of court warrants, wanted persons, breach of EMS and recalls (quarterly). S - Provide a process map for warrants reconciliation, court warrants, wanted and breach of EMS. M - Completed and covers all aspects for any scrutiny. A - Written by AW. R - Yes, to reduce risk and demand and highlight resource deficiencies. T - 6 months.</p>	Awaiting update

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Review of Stop and Search Responsible Officer: Chief Superintendent Matt Kennerley – Portfolio Lead Action due: 01/04/2025	<p>R3 Recommendation (risk rating 2): The plan to overhaul the receipt process and include a QR code to encourage feedback and trigger form completion be pursued.</p> <p>Management Response: S – The Constabulary are currently rewriting the receipt booklet for those subject to stop and search. M - Measurable on completion of rollout and on compliance checks using BWV. A - Achievable via tactical lead making amends to current document. R -Realistic given the PACE requirement. T- Timescale is predicated on feedback survey implementation via media into Single Online Home. This is the main barrier to immediate progression.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Review of Stop and Search Responsible Officer: Chief Superintendent Matt Kennerley – Portfolio Lead Action due: 01/04/2025	<p>R2 Recommendation (risk rating 2): Review the feasibility of linking case numbers that relate to the same individuals searched and ensure there is a clear record to support justification of stop and search.</p> <p>Management Response: Specific - Review feasibility only. Measurable - Task can be conducted only after go-live of Mk43 Community Safety Platform but will be measurable on feasibility product being produced. Achievable – Feasibility review only upon implementation of new system. Realistic – Once Mk43 in place. Timescale. Interdependency with Mk43 go live (still TBC).</p>	Implemented
Audit Title: Review of Stop and Search Responsible Officer: Chief Superintendent Matt Kennerley – Portfolio Lead Action due: 01/04/2025	<p>R3 Recommendation (risk rating 3): The Constabulary to address the technical issues to enable officers to issue written reports or send email copies directly to individuals at the time of the stop and search.</p> <p>Management Response: Specific – Feasibility for issue at time considered but not practical due to the volume of information required for compliance grounds. Therefore, policy to be updated to reflect this. Measurable – Via change to policy documents. Achievable - Via change to policy. Realistic – No issues. Timescale is reliant on other policy changes that also need amended and are planned in for refresh at the same time.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Review of Fleet - Fuel Usage Responsible Officer: Superintendent Enabling Services /Corporate Support Paddy O'Hara Action due: 31/03/2025	<p>R1 Recommendation (risk rating 1): A Fuel Usage Policy be created that defines expectations in relation to acceptable use of fuel cards and supporting arrangements including responsibilities, arrangements for the issue and control of fuel cards, security of fuel cards, arrangements to ensure value for money, and monitoring arrangements. Supporting documented procedures must also be documented to provide detail of processes.</p> <p>Management Response: Specific – Fleet governance, policies and procedures are to be created to align to the recently created national Police Maintenance Standards. Setting out standard operating procedures for the fleet team and all core activities, Fuel usage and management being one of those areas. Measurable – Once established a robust internal audit plan is to be implemented to revise and refine policies and process. Achievable – Yes, Superintendent O'Hara will oversee core business and underpin all fleet activities. Relevant - Fleet team need to implement policy and guidelines to aid business continuity, drive best practice and be compliant to national standards. Time Bound – To be progressed by 31st March 2025.</p>	<p>Partially implemented. Fuel policy in place. Management advised procedures are in the process of being created for SharePoint.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Review of Fleet - Fuel Usage</p> <p>Responsible Officer: Superintendent Enabling Services /Corporate Support Paddy O'Hara</p> <p>Action due: 31/03/2025</p>	<p>R2 Recommendation (risk rating 2): Staff to sign a term of use declaration upon receipt of a fuel card.</p> <p>Management Response: Specific – In conjunction with Rec 1, memorandum to be updated to include a declaration. Recognising this will only cover a very limited number of staff (322 vehicles to circa 2000 constabulary employees = 16.1% at best captured in this method), a secondary measure to capture all employees to be sought. Measurable – Once implemented records can be studied to seek capture rate. Achievable – Yes, however very resource dependant. Relevant – Terms of use need to be understood within the area of business. Time Bound – In line with Rec 1.</p>	<p>Management Update for September Joint Audit Committee Constabulary not moving forward with this recommendation due to it not being feasible.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Review of Fleet - Fuel Usage Responsible Officer: Fleet Management Information Officer Action due: 31/10/2024	R3 Recommendation (risk rating 2): A reminder be communicated to the Constabulary highlighting the required use of standard fuel over premium and this position be clearly established in the new policy to be created. Management Response: Specific – Need to Know/ In Touch to be put out highlighting the preferred use of standard fuel. Measurable – Over time and review should see a measurable decrease in use of premium fuel. Achievable – Yes. Relevant – Yes, decrease in premium fuel usage will ultimately drive down costs to the constabulary. Time Bound – Complete by 31 Oct 24	Completed at time TIAA report was finalised and evidence included in the final report
Audit Title: Review of Fleet - Fuel Usage Responsible Officer: Interim Head of Fleet Action due: 31/10/2024	R4 Recommendation (risk rating 3): The vehicle checklist be updated to include a field for who completed the checklist. Management Response: Specific – Update vehicle pre issue checklist to include staff completion element. Measurable – Yes, complete. Achievable – Yes. Relevant – Yes, allows the fleet team to track who commissioned the vehicle into service and process followed. Time Bound – Complete.	Completed at time TIAA report was finalised and evidence included in the final report

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Review of Fleet - Fuel Usage Responsible Officer: Superintendent Enabling Services /Corporate Support Paddy O'Hara Action due: 31/03/2025	<p>R5 Recommendation (risk rating 3): The process of monitoring fuel consumption should be updated to include a threshold for escalating issues to the Head of Fleet</p> <p>Management Response: Specific – Thresholds to be identified and implemented as part of Rec 1. Measurable – Once implemented tested to prove breaches identified and dealt with. Achievable – Yes. Relevant – Yes as per Rec 1. Time Bound – In line with Rec 1.</p>	Implemented
Audit Title: Review of Fleet - Fuel Usage Responsible Officer: Superintendent Enabling Services /Corporate Support Paddy O'Hara Action due: 31/03/2025	<p>R6 Recommendation (risk rating 3): Expenditure on premium fuels be included within the Fleet Detailed Budget Monitoring Reports alongside General fuel expenditure.</p> <p>Management Response: Specific – This is already conducted within the Allstar fuel returns however it is not actioned by local commanders who hold the devolved budgets. This needs to be strengthened and monitored in conjunction with policy creation. Measurable – Monitor returns for improvement. Achievable – Yes. Relevant – Yes, assist the fleet team to drive savings. Time Bound - In line with Rec 1.</p>	Implemented

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
Audit Title: Use of Force Reporting Responsible Officer: Chief Superintendent t Matt Kennerley Action due: 28/02/2025	R1 Recommendation (risk rating 2): Officers be reminded that recording reasons explaining why there is no body camera footage for use of force is mandatory. Management Response: S – This is specific in terms of a communications message out to officers to remind them of policy. M – It is measurable in the delivery of the message supported by posters in key locations. A - Achievable in use of Need-to-Know message. R- Realistic in terms of normal comms activity/reminders to officers. T – Deliverable by end of Feb 2025.	In the TIAA Follow Up report that went to JAC in March 2025, this action was agreed as completed by TIAA.
Audit Title: Use of Force Reporting Responsible Officer: Chief Superintendent t Matt Kennerley Action due: 28/02/2025 Revised deadline: TBC	R2 Recommendation (risk rating 2): A review into making actual usage of the taser be a mandatory field on usage of force forms to ensure completed data is submitted. Management Response: S – This is specific in terms of a review of the IT solution for Use of Force. M – It is measurable in the delivery of a technical meeting with DDAT resources and if not can be worked into discussions with future supplier. A - Achievable in short time as it is a meeting to consider system capability. R- Realistic in terms of delivery by meeting with DDAT and their review of a system. T – Deliverable by end of Feb 2025.	ACC Bird and DCC Blackwell have agreed to extend the deadline for this recommendation. Revised deadline date TBC at Org Board 10/09/2025 as it links to the finalisation of a business case for Pronto. Not yet due.

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Budgetary Control</p> <p>Responsible Officer: Financial Services Manager –Dawn Masters</p> <p>Action due: 30/04/2025</p>	<p>R1 Recommendation (risk rating 3):</p> <p>In accordance with the directions on the Budget Holders Responsibilities document that is signed by the budget holder, an acknowledgement of budgetary responsibility for any cost centre sub-delegated by the budget holder via the Budget Delegations document also be signed by the cost centre manager.</p> <p>Management Response:</p> <p>S – The budget acceptance and delegation sheet has been updated to include not only the name of any sub delegates but also their signature by way of demonstrating acceptance. This will become effective from the 2025/26 financial year.</p> <p>M – Budget returns will be checked to ensure compliance.</p> <p>A – Through sign off, the budget holders and sub delegate are accepting responsibility for the budget.</p> <p>R – This will improve budget responsibility and accountability with the Constabulary.</p> <p>T – Budget acceptance forms are due to be returned by 18/02/25, these will be collated and checked by the financial services team by 30/04/2025.</p>	<p>Implemented</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Budgetary Control</p> <p>Responsible Officer: Constabulary Chief Finance Officer – Michelle Bellis</p> <p>Action due: 31/03/2026</p>	<p>R2 Recommendation (risk rating 3): Continue to monitor budget savings exercises to provide assurance that the remaining budget gap over the next five years will be addressed.</p> <p>Management Response: As discussed with TIAA, there is a considerable programme of work underway to conduct reviews with the aim of identifying recurring budget savings to balance the current budget gap of £11m by 2029/30.</p> <p>S – Regular reporting against the in year targets will be continued through the Futures Programme Board, Strategic Management Board, COG Away Days and periodically to the OPFCC through the Executive board.</p> <p>M – The results will be measured through the savings delivered as a result of the reviews and changes made to the budget/MTFF going forward.</p> <p>A – Although the savings target is significant, every effort is being made to achieve the target without impacting on operational policing and whilst minimising the need for redundancies.</p> <p>R – Achievement of the savings is an important part of the requirement to Keep Cumbria Safe.</p> <p>T – The results of the phase 1 futures programme work will be identified and built into the budget setting process for 2026/27 and as such will be delivered by March 2026.</p>	<p>Implemented</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Use of Social Media</p> <p>Responsible Officer: OPFCC Governance Manager, Joanne Head</p> <p>Action due: 31/01/2025</p> <p>Revised:</p>	<p>R3 Recommendation (risk rating 3): The OPFCC to include a field on the internal audit reports of who completed the audit.</p> <p>Management Response: The OPFCC recognises the recommendation of the auditor and will be implementing this going forward.</p> <p>S – All six-monthly internal reports will be signed by the owner of the report.</p> <p>M – All reports with valid signature will highlight that this recommendation has been adopted.</p> <p>A – Head of Governance, Joanne Head, will take responsibility for signing all reports.</p> <p>R – This is a reasonable and realistic recommendation to be achieved.</p> <p>T – this will be adopted as part of the next six-month report in due to take place in January 2025.</p>	<p>Implemented</p>

Appendix A: Risk Classifications

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however, implementation of the recommendation would improve overall control.

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

Interim Auditor's Annual Report
Year ending 31 March 2025

24 September 2025



Contents

01	Introduction and context	03
02	Executive summary	05
03	Opinion on the financial statements and use of auditor's powers	09
04	Value for Money commentary on arrangements	12
	Financial sustainability	14
	Governance	16
	Improving economy, efficiency and effectiveness	19
Appendices		
A	Responsibilities of the Police, Fire and Crime Commissioner (the PFCC) and the Chief Constable (the CC)	23
B	Value for Money Auditor responsibilities	24
C	Follow-up of previous improvement recommendations	25

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 2024/25 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 2025 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 2024/25
- 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

Auditors of a local 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 12 with a commentary on whether any of these powers have been used during this audit period.

Value for money

We report our judgements on whether the PFCC and CC has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

The NAO has consulted on and updated the Code to align it to 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. This new deadline requirement is introduced from 30th November 2025 and applies to 2024/25 Audits.

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	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	A No significant weaknesses in arrangements identified, but two improvement recommendations.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendation made.
Governance	G Our work did not identify any areas where we considered that key or improvement recommendations were required.	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 PFCC's and CC's arrangements in respect of value for money.



Financial sustainability

The Police, Fire and Crime Commissioner and Chief Constable demonstrate a good track record of sound financial management including.

The group understands the challenges and risks to future financial sustainability which is articulated in its Medium Term Financial Forecast (MTFF) and the Futures Change Programme is planned to deliver savings to bridge funding gaps from 2026/27.

We have not reported any key or improvement recommendations in this area. We have concluded the improvement recommendations brought forward are addressed.

Further details can be found on pages 15-16 of our report.



Governance

The OPFCC and Constabulary have appropriate arrangements in place to manage risk and internal controls, set and monitor budgets, make properly informed decisions and ensure appropriate standards are in place.

The Head of Internal Audit provided a "Reasonable" opinion on the framework of governance, risk management and control in its overall adequacy and effectiveness for 2024/25.

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

Further details can be found on pages 17-19 of our report.



Improving economy, efficiency and effectiveness

Performance reporting is well-established across both the OPFCC and Constabulary. Regular performance reports help the PFCC and CC manage the delivery of strategic priorities.

The 2024-2025 PEEL inspection report from His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) congratulated the Constabulary for good performance.

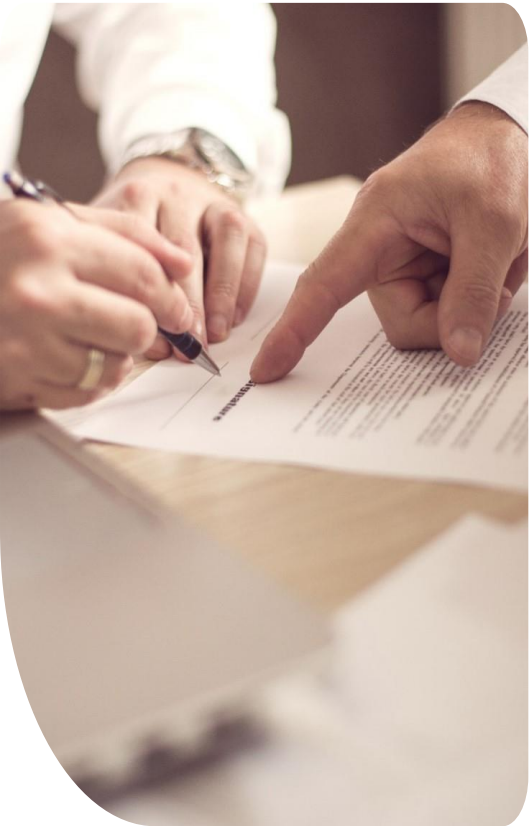
We have not reported any key or improvement recommendations in this area.

Further details can be found on pages 20-22 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	2024/25 outcome
Opinion on the Financial Statements: PFCC	We have nearly completed our audit of your financial statements and anticipate issuing an unqualified audit opinion on the financial statements for the year ended 31 March 2025, following the Joint Audit Committee meeting on 24 September 2025. Our findings are set out in further detail on pages 9 to 11.
Opinion on the Financial Statements: CC	We have nearly completed our audit of your financial statements and anticipate issuing an unqualified audit opinion on the financial statements for the year ended 31 March 2025, following the Joint Audit Committee meeting on 24 September 2025. Our findings are set out in further detail on pages 9 to 11.
Use of auditor’s powers	<p>We did not make any written statutory recommendations to the PPC or CC under Schedule 7 of the Local Audit and Accountability Act 2014.</p> <p>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.</p> <p>We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>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.</p>



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 anticipate issuing an unqualified opinion on the PFCC's and CC's financial statements following the Joint Audit Committee on 24 September 2025.

The full opinion is included in the PFCC's and CC's Annual Report for 2024/25, 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 2025 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 2024/25
- 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 Code of Audit Practice (2024) published by the National Audit Office, 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 2025.

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

We anticipate issuing the opinion on the financial statements in line with the national timetable

Our audit work did not identify any significant findings or adjustments to the financial statements submitted for audit.

Our IT audit work identified one recommendation but this is not considered to be a significant recommendation.

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 24 September 2025. 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 2024/25 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.



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.

All PFCC's and CC's 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. PFCC's and CC's 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. We provide an assessment of the overall arrangements, taking into consideration the individual arrangements at both the PFCC and CC; reporting clearly which body is impacted by any issues raised.

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 PFCC and CC 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 PFCC and CC 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 PFCC and CC 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	<p>The PFCC and Chief Constable demonstrate a history of strong financial management. Group net expenditure of £133.846m in 2024/25, compared to a budget of £134.365m resulted in an underspend of £0.519m representing 0.39% of the total net revenue budget. This comprises £0.096m (0.44%) underspend on budgets managed by the Commissioner and a £0.423m (0.27%) underspend on Constabulary budgets.</p> <p>The PFCC and CC budget for 2025/26, approved by the PFCC and Police, Fire and Crime Panel in February 2025, following the approval of the proposed precept was balanced. The budget is underpinned by reasonable financial assumptions and is not reliant on the use of general fund reserves or realising planned savings to bridge funding gaps. However, the MTFF shows a budget deficit of £2.3m in 2026/27 rising to £11m by 2029/30. A savings and efficiency plan is being progressed as part of the Constabulary ‘Futures Programme’ to address the deficit. In the event that this is not achieved, reserves will be required to bridge the gap and will result in the level of reserves depleting more quickly than indicated within the Reserves Strategy.</p>	G
plans to bridge its funding gaps and identify achievable savings	<p>The 2024/25 and 2025/26 Group budgets did not require savings to be delivered to bridge funding gaps. However cumulative savings of £11m are required to be delivered before 31 March 2029. To set a balanced budget for 2026/27 savings of £2.3m are required.</p> <p>While there was no requirement to bridge funding gaps in 24/25 and 25/26 the Constabulary’s Futures Change Programme has delivered savings which will be transferred into reserves and drawn down as required. The savings requirement for 2025/26 has been identified with further reviews in progress planned to deliver additional savings. Oversight and reporting is provided to the Executive Board.</p>	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

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 and CC have established financial planning processes that support the sustainable delivery of services aligned with strategic and statutory priorities. The MTFF is critical to the delivery of the financial strategy in support of the PFCC's Police, Fire and Crime Plan 2025-2029 and statutory policing requirement. The Police, Fire and Crime Plan was approved by the Police, Fire and Crime Panel in October 2024. The Plan is structured around five key themes and progress against these priorities is monitored through performance reports presented at Public Accountability Conferences, which inform both the annual budget and the Medium-Term Financial Plan.	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 and investment decisions align to the Police, Fire and Crime Plan 2025 - 2029 and key strategies and plans such as commissioning activity, workforce projections, Estates Strategy, the Reserves Strategy and Capital Strategy, which are underpinned by the Capital Programme and Treasury Strategy. Capital investment is aligned to the Capital Strategy and any new bids not approved in principle are subject to Full Business Case approval.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Arrangements are in place to identify and manage risks to financial resilience. Quarterly revenue and capital monitoring reports provide detailed insights into projected revenue outturns and capital budget performance, along with explanations for any variances and identified risks. The OPFCC and Constabulary maintain risk registers, reviewed biannually by the Joint Audit Committee (JAC). The budget and MTFF process spans several months and involves detailed submissions, challenge sessions, and consideration of key assumptions such as inflation, council tax, and workforce planning. Sensitivity analysis is also conducted to assess the potential impact of changes in critical variables, including inflation rates.	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

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

Rating

<p>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</p>	<p>The OPFCC and Constabulary have arrangements in place to identify and manage risk which is embedded in its governance structures and supported by Risk Management Strategies. Both entities maintain individual risk registers which are reviewed quarterly. Strategic risks for both bodies are reported biannually to the Joint Audit Committee (JAC) for scrutiny.</p> <p>The Internal Audit providers ensure assurance is provided to JAC summarising progress against the Internal Audit Plan and the outcome of work completed; including any fraud and irregularity work. The Head of Internal Audit provided a “Reasonable” opinion on the framework of governance, risk management and control in its overall adequacy and effectiveness for 2024/25. This reflects two Limited Assurance opinion reports. Reporting also provides an update on the status of actions arising from recommendations made in internal audit reports. A number of internal audit recommendations from the 2022/23 and 2023/24 reporting periods remained outstanding at year end, with several having passed their original deadlines. Deadline extensions have been granted and follow-up work is ongoing. We have not made an improvement recommendation in this area as arrangements are in place to review all outstanding recommendations by the incoming Internal Audit Provider.</p> <p>Anti-fraud and whistleblowing policies are in place and a biennial review of effectiveness of anti fraud and corruption arrangements is completed. Reporting to JAC in June 2025 confirmed there had been no fraud or allegations, concluding that systems in place were operating effectively.</p>	<p>G</p>
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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

approaches and carries out its annual budget setting process	The annual budget setting process is built around the MTFF and involves collaboration between the PFCC, CC and key stakeholders. The draft budget is presented in January and approved in February each year, with a mid-year review in September to assess funding, savings, capital plans, reserves, and risks. Public and stakeholder engagement is integral and includes consultations with residents, businesses, staff, and unions. An independent review of the 2025/26 budget confirmed the underlying assumptions were reasonable.	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	There are well established procedures in place for budget monitoring and reporting. Chief Officer Group now receive financial reporting Quarterly which aligns with quarterly reporting to Executive Board and summary financial reporting to the Police, Fire and Crime Panel. Financial reports presented a mix of numbers, diagrams, and narrative detailing performance and plans to understand and address variances. They provide detailed forecasts for both revenue and capital budgets and include high-level summaries to support decision-making.	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

<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The OPFCC and Constabulary have arrangements in place to ensure that appropriate and properly informed decisions are made; documented within the Joint Corporate Governance Framework and detailed within the Decision Making Policy. Executive Board, JAC and Police, Fire and Crime Panel (PFCP) receive clear, well-structured reports enabling effective discussion, scrutiny and challenge. Key decisions made by the PFCC are published online in accordance with the requirements of the Police Reform and Social Responsibility Act 2011. The JAC met four times in 2024/25 and demonstrated effective oversight in line with CIPFA guidance. Its terms of reference were last reviewed in February 2025, and minutes show evidence of appropriate challenge. Attendance was consistent, with no concerns over turnover.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The OPFCC and Constabulary have defined the roles of its key officers, supported by Codes of Conduct and policies and procedures to ensure compliance with legal and regulatory standards; for example the Scheme of Delegation and transparent declarations of interests and gifts and hospitality. Arrangements are also in place to meet legislative and regulatory standards where services are procured or commissioned. No breaches of legislation, serious data breaches, or compromise agreements were reported during the 2024/25 period.</p> <p>The Force Professional Standards Department is responsible for investigating complaints and misconduct allegations against police staff and officers. The Community Scrutiny Panel promotes ethical values within the OPFCC and Constabulary. The Panel meet on a quarterly basis and produce an annual report highlighting the work completed in year. The Panel receives a report on public complaints, misconduct and grievances.</p> <p>Vetting helps mitigate the risks associated with employing an unsuitable person in the police service. We confirmed with the Constabulary that the process in place aligns with the Authorised Professional Practice (APP) and relevant regulations and that there isn't a large backlog or long delays in reviewing and processing applications.</p>	<p>G</p>

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	<p>Arrangements are in place to report upon financial and non-financial performance. Performance reporting is well-established across both the OPFCC and Constabulary. Performance is monitored weekly by the Chief Officer Group and formally reviewed at quarterly Public Accountability Meetings, which assess progress against the Police, Fire and Crime Plan. Reports include detailed KPIs and highlight any areas requiring attention through exception reporting. Benchmarking is also embedded in performance reporting, comparing Cumbria’s performance with other forces.</p> <p>The 2024/25 end-of-year performance overview for the Constabulary was presented at the Public Accountability Conference in June 2025. The report identifies priorities and areas of focus for 25/26 based on the performance of KPIs recorded, including addressing cybercrime and reflecting on areas of local/ national concern, such as the knife attack in Southport in July 2024.</p> <p>In March 2025, the Constabulary ranked 6th place nationally, answering 88.3% of 999 calls within 10 seconds.</p> <p>The PFCC’s Annual Governance Statement outlines strong data governance practices, including secure data handling, regular staff training, and oversight by a shared Data Protection Officer. Data-sharing is supported by formal agreements, and suppliers are bound by robust contractual safeguards. The Constabulary has continued its digital transformation through a strategic partnership with Mark43, aimed at replacing legacy systems with a fully integrated platform. This new system will allow for seamless data flow between modules and enhances operational efficiency by improving data consistency - such as reducing the need for officers and staff to enter the same information multiple times. Phase 1 of the programme has been successfully delivered, and the Force is now moving into Phase 2, which is scheduled for completion by early 2027.</p>	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

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

Rating

evaluates the services it provides to assess performance and identify areas for improvement	In July 2024, HMICFRS published its 2023-2025 PEEL inspection report for Cumbria Constabulary, commending the force's overall performance. The Constabulary was assessed across nine areas, receiving one 'Outstanding', six 'Good', and two 'Adequate' ratings. No criteria were rated "Requires Improvement" or "Inadequate". Workforce support - especially for student officers was described as outstanding. The Public Accountability Conference and internal HMICFRS Board receive regular updates on inspection activity and in July 2025, HMICFRS confirmed the Constabulary was in a strong position, with recommendations being addressed at pace.	G
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	<p>The Police, Fire and Crime Plan 2025–2029 highlights the extensive engagement with stakeholders, including public consultations and collaboration with community organisations. The plan also sets out mechanisms for ongoing review to ensure priorities are monitored and delivery remains on track.</p> <p>The PFCC and CC deliver their roles within significant partnerships. In the reporting period, the PFCC and CC actively participated in various partnerships such as the Safer Cumbria Board and the PFCC supported initiatives such as Get Safe Online to combat online crime. The 2023–2025 PEEL inspection praised Cumbria Police's effective collaboration with partners to address local issues and enhance safety.</p> <p>In addition, the PFCC and CC are developing their collaborative and shared working arrangements with the Fire Authority to seek efficiencies and develop new ways of working. A Joint Executive Board (working Together) works alongside the existing Boards looking at shared working opportunities, particularly around back-office functions. The Board meets every six weeks and is attended by representatives from the OPFCC, Constabulary, Fire Authority and Blue light collaboration manager. New initiatives include a joint Estates Strategy, a joint procurement and commercial arrangement and shared payroll and IT support services.</p>	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

commissions or procures services, assessing whether it is realising the expected benefits	The OPFCC and Constabulary have established arrangements to effectively identify and manage key contracts. These are supported by up-to-date procurement and financial regulations that ensure compliance with relevant standards. A contracts register is maintained to support oversight, and we observed evidence of regular performance monitoring through structured reporting, including service delivery metrics and key performance indicators.	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.

05 Appendices

Appendix A: Responsibilities of the Police, Fire 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 Chief Constable'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

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	Following the initiation of the 'Futures Programme', we recommend that the PFCC and CC continue to develop a detailed savings plan in support of the budget and MTFF and to enable internal monitoring of progress against them.	2023/24	The Futures Programme is in delivery phase and progress against the plan is provided through reporting to Executive Board.	Recommendation closed	No
IR2	The Police, Fire and Crime Commissioner and Constabulary should publish their sustainability strategy and detailed action plan. The financial implications of this action plan should be built into the MTFF.	2023/24	Sustainability measures and initiatives have been identified and built into individual strategies and projects for example the Estates Strategy, Fleet Strategy and mileage policy and initiatives such as the cycle to Work Scheme and Salary sacrifice – low emission car scheme.	Recommendation closed	No



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The draft Joint Audit Findings (ISA 260) Report for The Police, Fire and Crime Commissioner for Cumbria and The Chief Constable of Cumbria Constabulary

Year ended 31 March 2025

24 September 2025



**The Police, Fire and Crime Commissioner for Cumbria and
Chief Constable of Cumbria Constabulary**

Carleton Hall
Penrith
Cumbria
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24 September 2025

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Dear Police, Fire and Crime Commissioner and Chief Constable

Joint Audit Findings for The Police, Fire and Crime Commissioner for Cumbria and Chief Constable of Cumbria Constabulary for the 31 March 2025

This Joint Audit Findings Report presents the observations arising from the audit that are significant to yourselves as those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

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 expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.



We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf \(grantthornton.co.uk\)](#).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Elizabeth Luddington

Director
For Grant Thornton UK LLP

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Contents

Section	Page
Headlines and status of the audit	5
Materiality	11
Overview of significant and other risks identified	14
Group audit	22
Other findings	24
Communication requirements and other responsibilities	29
Audit adjustments	33
Value for money	39
Independence considerations	41
Appendices	44

Headlines and status of the audit

Headlines

This table summarises the key findings and other matters arising from the statutory audits of The Police, Fire and Crime Commissioner for Cumbria (the 'PFCC') and The Chief Constable of Cumbria Constabulary and the preparation of the PFCC's and Chief Constable's financial statements for the year ended 31 March 2025 for those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion the financial statements:

- give a true and fair view of the financial positions of the PFCC, Group and Chief Constable's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with each set of audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise whether this information appears to be materially misstated.

Our audit work was completed remotely during July- September. Our findings are summarised on the following pages. We have not identified any adjusted or unadjusted misstatements in the PFCC or Chief Constable financial statements. A small number of misclassification and disclosure changes were identified, which are detailed on pages 34 to 36.

We have raised a recommendation for management as a result of our audit work. This is set out on page 37. Our follow up of recommendations from the prior year's audit is detailed on page 38.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion for the PFCC's financial statements (including the financial statements which consolidate the financial activities of the Chief Constable) or the Chief Constable's financial statements or material changes to the financial statements, subject to the following outstanding matters:

- receipt of responses to our outstanding queries with the valuer to allow completion of our work on land and building revaluations;
- receipt of responses to our outstanding queries with the actuary and receipt of IAS 19 assurances from the Pension Fund Auditor and finalisation of our pensions work linked to those assurances;
- finalisation of our work on the PFI liability and cash;
- manager and engagement lead final reviews;
- receipt of management representation letters; and
- review of the final sets of financial statements and Annual Governance Statement.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisations and the financial statements we have audited.

Our anticipated financial statements audit report opinions will be unmodified. We anticipate signing your accounts following the September JAC meeting.

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance.

We have completed our VFM work, which is summarised on page 40, and our detailed commentary is set out in the separate Joint Auditor's Annual Report, which is presented alongside this report.

We are satisfied that the PFCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the 'Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not applied any of the additional powers and duties ascribed to us under the Act.

We have completed the majority of work required under the Code. However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until confirmation has been received from the NAO that the group audit (Department of Health & Social Care for NHS and Whole of Government Accounts for non-NHS) has been certified by the C&AG and therefore no further work is required to be undertaken in order to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

There continues to be a high level of engagement from the finance team, which greatly assists with the delivery of an efficient and effective year end audit process.

Headlines

National context – audit backlog

Government proposals around the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and to enable the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Headlines

Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for police bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised 'on balance sheet' by the lessee except where there are :

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS17 where operating leases were charged to expenditure. The principles of IFRS16 also apply to the accounting for PFI liabilities.

The principles of IFRS 16 also apply to the accounting for PFI liabilities.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

Impact on the PFCC, Chief Constable, and group accounts

Implementation of IFRS 16 has not had a significant financial impact on the statement of accounts. There was one peppercorn lease which has been recognised appropriately under IFRS 16 and measured at fair value for the recognition of the Right of Use asset. The gain was recognised in the Comprehensive Income and Expenditure Statement and transferred to the Capital adjustment account.

Accounting policies and disclosures have been updated to reflect the requirements of the new standard. A disclosure is included in the Notes within the Critical Judgements in Applying Accounting policies section to disclose the implications for accounting treatment of arrangements between the Chief Constable (CC) and the Police Fire and Crime Commissioner (PFCC), as to whether these arrangements may constitute a lease agreement under the revised guidance in CIPFA Bulletin 20.

We assessed the accounting and disclosure of the Right of Use assets and corresponding lease liabilities and our review of has not identified any matters to bring to your attention

Materiality

Three decorative purple arcs of varying radii are positioned on the right side of the slide, starting from the bottom and curving upwards and to the right.

Our approach to materiality

As communicated in our Audit Plan dated 30 April 2025, we determined materiality at the planning stage as £4.430m based on 2.5% of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the draft consolidated financial statements and concluded that we will not update materiality from the amounts determined at planning.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PFCC and the Chief Constable for the financial year. In the prior year we used the same benchmark. For our audit testing purposes we apply the lowest of these materialities, which is £4.430m (PY £3.415m), which equates to 2.5% (PY 2%) of the PFCC's prior year gross expenditure.
- Materiality levels remain the same as reported in our audit plan on 30 April 2025.

Performance materiality

We have determined component performance materialities to be set at between £3.323m and £3.825m. For our audit testing we have applied the lowest of these, which is £3.323m, which equates to 75% of the Chief Constable's financial statements materiality.

Specific materiality

Materiality has been reduced to £0.049m for senior officer remuneration disclosures due to the sensitive nature and public interest. This has changed slightly on the amount reported in the plan as we update the figure upon receipt of the draft 2024/25 statement of accounts.

Reporting threshold

We will report to you all misstatements identified in excess of £0.222m, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our approach to determining materiality is set out below.

	Group (£)	PFCC (£)	Chief Constable (£)	Qualitative factors considered
Materiality for the financial statements	5.100m	4.540m	4.430m	Financial performance, focussing on the expenditure.
Performance materiality	3.825m	3.405m	3.323m	Quality of working papers in prior year and client’s response to audit processes.
Specific materiality for senior officer remuneration	0.049m	0.049m	0.049m	Materiality has been reduced for remuneration disclosures due to the sensitive nature and public interest.
Reporting threshold	0.255m	0.227m	0.222m	The amount below which matters would be considered trivial to the reader of the accounts.

Overview of significant and other risks identified

Overview of audit risks

The below table summarises the significant and other risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor’s judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Relates to	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Group	Significant	↔	✓	Low	●
Valuation of land and buildings	PFCC	Significant	↔	✗	High	TBC - ●
Valuation of the pension fund net asset/liability	Group	Significant	↔	✗	High	TBC - ●
IFRS 16 implementation	PFCC	Other	↔	✗	Low	●

- ↑

 Assessed risk increase since Audit Plan
- ↔

 Assessed risk consistent with Audit Plan
- ↓

 Assessed risk decrease since Audit Plan
- Not likely to result in material adjustment or change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p>We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>PFCC/CC/ Group</p>	<p>We have:</p> <ul style="list-style-type: none"> • reviewed accounting estimates, critical judgements and significant decisions made by management; • evaluated the design and implementation of controls; • reviewed accounting policies and any changes to those policies; • tested journals entries for appropriateness; and • reviewed unusual significant transactions. 	<p>In performing the procedures above, we identified a population of journals to test using data analytic software to analyse journal entries and to split large batch journals into smaller sets of transactions that support targeted testing based on specific risk criteria assessed by the audit team. These criteria included:</p> <ul style="list-style-type: none"> • Post year-end journals • Year-end journals • Year-end expenditure accrual journals • Journals posted by senior management • Credits to expenditure codes above 50% of performance materiality • Off ledger adjustments <p>Application of these routines and supplementary procedures identified a total sample of 26 journals to test.</p> <p>As part of our review of journal procedures we continue to note that only journal lines over £50k are approved by senior management, journal lines which are less than £50k, are not approved. Our sample testing of journals, including those where journal lines were less than £50k did not identify any matters for concern with all journal lines appropriate and reasonable, we did not raise a recommendation in respect of this.</p> <p>Furthermore, the Group Accountant has the ability to self-approve journal lines over £50k. Management have confirmed that the Group Accountant did not authorise any of her own journals during 2024/25. As part of our journals testing, we reviewed all journals posted by the Group Accountant which were above 50% of PM and confirmed that all of these journals had been approved. As a result, we have closed our prior year recommendation.</p> <p>Our journals work is complete and did not identify any evidence of management over-ride of controls.</p> <p>We did not identify any changes in accounting policies or estimation processes and our review of key estimates has not identified any matters to bring to your attention.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240, there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.</p> <p>During our audit planning, we considered the risk factors set out in ISA (UK) 240 and the nature of the revenue streams of the PFCC and the Chief Constable, and determined that the risk of fraud arising from revenue recognition could be rebutted. The assessment detailed in our Audit Plan remains appropriate.</p>	<p>PFCC/CC/Group</p>	<p>As set out in our Audit Plan, we do not consider this to be a significant risk for the PFCC and Chief Constable.</p> <p>Having considered the risk factors set out in ISA (UK) 240 and the nature of the revenue streams of the PFCC and the Chief Constable, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; • the majority of revenue received by the PFCC derives from taxation and grant income which is difficult to manipulate; • all revenue received by the Chief Constable comes from the PFCC; and • the culture and ethical frameworks of public sector bodies, including the Chief Constable comes from the PFCC, mean that all forms of fraud are seen as unacceptable. <p>Whilst revenue recognition was not identified as a significant risk, we have carried out procedures and detailed testing of material revenue streams to gain assurance over this area.</p> <p>We tested, on a sample basis, material revenue transactions, ensuring that it remained appropriate to rebut the presumed risk of revenue recognition.</p>	<p>The income from Council Tax for 2024/25 is received as a precept from the two unitary councils as set out in note 28 of the financial statements. At the time of preparing the financial statements for 2024/25, the unitary councils had not provided the Commissioner with his share of the fund balances as at 31 March 2025. The figures included in the financial statements are therefore shown as the same as in 2023/24.</p> <p>During the audit, management received confirmation from Cumberland Council regarding the PFCC share of the draft 2023/24 collection fund and confirmation from Westmorland and Furness Council regarding the PFCC share of the draft 2024/25 collection fund. However, management are of the view that the figures in the financial statements will not be amended on the grounds of materiality and that the figures in relation to 2024/25 for Cumberland Council are unlikely to be provided until November 2025. We are comfortable with management's assessment.</p> <p>We did not identify instances of fraudulent revenue recognition or any reason to change our assessment of the risk in this area.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>The expenditure cycle includes fraudulent transactions</p> <p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p> <p>During our audit planning, we identified and completed a risk assessment of all expenditure streams for the PFCC and Chief Constable. We rebutted the presumed risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams due to the low fraud risk in the nature of the underlying nature of the transactions. Employee costs account for 73% of expenditure and therefore we deemed the overall risk that expenditure may be misstated due to improper recognition of expenditure to be low. The assessment detailed in our Audit Plan remains appropriate.</p>	<p>PFCC/CC/ Group</p>	<p>As the risk has been rebutted, we do not consider this to be a significant risk for the PFCC or Chief Constable and standard audit procedures have been carried out.</p> <p>We have:</p> <ul style="list-style-type: none">• reviewed and tested, on a sample basis, expenditure transactions, ensuring that it remains appropriate to rebut the presumed risk of expenditure recognition.• designed and carried out appropriate audit procedures to ascertain the recognition of expenditure is in the correct accounting period using cut-off testing.	<p>We did not identify instances of fraudulent expenditure recognition or any reason to change our assessment of the risk in this area.</p> <p>Our work on completeness did not identify any items recorded in the wrong period.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of land and buildings</p> <p>The PFCC and Group revalue their land and buildings on a rolling two-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved, £66.6m as at 31 March 2025 and the sensitivity of this estimate to changes in key assumptions.</p> <p>The valuation of land and buildings is a key accounting estimate which is derived, depending on the valuation methodology, from assumptions that reflect market observations and the condition of the asset at the time.</p> <p>However, the valuation methodology for land and buildings is specified in detail in the CIPFA Code and the sector is highly regulated by RICS, therefore we will focus our audit attention on assets that have large and unusual changes and/or approaches to the valuation of land and buildings, as a significant risk requiring special audit consideration.</p>	PFCC and Group	<p>We have:</p> <ul style="list-style-type: none">evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;evaluated the competence, capabilities and objectivity of the valuation expert;written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the code are met;challenged the information and assumptions used by the valuer to assess the completeness and consistency with our understanding;evaluated the valuer’s report to identify assets that have large and unusual changes and/ or approaches to the valuation – these assets will be substantively tested to ensure the valuations are reasonable;tested a selection of asset revaluations performed during the year to see if they have been input correctly into the PFCC and Group asset register, revaluation reserve and Comprehensive Income and Expenditure Statement; andevaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially difference from current value at year-end.	<p>Our work on valuation of land and buildings is ongoing, we are still awaiting final responses to queries from management’s expert.</p> <p>Our review of the calculations performed by the valuer showed that the valuations had been based on realistic and sound assumptions supported by appropriate evidence including floor and site plans, building rate costs and rationale for various obsolescence factors applied.</p> <p>Based on our audit work completed we are satisfied that the value of Property, Plant and Equipment is not materially misstated within the financial statements.</p> <p>Our work identified that the PFCC and Group have used a draft version of the report from the valuer with figures provided at 05/03/25 to process the transactions relating to revaluations through the general ledger. The finalised report dated 01/04/25 has therefore not been reflected. The difference between the two versions accounts for £370k of the difference (Barrow -£120k, Workington +£140k, Durranshill -£290k, Windermere -£20k, Longtown -£20k and Egremont -£60k). As the error is not material the client does not intend to amend until 2025/26. We have included an unadjusted error in relation to this on page 35.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of the pension asset / liability (Local Government Pension Scheme (LGPS) and Police Pension Fund (PPF))</p> <p>The PFCC and Chief Constable’s pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (PPS - £977m and LGPS - £645k (due to impact of asset ceiling) at 31 March 2025) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Group’s pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	Chief Constable and Group	<p>We have:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the PFCC and Chief Constable’s pension fund net liability is not materially misstated and evaluated the design of the associated controls; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary’s work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Group’s pension fund valuation; • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performed the additional procedures suggested with the report, including confirmation of the scope of the actuary’s work and whether the application of IFRIC 14 has been considered; and • obtained assurances from the auditor of Cumbria Local Government Pension Scheme as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. 	<p>We requested assurances from the auditor of Cumbria Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.</p> <p>We have not yet received these assurances.</p> <p>Pages 26 and 27 provide a detailed assessment of the estimation process for the valuation of the pension fund net liability.</p> <p>Our work reviewing the assumptions used in calculating the net pension liability/surplus of both schemes is ongoing. We have raised a query with the actuary around the mortality ranges; who are liaising with our auditor’s expert on this matter.</p>

Other risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>IFRS 16 Implementation</p> <p>IFRS 16 Leases is now mandatory for all Local Government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p> <p>In the public sector, the definition of a lease has been extended to include the use of assets for which little or no consideration is paid, often called “peppercorn” rentals. This is one instance where the right of use asset and its’ associated liability are not initially recognised at the same value. For peppercorn rentals, the right of use assets are initially recognised at market value. Any difference between market value and the present value of expected payments is accounted for as income. This has similarities with the treatment of donated assets.</p> <p>Key judgements include</p> <ul style="list-style-type: none">• determining what is deemed to be a low value lease. This is based on the value of the underlying asset when new and is likely to be the same as the authority’s threshold for capitalising owned assets;• determining whether an option to terminate or extend the lease will be exercised. This is important as it affects the lease term and subsequently the calculation of the lease liability based on the expected payments over the lease term; and• the valuation of the right of use asset after recognition. An expert valuer may be required to support management in this. <p>We therefore identified completeness of the identification of relevant leases and valuation as a risk.</p>	PFCC/CC/Group	<p>We have:</p> <ul style="list-style-type: none">• reviewed the processes and controls put in place by management to ensure that the implementation of IFRS 16 complete, accurate and not materially misstated. We will also evaluate the design of the associated controls;• reviewed the proposed accounting policy and agree disclosures presented in the financial statements to underlying accounting records and calculations; and• reviewed management’s lease accounting calculations and assess the accuracy and appropriateness of the inputs and assumptions used including lease term, discount rate and annual rentals	<p>We noted that the cashflow statements included the b/f balance of the ROUA of £2,154k, donated asset (peppercorn lease) balance of £310k and c/f balance of the lease liabilities of £1,847k within the section - The Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities. We note that these are not real inflows/outflows and therefore management have updated to exclude these from the Cash Flow Statement. See disclosure adjustments on page 34.</p>

Group audit

Group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our final group scoping, as well as the status of work on each component.

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Status	Comments
Police, Fire and Crime Commissioner for Cumbria	Yes	Full audit	Full audit	●	Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion for the PFCC’s financial statements, subject to the outstanding matters listed on page 6.
Chief Constable of Cumbria Constabulary	Yes	Full audit	Full audit	●	Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion for the Chief Constable’s financial statements, subject to the outstanding matters listed on page 6.

- Planned procedures are incomplete and/or significant issues have been identified that require resolution.
- Planned procedures are ongoing/subject to review with no known significant issues.
- Planned procedures are substantially complete with no significant issues outstanding.

Other findings

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Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Key judgement or estimate	Relates to	Summary of management’s approach	Auditor commentary	Assessment
Valuation of land and buildings £66.575m at 31 March 2025	PFCC/Gro up	<p>Land and buildings comprise £66.575m of specialised assets such as police stations, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of the other land and buildings (£300k) are not specialised in nature and are measured at Fair Value (IFRS 13) in accordance with CIPFA and RICS guidelines.</p> <p>The PFCC has engaged Carigiet Cowen to complete the valuation of properties as at 31/03/2025 on a two-yearly cyclical basis. 56% of total assets were revalued during 2024/25.</p> <p>Management have considered the year end value of non-valued properties, and the potential valuation change in the assets last revalued at 31/03/2024. This assessment has not identified a material movement since the last valuation date of 31/03/2024. Based on review, we are satisfied that the potential valuation movement since the previous valuation date and 31/03/25 is not material.</p> <p>The total year end valuation of land and buildings was £66.575m, a net increase of £2.8m from 2023/24 (£63.775m).</p>	<p>The PFCC’s accounting policy on valuation of land and buildings is included in Statement of Accounting Policies Annex, note 17 to the financial statements.</p> <p>Key observations</p> <p>The values in the valuation report have been used to inform the measurement of property assets at valuation in the financial statements. We have:</p> <ul style="list-style-type: none">assessed the qualifications, skills and experience of the Valuer and determined the service to be appropriate;reviewed the underlying information prepared by the PFCC and supplied to the Valuer and considered it to be complete and accurate; andconcluded that the Valuer prepared their valuations in accordance with the RICS Valuation – Global Standards using the information that was available to them at the valuation date in deriving their estimates. <p>Our review of the calculations performed by the valuer, demonstrated that the calculations had been based on realistic and sound assumptions supported by appropriate evidence at the time the work was completed as outlined on page 19.</p> <p>Conclusion</p> <p>Based on our audit work performed, we are satisfied that the estimate of your land and buildings valuation is not materially misstated, although as noted on page 19 this is not yet complete.</p>	<p>Green</p> <p>We consider management’s process is appropriate and key assumptions are neither optimistic or cautious</p>

Assessment

- Red [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- Amber [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- Grey [Grey] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- Green [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates









Key judgement or estimate	Relates to	Summary of management’s approach	Auditor commentary	Assessment																								
<p>LGPS net pension liability</p> <p>£0.645m at 31 March 2025</p> <p>IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the Balance Sheet and whether any additional liabilities are required in respect of onerous funding commitments.</p> <p>IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.</p>	PFCC/Group /Chief Constable	<p>The PFCC and Chief Constable’s Local Government Pension Scheme net pension surplus at 31 March 2025 is nil (PY: nil) for the funded benefits scheme and £0.645m (PY £0.733m) for the unfunded benefits, comprising the Cumbria Local Government Pension Scheme obligations.</p> <p>The PFCC and Chief Constable uses Mercer to provide actuarial valuations of the PFCC's and Chief Constable’s assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2023. Small changes in assumptions can result in significant valuation movements in the net pension liability/surplus. There has been a £29.102m net actuarial gain during 2024/25.</p>	<p>We have:</p> <ul style="list-style-type: none">Assessed management’s expertAssessed the actuary’s approach taken, detail work undertaken to confirm reasonableness of approach <p>We have no concerns over the competence, capabilities and objectivity of the actuary by the Authority.</p> <p>We have used the work of PWC, as auditor’s expert, to assess the actuary and assumptions made by the actuary – see below considerations of key assumptions in your pension fund valuation:</p> <table><tr><th>Assumption</th><th>Actuary value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.90%</td><td>5.70% - 5.90%</td><td>Reasonable</td></tr><tr><td>CPI inflation</td><td>2.60%</td><td>2.60% - 2.70%</td><td>Reasonable</td></tr><tr><td>Salary growth</td><td>4.10%</td><td>3.10% - 5.20%</td><td>Reasonable</td></tr><tr><td>Life expectancy – Males currently aged 45/65</td><td>22.8/21.5</td><td>22.4-23.0 20.7-21.4</td><td>Outside of expectation</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>25.7/24.0</td><td>22.4-25.3 20.7-23.6</td><td>Outside of expectation</td></tr></table> <p>The assumption adopted for mortality is within range for all except current male pensioners and current and future female pensioners which are outside the range used by the actuary that PwC concluded is reasonable. We have contacted the actuary regarding this but don’t believe it will have a material impact.</p>	Assumption	Actuary value	PwC range	Assessment	Discount rate	5.90%	5.70% - 5.90%	Reasonable	CPI inflation	2.60%	2.60% - 2.70%	Reasonable	Salary growth	4.10%	3.10% - 5.20%	Reasonable	Life expectancy – Males currently aged 45/65	22.8/21.5	22.4-23.0 20.7-21.4	Outside of expectation	Life expectancy – Females currently aged 45/65	25.7/24.0	22.4-25.3 20.7-23.6	Outside of expectation	<p>Green</p> <p>We consider management’s process is appropriate and key assumptions are neither optimistic or cautious</p>
Assumption	Actuary value	PwC range	Assessment																									
Discount rate	5.90%	5.70% - 5.90%	Reasonable																									
CPI inflation	2.60%	2.60% - 2.70%	Reasonable																									
Salary growth	4.10%	3.10% - 5.20%	Reasonable																									
Life expectancy – Males currently aged 45/65	22.8/21.5	22.4-23.0 20.7-21.4	Outside of expectation																									
Life expectancy – Females currently aged 45/65	25.7/24.0	22.4-25.3 20.7-23.6	Outside of expectation																									

Other findings – key judgements and estimates





Key judgement or estimate	Relates to	Summary of management’s approach	Auditor commentary	Assessment																								
Police Pension Scheme liability £977m at 31 March 2025	Chief Constable/ Group	<p>The Chief Constable’s Police Pension Scheme liability at 31 March 2025 is £977m (PY £1.079bn). The Chief Constable operates three pension schemes for police officers, these are the 1987, 2006 and 2015 Police Pension Schemes.</p> <p>The Chief Constable uses GAD to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years.</p> <p>The last full actuarial valuation was completed in 2022. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investments returns.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £124.24m net actuarial gain during 2024/25.</p>	<p>We have:</p> <ul style="list-style-type: none">Assessed management’s expertAssessed the actuary’s approach taken, detail work undertaken to confirm reasonableness of approach <p>We have no concerns over the competence, capabilities and objectivity of the actuary by the Authority.</p> <p>We have used the work of PWC, as auditor’s expert, to assess the actuary and assumptions made by the actuary – see below considerations of key assumptions in your pension fund valuation:</p> <table><tr><th>Assumption</th><th>Actuary value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.65%</td><td>5.65%</td><td>Reasonable</td></tr><tr><td>CPI inflation</td><td>2.70%</td><td>2.70%</td><td>Reasonable</td></tr><tr><td>Salary growth</td><td>3.45%</td><td>3.45%</td><td>Reasonable</td></tr><tr><td>Life expectancy – Males currently aged 45/65</td><td>23.3/21.9</td><td>23.0 – 23.6 21.4 – 22.0</td><td>Reasonable</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>25.2/23.9</td><td>23.0 – 25.1 21.4 – 23.6</td><td>Outside of expectation</td></tr></table> <p>Our work reviewing the assumptions used in calculating the net pension liability is ongoing. We have raised a query with the actuary around the mortality ranges; who are liaising with our auditor’s expert on this matter.</p>	Assumption	Actuary value	PwC range	Assessment	Discount rate	5.65%	5.65%	Reasonable	CPI inflation	2.70%	2.70%	Reasonable	Salary growth	3.45%	3.45%	Reasonable	Life expectancy – Males currently aged 45/65	23.3/21.9	23.0 – 23.6 21.4 – 22.0	Reasonable	Life expectancy – Females currently aged 45/65	25.2/23.9	23.0 – 25.1 21.4 – 23.6	Outside of expectation	<div>● Green - TBC</div>
Assumption	Actuary value	PwC range	Assessment																									
Discount rate	5.65%	5.65%	Reasonable																									
CPI inflation	2.70%	2.70%	Reasonable																									
Salary growth	3.45%	3.45%	Reasonable																									
Life expectancy – Males currently aged 45/65	23.3/21.9	23.0 – 23.6 21.4 – 22.0	Reasonable																									
Life expectancy – Females currently aged 45/65	25.2/23.9	23.0 – 25.1 21.4 – 23.6	Outside of expectation																									

Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Oracle Fusion	Roll forward assessment					Non-significant deficiencies identified in IT controls relevant to the audit of financial statements in relation to access to elevated privileges. See page 36 for recommendation in relation to this.
Active Directory	Design and implementation testing					IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

Assessment:

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for assessment

Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the PFCC, Chief Constable and Joint Audit Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	<ul style="list-style-type: none"> We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	<ul style="list-style-type: none"> Letters of representation have been requested from both the PFCC and the Chief Constable.
Confirmation requests from third parties	<ul style="list-style-type: none"> We requested from management permission to send confirmation requests to the PFCC's banking and treasury partners. This permission was granted and the requests were sent. All of these requests were returned with positive confirmations.
Disclosures	<ul style="list-style-type: none"> Our review found no material omissions in the financial statements.
Audit evidence and explanations/significant difficulties	<ul style="list-style-type: none"> All information and explanations requested from management was provided. There were no significant challenges during the audit.

Other responsibilities

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <ul style="list-style-type: none">• Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:• The use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities• For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the PFCC and Chief Constable’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the PFCC and Chief Constable meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none">• the nature of the PFCC and Chief Constable and the environment in which they operates• the PFCC and Chief Constable’s financial reporting framework• the PFCC and Chief Constable’s system of internal control for identifying events or conditions relevant to going concern• management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none">• a material uncertainty related to going concern has not been identified for either the PFCC or the Chief Constable• management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Narrative Reports and Annual Governance Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>We have identified one error in the Finance review section: The statement "The budget provided funding for the Chief Constable of £158.014m comprising a £153.270m expenditure budget to support policing and an income budget of (£4.744m)" should read "The budget provided net funding for the Chief Constable of £158.014m comprising a £162.788m expenditure budget to support policing and an income budget of (£4.774m)" as per the figures in the approved budget and financial forecasts.</p> <p>No further inconsistencies have been identified. We plan to issue unmodified opinions in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the PFCC/Group/Chief Constable do not exceed the threshold.</p>
Certification of the closure of the audit	<p>We intend to certify the closure of the 2024/25 audits of the PFCC and Chief Constable in the audit reports, following the completion of the audit, which is subject to the conclusion of the outstanding matters listed on page 6.</p> <p>However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until confirmation has been received from the NAO that the group audit (Department of Health & Social Care for NHS and Whole of Government Accounts for non-NHS) has been certified by the C&AG and therefore no further work is required to be undertaken in order to discharge the auditor’s duties in relation to consolidation returns under paragraph 2.11 of the Code.</p>

Audit adjustments

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Audit adjustments - PFCC

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

No adjusted misstatements have been identified at the date of issuing our report. We will provide an update to Management and the Joint Audit Committee should any issues be identified from the remaining testing.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Cash Flow Statement	We noted that the Cash Flow Statements included the b/f balance of the ROUA of £2,154m, donated asset (peppercorn lease) balance of £310k and c/f balance of the lease liabilities of £1.847m within 'CF2 - The Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities'. We note that these are not real inflows/outflows.	✓
Note 2 - Critical Judgements in Applying Accounting Policies	Judgement around arrangements between Chief Constable and PFCC and whether these arrangements constitute a lease agreement under the revised guidance included in CIPFA Bulletin 20.	✓
Note 23 – Disclosure of Remuneration for Senior Employees	Head of Estates' remuneration excluded from table.	✓
Note 24 - Employee Remuneration	One employee identified as being included within the incorrect remuneration band.	✓
Note 33 - Pension Challenge	Disclosure in relation to potential impact of Virgin Media case to be included in note.	✓
Annex C - Statement of Accounting Policies (17.4 Depreciation)	The policy states 5 to 8 years for IT equipment, however one asset was found to have a useful life of 9 years.	✓
Typographical changes	A small number of typographical and consistency changes were made to the statements.	✓

Audit adjustments - PFCC

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of financial statements. Those charged with governance are required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
Our work identified that the PFCC and Group have used a draft version of the report from the valuer with figures provided at 05/03/25 to process the transactions relating to revaluations through the general ledger. The finalised report dated 01/04/25 has therefore not been reflected.				
The difference between the two versions accounts for £370k of the difference (Barrow -£120k, Workington +£140k, Durranshill -£290k, Windermere -£20k, Longtown -£20k and Egremont -£60k). As the error is not material the client does not intend to amend until 2025/26.				
Dr Revaluation reserve		370		
Cr PPE - Land & Buildings	Nil	(370)	Nil	Nil
Overall impact	Nil	Nil	Nil	Nil

Impact of unadjusted misstatements in the prior year

There were no unadjusted misstatements in the prior year.

Audit adjustments - Chief Constable

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

No adjusted misstatements have been identified at the date of issuing our report. We will provide an update to Management and the Joint Audit Committee should any issues be identified from the remaining testing.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Note 2 - Critical Judgements in Applying Accounting Policies	Judgement around arrangements between Chief Constable and PFCC and whether these arrangements constitute a lease agreement under the revised guidance included in CIPFA Bulletin 20.	✓
Note 17 - Employee Remuneration	One employee identified as being included within the incorrect remuneration band.	✓
Note 20 - Pension Challenge	Disclosure in relation to potential impact of Virgin Media case to be included in note.	✓
Typographical changes	A small number of typographical and consistency changes were made to the statements.	✓

Impact of unadjusted misstatements

No unadjusted misstatements have been identified at the date of issuing our report. We will provide an update to Management and the Joint Audit Committee should any issues be identified from the remaining testing.

Impact of unadjusted misstatements in the prior year

There were no unadjusted misstatements in the prior year.

Action plan

We set out here our recommendations for the PFCC and Chief Constable which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Medium</div></div>	<p>Users with elevated system privilege in Oracle Fusion</p> <p>During the review of privileged user access within Oracle Fusion, we noted that six users have access to elevated privileges which includes the role ‘Application Implementation Administrator’.</p> <p>This role is assigned when Oracle Fusion is first implemented, allowing the application to be configured as required. It permits a user to make changes to Oracle Fusion system configuration.</p> <p>Please refer to Appendix A for a list of users.</p> <p>Risk</p> <p>Elevated access could lead to inappropriate or unauthorized changes to data and functionality within Oracle Fusion. It also increases the risk that system-enforced internal control mechanisms could be bypassed resulting in users being able to:</p> <ul style="list-style-type: none">• Make unauthorised changes to system configuration parameters.• Create unauthorised accounts.• Make unauthorised updates to user account privileges	<p>It is recommended that Management performs a review of all users and their access rights in Oracle Fusion and confirm if these align with their designated roles and responsibilities.</p> <p>Management response</p> <p>S – During the audit period Oracle made a change to the Diagnostics Role requiring all those who needed this to assist with resolving issues to have the Application Implementation Administrator role assigned to them hence the change in role.</p> <p>M – However as not all users have been using the access, it has been decided to remove this access from some users and to reassign through the normal access authorisation process when the role is required.</p> <p>A – This will be achievable as soon as the relevant access forms have been completed and actioned by DDat.</p> <p>R – It is realistic to assume that users will not be impacted by the removal as it can be reassigned when necessary.</p> <p>T – The request was submitted to ICT to remove the roles and this was actioned by DDat on 9/4/25</p>

Key

- High – Significant impact on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Follow up of prior year recommendations

We identified the following issues in the audit of the PFCC and Chief Constable’s 2023/24 financial statements, which resulted in two recommendations being reported in our 2023/24 Audit Findings Report. We are pleased to report that management have partially implemented our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Journals</p> <p>Due to recent promotion, the Group Accountant has the ability to self-approve journal lines over £50k. While the Group Accountant is aware not to do this, there are no formal controls in place to prevent this from happening.</p> <p>We recommended that Management should implement formal controls to either prevent Group Accountant from self-authorising journal lines over £50k or to ensure these journals are reviewed by the CFO.</p> <p>Our 24/25 planning work has confirmed that there are still no formal controls in place to prevent this from happening.</p>	<p>To month 10 Lorraine had only entered 8 journals, 7 approved by Michelle Bellis and 1 approved by Keeley Hayton. The journal approved by Keeley contained a large number of lines but all of very small value - correcting overtime/NI from core cost centres to a specific operation cost centre.</p> <p>The majority of Lorraine’s journals are in relation to statutory adjustments and as such a full list of journals will be provided in the year end working papers.</p> <p>Management have confirmed that the Group Accountant did not authorise any of her own journals during 2024/25. As part of our journals testing, we reviewed all journals posted by the Group Accountant which were above 50% of PM and confirmed that all of these journals had been approved. As a result, we have closed our prior year recommendation.</p>
In progress	<p>Valuation of land and buildings - Gross Internal Area (GIA)</p> <p>Through our work agreeing the floor areas of the Constabulary HQ to supporting evidence, we noted that the GIA of the Stable Block had decreased significantly since the previous valuation in 2021/22. We challenged the external valuer on this who confirmed that the GIA used in the 2021/22 valuation was incorrect. The error has been corrected in year in 2023/24 following the revaluation of the Constabulary HO at 31 March 2024.</p> <p>We recommended that Management should ensure that floor areas used in valuations are correct to ensure that buildings are correctly valued.</p>	<p>A business case for replacement of the asset management has been approved and work is currently underway to procure and implement the system. A project board is overseeing the delivery which will provide the system across the PFCC estate, including both fire and police assets. The target date for implementation is September 2025.</p> <p>The valuer undertakes physical inspections of all assets valued as part of the annual exercise. This includes check measurements against floor plans.</p> <p>P Robinson 11/03/2025</p> <p>September update - The procurement phase of the Civica Asset Management system is now completed and the project is currently underway. The project is being prioritised by DDaT alongside other new system requirements with a final go-live date still to be confirmed.</p>

Assessment
✓ Action completed
X Not yet addressed

Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted on and updated the Code to align it to 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. This new deadline requirement is introduced from November 2025.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

In undertaking this work we have not identified any significant weaknesses in arrangements. Our Joint Auditor's Annual Report accompanies this Audit Findings Report.

Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, there are no independence matters that we would like to report to you.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. No such breaches have been identified by team.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Authority's Ethical Standard. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Chief Constable, PFCC and Group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Chief Constable, PFCC and Group.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below sets out the total fees for audit and non-audit services that we have been engaged or charged from the beginning of the financial year to date, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

None of the below services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to the PFCC and Chief Constable. There are no non-audit services provided to the Police, Fire and Crime Commissioner or Chief Constable.

Audit fees	PFCC £	Chief Constable £	Group £
Scale fee	96,546	54,929	151,475
Additional IT related procedures	4,200	1,800	6,000
IFRS 16	375	1,125	1,500
Total audit fees (excluding VAT)	101,121	57,854	158,975

The above fees are exclusive of VAT.

The fees reconcile to the financial statements as follows:

- fees per financial statements £161k
- additional IFRS 16 fees £2k
- difference in audit fees accrual (£4k)
- total fees per above **£159k**

Appendices

Three decorative purple arcs of varying radii are positioned on the right side of the slide, starting from the bottom and curving upwards and to the right.

A. Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Management letter of representation - PFCC

We have requested a letter of representation from management.

TO FOLLOW

B. Management letter of representation - Chief Constable

We have requested a letter of representation from management.

TO FOLLOW

C. Audit opinion - PFCC

TO FOLLOW

C. Audit opinion - PFCC

TO FOLLOW

C. Audit opinion - Chief Constable

TO FOLLOW

C. Audit opinion - Chief Constable

TO FOLLOW



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

Annual Statement of Accounts 2024/25: Assurance Framework

Joint Audit Committee: 24 September 2025

Originating Officers: Steven Tickner, OPFCC Chief Finance Officer & Michelle Bellis, CC Chief Finance Officer

Agenda Item: 12

1. Introduction and Background

- 1.1. This report sets out for the Commissioner, Chief Constable and members of the Joint Audit Committee, those areas of governance and audit pertaining to scrutiny and formal approval of the 2024/25 Statement of Accounts. This report covers the single entity financial statements of the Police, Fire and Crime Commissioner, the single entity financial statements of the Chief Constable, and the Group financial statements. The report sets out the opinion of the Commissioner's appointed auditor and amendments made to the Accounts, and accompanying governance statement, as a consequence of the findings of the audit. It also sets out information provided to Mrs Liz Luddington, of Grant Thornton UK LLP, the Commissioner's appointed auditor, as part of the regulatory requirement for a letter of representation.
- 1.2. The report includes an appendix that provides a narrative on the financial statements (**Appendix A**). The appendix aims to support members of the Joint Audit Committee in undertaking their assurance role by providing a narrative in respect of the sources of assurance available to them and on the substantive issues that have been considered in respect of the production of the financial statements.

2. Formal Approval of the Audited Statements

- 2.1. With continued delays to the production and audit of local authority accounts, the Government amended the dates for the audit of the statutory accounts. The date for production of the draft statement of accounts was 30 June, however, the dates for audit were extended from 31 July to 30 September 2025.

The draft Statement of Accounts for the Commissioner and Chief Constable were authorised by the respective CFOs on **17 June 2025** (PFCC/Group) and **16th June 2025 (CC)**. The audit has now been substantially completed, the Chief Finance Officers are required to again certify the statements and present them to the Commissioner and Chief Constable for formal approval. Prior to certification, the Commissioner and Chief Constable will take into consideration the Audit Findings Report from Mrs Liz Luddington (Grant Thornton UK LLP). The Commissioner and Chief Constable will also take into consideration the views of members of the Joint Audit Committee. The Committee will receive the Statement of Accounts and the Audit Findings Report. They will consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Commissioner.

3. Appointed Auditor's Audit Findings Report

- 3.1. Preceding this item on your agenda is the Audit Findings Report (AFR) from Mrs Liz Luddington, of Grant Thornton UK LLP, the Commissioner's and Chief Constable's appointed auditor. In the report, Mrs Luddington advises members of her intention, based on her findings to date, to issue an unmodified audit opinion in respect of the Statement of Accounts for the year to 31 March 2025.
- 3.2. The Auditor's Annual Report (AAR) which examines the Commissioner and Chief Constable's arrangements to secure value for money is also provided on the agenda for this meeting. The AAR concludes that based on the areas of focus and evidence considered, they have found no evidence of significant weaknesses in the PFCCs and the CCs arrangements for improving economy, efficiency and effectiveness. This report makes no recommendations for improvement and also confirms that the two recommendations raised following the 2023/24 AAR have now been evidenced and have been closed.
- 3.3. In carrying out their audit, the auditors have considered internal controls that are relevant to the preparation of the financial statements. Where they identify any control weaknesses, these are reported to the Commissioner and Chief Constable. Within the AFR the auditors have raised one matter in relation to internal control which need to be considered by those charged with governance (see page 37 of the AFR):

- ◆ Management should perform a review of all users and their access rights in Oracle Fusion and confirm if these align with their designated roles and responsibilities. This recommendation was fully implemented on 09/04/25.

3.4. The AFR on pages 34-36, outlines audit adjustments which are classified into 3 main categories:

- ◆ **Adjusted misstatements** – there were no adjusted misstatements for either the CC or PFCC/Group statement of accounts.
- ◆ **Unadjusted misstatements** – There was one unadjusted misstatement in relation to the PFCC/Group statement of accounts, this related to the valuation of land and buildings assets and amounted to £370k. This arose, as a result of a draft version of the external valuers report being used to process the valuation changes in the accounts, a revised version was subsequently issued by the valuer a few days later but was not picked up in error. Management have determined that in view of the materiality level this correction would be made in 2025/26 and the accounts for 2024/25 would not be changed.
- ◆ **Misclassification and disclosure changes** – A small number of misclassification and disclosure adjustments were identified through the audit process for both bodies and these have been amended in the accounts.

3.5. In the member's copy of the financial statements on the agenda, these disclosure changes have been highlighted in green. Changes identified as a result of the JAC review of the financial statements have been highlighted in yellow. Other changes highlighted in blue relate to items identified by the Financial Services team.

3.6. In the 2023/24 AFR the auditors made two recommendations in relation to their audit. In their 2024/25 report the auditors have noted that all recommendations had been completed.

4. Post Balance Sheet Event

4.1. A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the Code of Practice on Local Authority Accounting (the Code) require adjustment or disclosure. There were no post balance sheet events identified for 2024/25.

5. 2024/25 Governance Statements

- 5.1. The Police, Fire and Crime Commissioner approved the OPFCC Annual Governance Statement (AGS) on 3 July 2025. The Chief Constable approved the Constabulary Annual Governance Statement for 2024/25 on 14 June 2025 at a meeting of the Chief Officer Group.

6. Letters of Management Representation

- 6.1. At the conclusion of the audit of the Statement of Accounts, but before an opinion can be given, a 'Letter of Management Representation' is provided to the appointed auditors by the Chief Finance Officer's on behalf of the Commissioner and Chief Constable. The underlying purpose of the letter is to confirm that the financial statements reflect a true and fair view in accordance with international financial reporting standards. The letters set out that relevant codes, standards and statutory directions have been complied with and that we have made reasonable estimates and judgements in undertaking accounting entries and disclosures. The letters also confirm that there has been full disclosure of all matters requiring disclosure to our auditors.

7. Acknowledgements

- 7.1. The work undertaken in preparing the Statement of Accounts and supporting the audit for the year places very significant demands on staff within the financial services team. Key amongst those has been Michelle Bellis, CC Chief Finance Officer and Lorraine Holme, Group Accountant who have once again secured for the Commissioner and Chief Constable another clean audit. This report also acknowledges the work undertaken by our colleagues in external audit headed by Liz Luddington and Hannah Foster. The production of the Statement of Accounts for 2024/25 and subsequent audit process was successfully undertaken and the teams have once again worked well together and have held video conferences to work together and more innovative screen sharing sessions to enable finance staff to walk auditors through the working papers where required.

8. Recommendations

- 8.1. Following consideration of the findings and conclusions of the Appointed Auditor it is recommended that:
- ◆ Members of the Joint Audit Committee determine whether there are any issues in respect of governance or the statement of accounts that they wish to report to the Commissioner and/or Chief Constable.
 - ◆ The Commissioner and Chief Constable sign the audited Statement of Accounts and authorise for publication the Accounts and accompanying Governance Statement.

Statement of Accounts Narrative 2024/25

1. Introduction and Background

- 1.1. The Police, Fire and Crime Commissioner and Chief Constable are asked to sign their respective annual statement of accounts following audit and the review process by the Joint Audit Committee. Members of the Joint Audit Committee will receive a copy of the audited accounts and accompanying governance statement for which they have a review and assurance role. The Statement of Accounts are highly complex technical documents. They take a number of weeks to produce and a similar period of time to audit by a team of technical and experienced staff. The audit process will typically involve support from national technical teams who assess and advise on accounting treatment for complex transactions against the requirements of international financial reporting standards and codes of practice. Within the finance profession, the Statement of Accounts is a very specialist field.
- 1.2. In this context, this narrative aims to provide a guide to the considerations that the Commissioner, Chief Constable and Members of the Joint Audit Committee can reasonably be expected to take account of, in carrying out a review process and undertaking to approve the Statement of Accounts. It covers two main areas, sources of assurance for the financial statements and key challenges. These are the areas that influence the dialogue and engagement between the financial services staff preparing the accounts and those undertaking the audit. In doing this, the narrative aims to ensure that members have sufficient information to fulfil their assurance role and that the Commissioner can place reliance on this assurance in approving the Statement of Accounts.

2. Sources of Assurance

- 2.1. The Statement of Accounts consolidates financial transactions for a financial year and records the position as at 31 March in respect of assets and liabilities including reserves and cash flow. They include a number of year end accounting entries that ensure income and expenditure is presented on an accruals basis, that assets and liabilities are recorded in accordance with accounting standards and codes and that the financial implications of those assets and liabilities are adjusted such that net expenditure reflects the actual cost funded by external financing (government grants and the council tax payer). They are accompanied by accounting policies that explain how those transactions and balances have been accounted for and a set of notes that provide further detail on amounts included within the main financial statements.

2.2. Those undertaking a review of the accounts will not usually be in a position to determine whether the presented figures are correct based on a reading of the financial statements and notes. The review processes must therefore place reliance on wider sources of assurance from which it is reasonable to make a judgement that the accounts present a true and fair view. The main sources of assurance that support this process are the opinion of the PFCC Chief Finance Officer (PFCC CFO), the Constabulary Chief Finance Officer (CC CFO), the opinion of the Head of Internal Audit (HIA) and the opinion of the Appointed Auditor. These opinions are supported by the statements made by the PFCC Chief Finance Officer and CC Chief Finance Officer, on behalf of the Commissioner and Chief Constable, within the letter of representation, by the Commissioner's Annual Governance Statements (signed by the Commissioner, the Commissioner's Monitoring Officer and the PFCC CFO) and by the Chief Constable's Annual Governance Statement (signed by the Chief Constable and the CC CFO).

2.3. **The PFCC Chief Finance Officer's (CFO) Opinion:** The CFO provides to members an annual opinion on the effectiveness of the arrangements for audit. That review, presented to members at their Meeting on 25 June 2025, concluded that "there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2025." In previous years, further assurance of the effectiveness of internal audit was taken from the opinion provided by the external auditors. The external auditor (Grant Thornton) advised in June 2020 that they no longer use the work of internal audit to assist with their work and as such no longer provide an opinion on the work of internal audit. The internal auditors did however share some information with external auditors in relation to the audit on financial sustainability. The assurance from the PFCC Chief Finance Officer enables the Commissioner and members of the Joint Audit Committee to place reliance on the opinion of the Head of Internal Audit and the findings of internal audit.

Sources of Assurance

"There are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2025."

PFCC CFO

2.4. **The opinion of the Head of Internal Audit (HIA):** The HIA provides an annual opinion on the internal control environment. The opinion is based on the audit reviews undertaken over the course of the financial year. Audits are risk based and include cyclical reviews of the material financial systems. The findings of the HIA are set out in an annual report which was presented to members at the June meeting. The HIA's opinion for 2024/25 is that "the PFCC and Chief Constable's frameworks of governance, risk management and internal control are reasonable and audit testing has confirmed that controls are generally working effectively in

Sources of Assurance

"TIAA is satisfied that, for the areas reviewed during the year, Office of the Police, Fire and Crime Commissioner for Cumbria and Cumbria Constabulary Cumbria have reasonable and effective risk management, control and governance processes in place."

Head of Internal Audit.

practice. Where internal audit work has identified scope for improvements, the management response has been positive with agreed action plans in place to address all recommendations.

2.5. Of the 16 audits finalised during 2024/25 all of which contributed to the Commissioner and Chief Constable's overall assurance with 14 of the 16 (88%) assurance audits achieving reasonable or substantial assurance, the remaining two audits (12%) provided limited assurance.

2.6. **The opinion of the Appointed Auditor:** The Appointed Auditor will provide an independent external opinion on the financial statements following the audit process. In forming this audit opinion they will undertake a range of audit work. This will include reconciling the figures within the accounts to the financial ledger, undertaking a computer based analytical review to validate the accuracy of material transactions and undertaking further systems based sample testing of ledger amounts back to the primary financial transactions. The external auditors will also review accounting policies and ensure accounting estimates, manual entries and the presentation of financial information is consistent with policy, financial reporting standards and codes of practice. The external audit is typically undertaken by a team of professionally qualified staff who will audit a number of public and/or private sector clients. They will have access to national technical support and quality controls at a regional and national level to support the integrity of the audit and ensure specialist advice and input is given to the treatment of complex transactions of a technical nature.

Sources of Assurance

"We anticipate issuing an unmodified audit opinion on the financial statements of both the PFCC and the Chief Constable".

The opinion of the Commissioner's appointed auditors, Grant Thornton.

2.7. In forming their opinion, the external auditors give consideration to internal controls relevant to the preparation of the financial statements. The external auditors complete walkthrough tests of controls operating in areas where they consider that there is a risk of material misstatement to the financial statements. For the 2024/25 financial statements this has included, an evaluation of the PFCC's and Chief Constable's internal controls environment, including its IT systems and controls; and Substantive testing on significant transactions and material account balances, including the procedures outlined in the Audit Findings report in relation to the key audit risks.

2.8. **The Letters of Representation:** The letters of representation are provided at **Appendix B** and referenced in the main body of this report. The letters provide assurances from the Commissioner and Chief Constable to the Appointed Auditor. The letters are written on behalf of the Commissioner and Chief Constable respectively by the respective Chief Finance

Officers. The CFOs , as required under legislation, must be financially qualified. The OPFCC Chief Finance Officer, Steven Tickner and the CC Chief Finance Officer, Michelle Bellis are both members of the Chartered Institute of Public Finance and Accountancy (CIPFA) with a requirement to abide by codes of practice, standards and ethics. These arrangements provide assurance that members can place reliance on the representations made by the Chief Finance Officers in the letters of representation on behalf of the Commissioner and Chief Constable. There have been no specific matters raised by the Commissioner or Chief Constable in the letter of representation for 2024/25 and all appropriate assurances have been provided to the external auditors.

2.9. [The Annual Governance Statement](#): An Annual Governance Statement (AGS) for the separate entities of the Police, Fire and Crime Commissioner for Cumbria and the Chief Constable of Cumbria Constabulary were presented to members on 25 June 2025 with a number of supporting governance papers. The AGS detail how the Commissioner and Chief Constable have complied with the governance framework set out within the Code. The Annual Governance Statement provides members with assurance that the Commissioner and Chief Constable have in place appropriate arrangements for financial and wider governance matters including arrangements for managing risks and internal controls.

2.10. Collectively, these sources of assurance, where they are operating to the satisfaction of members, can support conclusions in respect of the extent to which the committee is reasonably able to provide the related assurance to the Police, Fire and Crime Commissioner and Chief Constable in reviewing the financial statements.

3. [Key Challenges](#)

3.1. [Changes to CIPFA Code of Practice 2024/25](#)

For 2024/25 there was one main change to the code of practice, in relation to accounting for Leases under International Financial Reporting Standards (IFRS 16). This change required a considerable amount of work in assessing all lease arrangement and contracts that may contain a right of use asset and bringing these and a matching liability onto the balance sheet of the PFCC.

3.2. [2024/25 Financial Year Accounts and Audit Timetable](#)

For 2024/25 the only specific key challenge was in relation to the requirement to adopt IFRS16 in relation to leases (outlined above). The process of compiling the statutory accounts is complex and involves significant technical expertise. The process within the shared financial services team is well practiced and clearly timetabled. The requirements of audit have

changed over recent years and specific areas of the accounts, for example land and buildings valuations and pensions, receive increased audit focus. The financial services team adapt the working papers each year to provide what the auditors require and then use these as a baseline for all future working paper uploads.

This work was successful in delivering a sign off date for the draft financial statements by the respective Chief Finance Officers on 17 June 2025 (PFCC) and 16 June 2025 (CC), well in advance of the 30 June deadline.

The audit period commenced in July and was largely completed by September, with the AFR being reported through JAC on 24 September 2025. The auditors are currently waiting to receive assurance from the auditors of the Local Government Pension Scheme auditors and some responses from the PFCCs valuer in relation to land & buildings valuations before they can formally sign off the accounts.

3.3. [Public Consultation](#)

The draft statements of Accounts for the Chief Constable and PCC/Group have been published on the respective websites since 17 June 2025. The notice of publication advises readers of their rights of inspection. There have been no requests to view the financial statements or accompanying papers.

This concludes the substantive matters considered as part of the production of the statement of accounts.

David Allen
Police, Fire and Crime Commissioner for Cumbria
Carleton Hall
Penrith CA10 2AU



In case of enquiry please
contact: S. Tickner
Tel: 01768 217734
Email:
steven.tickner@cumbria.police.uk
www.cumbria-pcc.gov.uk

Mrs Elizabeth Luddington
Director
Grant Thornton UK LLP
Landmark, St Peter's Square
1 Oxford Street
Manchester M1 4PB

XX September 2025

Dear Grant Thornton UK LLP

The Police, Fire and Crime Commissioner for Cumbria
Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of The Police, Fire and Crime Commissioner for Cumbria (the 'Police, Fire and Crime Commissioner') and its subsidiary undertaking, the Chief Constable of Cumbria Constabulary for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the group and Police, Fire and Crime Commissioner financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Police, Fire and Crime Commissioner's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and Police, Fire and Crime Commissioner and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Police, Fire and Crime Commissioner has complied with all aspects of contractual agreements that could have a material effect on the group and Police, Fire and Crime

Commissioner financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of the net pension liability and the valuation of land and buildings. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the group and Police, Fire and Crime Commissioner financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the group and Police, Fire and Crime Commissioner has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the group and Police, Fire and Crime Commissioner and their financial position at the year-end 31 March 2025. The financial statements are free of material misstatements, including omissions.
- xi. We have considered the misclassification and disclosures changes schedules included in your Audit Findings Report. The group and Police, Fire and Crime Commissioner financial statements have been amended for these misclassification and disclosure changes.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the group and Police, Fire and Crime Commissioner's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the group and Police, Fire and Crime Commissioner means that, notwithstanding any intention to cease the group and Police, Fire and Crime Commissioner operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
 - b. the financial reporting framework permits the Police, Fire and Crime Commissioner to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the group and Police, Fire and Crime Commissioner's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the group and Police, Fire and Crime Commissioner's ability to continue as a going concern need to be made in the financial statements.
- xv. The group and Police, Fire and Crime Commissioner has complied with all aspects of ring-fenced grants that could have a material effect on the group and Police, Fire and Crime Commissioner's financial statements in the event of non-compliance.

Information Provided

- xvi. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the group and Police, Fire and Crime Commissioner's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the group and Police, Fire and Crime Commissioner from whom you determined it necessary to obtain audit evidence.
- xvii. We have communicated to you all deficiencies in internal control of which management is aware.
- xviii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xix. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xx. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Police, Fire and Crime Commissioner, and involves:
 - a. management;

- b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxi. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiii. We have disclosed to you the identity of the group and Police, Fire and Crime Commissioner's related parties and all the related party relationships and transactions of which we are aware.
- xxiv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the group and Police, Fire and Crime Commissioner's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxvi. The disclosures within the Narrative Report fairly reflect our understanding of the group and Police, Fire and Crime Commissioner's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Police, Fire and Crime Commissioner's Joint Audit Committee at its meeting on 24th September 2025.

Yours faithfully

David Allen

The Police, Fire and Crime Commissioner for Cumbria

XX September 2025

Steven Tickner

PFCC Chief Finance Officer

XX September 2025

Name: Michelle Bellis
Dept: Financial Services
Email: Michelle.Bellis@cumbria.police.uk

Chief Constable
 Chief Constable Darren Martland
 Police Headquarters
 Carleton Hall Penrith,
 Cumbria
 CA10 2AU



Telephone: 101

Your reference: www.cumbria.police.uk

Mrs Elizabeth Luddington
 Director
 Grant Thornton UK LLP
 Landmark, St Peter's Square
 1 Oxford Street
 Manchester M1 4PB

XX September 2025

Dear Grant Thornton UK LLP

The Chief Constable of Cumbria Constabulary
Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of The Chief Constable of Cumbria Constabulary ("the Chief Constable") for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Chief Constable financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Chief Constable's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Chief Constable and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Chief Constable has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of the net

pension liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the Chief Constable has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the misclassification and disclosures changes schedules included in your Audit Findings Report. The Chief Constable's financial statements have been amended for these misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. We have updated our going concern assessment. We continue to believe that the Chief Constable's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the Chief Constable means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
 - b. the financial reporting framework permits the Chief Constable to prepare its financial statements on the basis of the presumption set out under a) above; and

- c. the Chief Constable's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Chief Constable's ability to continue as a going concern need to be made in the financial statements

- xiv. The Chief Constable has complied with all aspects of ring-fenced grants that could have a material effect on the Chief Constable's financial statements in the event of non-compliance.

Information Provided

- xv. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Chief Constable's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Chief Constable from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.
- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Chief Constable and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii. We have disclosed to you the identity of the Chief Constable's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Chief Constable's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Chief Constable's financial and operating performance over the period covered by the Chief Constable's financial statements.

Approval

The approval of this letter of representation was minuted by the Chief Constable's Joint Audit Committee at its meeting on 24th September 2025.

Yours faithfully

Darren Martland

Michelle Bellis

The Chief Constable of Cumbria Constabulary

Constabulary Chief Finance Officer

XX September 2025

XX September 2025



The Police, Fire and Crime Commissioner for Cumbria
STATEMENT OF ACCOUNTS
2024/25



www.cumbria-pcc.gov.uk

The draft Statement of Accounts was approved by the PFCC Chief Finance Officer on 17 June 2025. At this point the Grant Thornton **UK** LLP 'appointed auditor' has not yet completed her annual audit and as such has not given an opinion on the accounts. The accounts are therefore watermarked 'subject to audit'. Once the audit has been completed, which is expected to be in September 2025, the Police, Fire and Crime Commissioner will be asked to approve the Statements and the audit opinion provided will be inserted at pages 34-39 and the watermarking removed. Pages 32 and 46 of these accounts include signatures which have been removed for the purposes of publication on the website.



Police, Fire and Crime Commissioner for Cumbria Statement of Accounts 2024/25

About this Publication

This publication contains both the single entity financial statements for the Police and Crime Commissioner for Cumbria (the Commissioner) and the financial statements for the group position which incorporates those of the Chief Constable for Cumbria Constabulary.



The Statement of Accounts for 2024/25 is available on the Commissioner's website at www.cumbria-pfcc.gov.uk.

The corresponding accounts for the Chief Constable can be found on the Constabulary website at: www.cumbria.police.uk



The Statement of Accounts is also available in printed format from the office of the Police and Crime Commissioner for a nominal fee of £15 per copy.

Alternative Formats



You can get a copy of this document in different formats such as large print, Braille, audio, or in a different language by calling 01768 217734

Bengali

আপনি 01768 217734 এই নম্বর ফোন করে, বিভিন্ন ফরম্যাট যেমন বড় প্রিন্ট, ব্রেইল, অডিও বা একটি ভিন্ন ভাষাতে এই নথিটির একটি কপি পেতে পারেন।

Cantonese

如果您想获取该文件的不同版本，如：大字体印刷、盲文、音频或不同语言版本，请致电：01768 217734。

Lithuanian

Paskambinę telefonu 01768 217734, galite užsisakyti šio dokumento kopiją įvairiais formatais, pavyzdžiui, atspausdintą dideliu šriftu, Brailio raštu, užsisakyti garso įrašą arba gauti dokumentą, išverstą į norimą kalbą.

Polish

Aby otrzymać kopię tego dokumentu w innych formatach, takich jak duży druk, druk Braille'm, audio, lub w innym języku proszę dzwonić pod numer 01768 217734.

Portuguese

Pode obter uma cópia deste documento em vários formatos, como por exemplo em Braille, áudio, ou numa outra língua. Para tal ligue para o 01768 217734.

Turkish

01768 217734'u arayarak, bu dokümanın bir kopyasını büyük puntolu, körler için kabartmalı, ses dosyası gibi değişik formatlarda veya farklı bir dilde edinebilirsiniz

Police, Fire and Crime Commissioner for Cumbria

Statement of Accounts 2024/25

Contents

	Page
PFCC Chief Finance Officer Narrative Report	3-32
Responsibilities for the Statement of Accounts	33
Auditors Report to the Commissioner	34-39
Core Financial Statements	40-48
• Comprehensive Income and Expenditure Statement	42-43
• Movement in Reserves	44-45
• Balance Sheet	46
• Cash Flow Statement	47-48
Notes to the Accounts	49-96
Police Officer Pension Fund Account	97-98
Glossary of Terms	99-101
Annex A – Technical Annex – Financial Instruments	102-106
Annex B – Technical Annex - Pension Disclosures	107-117
Annex C - Statement of Accounting Policies	AP 1-18
Annex D – Annual Governance Statement	AGS 1-44

The PFCC CFO Narrative Report. For a quick, highly summarised version of this Statement of Accounts please read the next 30 pages. **The full story starts on page 33**, please read that too.

Please see page 49 for a full list of the notes to the accounts and cross references to page numbers.

Throughout this publication wherever a word, phrase or acronym is shown in teal coloured text and underlined an explanation is provided in the Glossary of Terms.

Introduction

I am pleased to introduce the financial Statement of Accounts for the 2024/25 financial year. These financial statements sets out both the single entity statements of the Police, Fire and Crime Commissioner for Cumbria and the consolidated group position, incorporating the statements of the Chief Constable of Cumbria Constabulary. The accounts are published in accordance with the Accounts and Audit Regulations 2015.

This section of the statements is the Narrative Report. The purpose of the report is to offer readers a guide to the most significant matters reported in our statement of accounts. It sets out our overall financial position and a series of mini statements summarising and explaining the primary financial statements. It includes information on our performance and value for money. A commentary is also provided to set out the major influences impacting our income and expenditure in the current and future financial years.

By providing this information we aim to support our readers with an understandable and informative narrative on those matters most significant to our financial position and our financial and non-financial performance. This narrative report is provided as part of the overall publication of the financial statements and also as a standalone report. It can be accessed through the Commissioner's website: www.cumbria-PFCC.gov.uk together with the single entity statements of the Chief Constable.

Statutory Framework

The Police, Fire and Crime Commissioner was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRSRA 2011). The PRSRA 2011 provides that there will be a Police, Fire and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

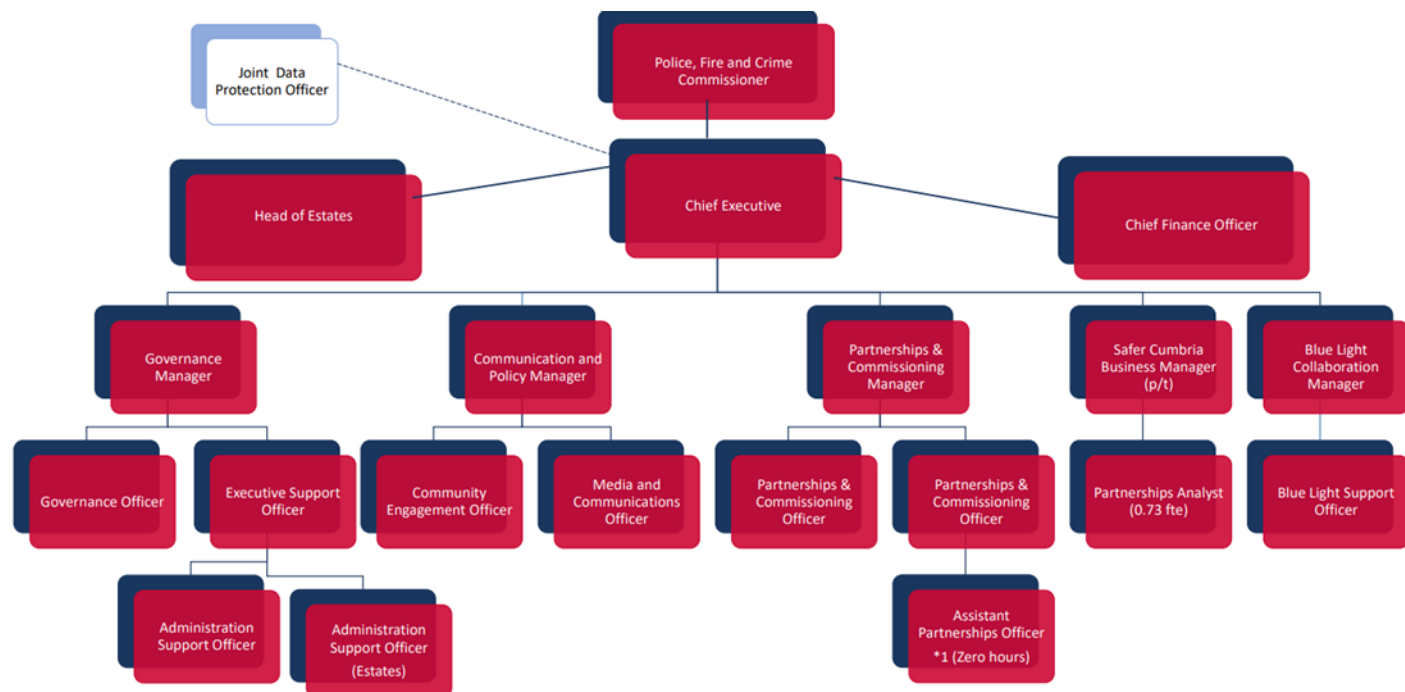
The PRSRA 2011 also established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the King's peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure.

The PRSRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office under the legislation issues a Financial Management Code of Practice for the Police Forces of England and Wales.

The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. The Commissioner decides the budget, allocating assets and funds to the Chief Constable. This, in addition to the powers of the Commissioner to set the strategic direction for policing, appoint, and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of the group accounts.

Our Organisation



The Police, Fire and Crime Commissioner is supported by an office of 18.5 FTE staff, this includes two statutory officers.

The Chief Constable is accountable to the Commissioner and has responsibilities to support the Commissioner in the delivery of the strategy and objectives set out in the Police, Fire and Crime Plan. Both entities have appointed a Joint Audit Committee and a Joint Community Scrutiny Panel. The Committee and Panel comprise independent members to oversee arrangements for governance, including financial reporting and the arrangements for integrity and ethical behaviour. Four Custody Visiting Panels fulfil the statutory requirement for independent review of custody. Membership of the panels at the end of 2024/25 were: Barrow 10, Kendal 6, North Cumbria 1 and West Cumbria 11.

Our Goals

The Commissioner sets the strategic direction for policing and wider interventions within the Police, Fire and Crime Plan, which was launched on 8th January 2025. The vision for our plan is 'Protecting Cumbria'. We want people in Cumbria to feel safe, protected and secure in their own homes and in their communities. There are five key priorities identified in the Plan, which have been developed by taking into account local concerns and national requirements:

- Putting People First.
- Providing Visible and Accessible Services.
- Protecting Vulnerable People and Communities.
- Focusing on Prevention to Protect Cumbria.
- Making Best Use of Resources.

For each priority there are a set of objectives, some of which are police specific and others that focus on the Commissioner and Chief Constable working alongside partner organisations to keep communities safe, while supporting victims and bringing offenders to justice.

We work to achieve this by holding the Chief Constable to account for the delivery of effective policing and by commissioning a range of activity and interventions with the Constabulary and our wider partners.

The Commissioner works closely across a range of partner agencies in Cumbria to deliver against identified areas of business best achieved through a partnership approach. As Chair of the Safer Cumbria Partnership the Commissioner provides a convening and assurance role in relation to the Criminal Justice System, Combatting Drugs, the Serious Violence Duty and Contest (Counter Terrorism). This is in line with national direction and statutory guidance.

Our People

Our people are the most important resource we have in achieving our goals. Our values commit to having an empowered staff who are high performing, professional and have high levels of satisfaction in their roles. The Commissioner's Office and Constabulary perform well in relation to the gender diversity of the workforce. At Chief Officer Level, excluding the elected Police, Fire and Crime Commissioner, 66% of the single entity Chief Officers are male as are 20% of senior managers. A breakdown by gender of the number of men and women across the organisation at the end of the financial year and the number of men and women who were managers is set out below.

Chief Finance Officer Narrative Report

Actual Employees as at 31 March 2025	PFCC		Total FTE
	Male FTE	Female FTE	
PFCC Single Entity			
Chief Officers	2.0	1.0	3.0
Senior Management	1.0	4.0	5.0
All Other Employees	1.0	9.5	10.5
Total PFCC Employees	4.0	14.5	18.5
Group			
Chief Officers	13.0	3.0	16.0
Senior Management	10.0	10.0	20.0
All Other Employees	978.3	1,005.3	1,983.5
Total Group Employees	1,001.3	1,018.3	2,019.5

Chief Executive Report

This is the first year of the new Commissioner's term of office.

The Commissioner also holds the role of Cumbria Commissioner Fire and Rescue Authority following the transfer of Fire governance due to Local Government Reorganisation in 2023. The Fire and Rescue Authority produce their own set of accounts and are not part of the OPFCC/Constabulary group.

During the year the Commissioner has developed his first Police, Fire and Crime Plan with the support of the Constabulary and partners. This has helped establish effective relationships with key local government, criminal justice, health and third sector partners to develop initiatives and commission activities to reduce crime, support victims and enhance community safety and criminal justice.

The Police, Fire and Crime Plan contains the police and crime objectives, which all contribute toward achieving the Commissioner's overall aim of 'Protecting Cumbria'. Objectives are monitored internally by the Commissioner through his overarching Executive Board - Police. In addition, the Commissioner holds quarterly Public Accountability Conferences; a public meeting where he holds the Chief Constable to account.

Chief Finance Officer Narrative Report

The Commissioner has continued to provide a range of services in support of victims of all crime with integrated support for victims / survivors of sexual violence and domestic abuse. This service is delivered by our commissioned provider Victim Support by way of a multi-year contract. Victims have continued to receive high quality needs led support delivered by a multi-skilled, experienced team in line with victim support's trauma informed support framework. Delivery of this contract focuses on those who want & need support and taking the service to victims. The service maximise engagement by using an individual's referred method of contact & the use of 'calendly' to book appointment at a time convenient and suitable to them. Victim support also provides options for self-help using digital self-help tools. The Service proactively work with partners creating pathways & providing comprehensive accurate referrals. Victim Support also improve awareness of victim services by training police and partners. The service develops key messages of independence from the police & statutory sector to encourage confidence to engage with the support offer. The commissioned service continued to integrate universal offer of support plus IDVA, ISVA services ensuring the different components of this service work seamlessly together in support of victims, meaning a user gets to the right support the first time.

Strengthening the support available the Commissioner provided specialist support by way of a Male IDVA, Health IDVA and a team of Children & young people IDVAs.

During 2024/25 funding was provided to the third sector to support & reduce the effects of violence against women and girls. The Freedom project was able to increase the availability of counselling sessions for victim / survivors of Domestic Abuse & reduce their waiting lists.

The women's centres, Gateway 4 Women & Women's Community Matters used funding to support victims of crime and abuse to help them cope and recover. The centres provided a core offer, delivering a whole system approach for victims across all spectrums of abuse, women experiencing domestic abuse & / or sexual violence and to women who have experience of offending or who are at risk of offending due to vulnerability. The centres build on their integrated and co-ordinated response to engage, motivate and support women in developing their knowledge, personal skills and confidence. The centres provide prevention and early intervention support to reduce escalation towards crisis, encourage reporting to police and promote well-being.

Safety Net & The Birchall Trust were funded to provide help after domestic or sexual abuse. The services understand it is difficult to take the first step and reach out for support, but they are there to find the best approach towards recovery.

There are well established financial and governance frameworks in place to fulfil statutory, regulatory and best practice requirements, supported by the relevant professional bodies for local government and policing. This benefits from continuous development to ensure the office continues to meet the highest standards.

Public consultation and engagement are paramount to the Commissioner as he is the 'voice' for the people of Cumbria for policing. A wide range of diverse opportunities are available for the public to speak directly to the Commissioner, when the Commissioner is out in the community or by speaking to groups directly. This is further supported by the public contacting the Commissioner directly, with 861 people contacting the Commissioner in this way during 2024/25. The main themes raised in this year were in relation to police service dissatisfaction, anti-social driving and ongoing crime.

The Commissioner undertook a successful public consultation for the increase in the council tax precept for 2024/25, with 715 respondents and 60% supporting the proposal. As a result of the public consultation, the views of the Chief Constable and the unanimous support of the Police, Fire and Crime Panel, the Commissioner took the decision to increase council tax precept by £8.64 for a Band A property and £12.96 for a Band D property.

The Commissioner has continued to hold the Chief Constable to account at regular Public Accountability Conferences and weekly 1-2-1s as well as embedding an internal accountability and governance structure, including monthly Executive Board – Police meetings with the Chief Constable and the Chief Officer team which scrutinises and challenges performance across the totality of policing.

The Commissioner receives further assurance from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and internal and external auditors, which all independently assess the effectiveness and efficiency of the Constabulary across a wide range of areas, such as their governance, financial and risk management internal controls. In conjunction with the Constabulary, the Commissioner also operates a Joint Audit Committee and a Community Scrutiny Panel. These meetings provide assurance

on the adequacy and effectiveness of internal arrangement across both organisations such as financial and risk management as well as ensuring high standards of integrity and ethical behaviour.

When areas of concerns are raised through these independent boards, they are escalated to the Commissioner's Executive Board – Police, which provides further scrutiny and oversight, ensuring actions are delivered to improve performance.

The Commissioner's staff embrace the fast-moving pace of the Office and this is evident from the work that is on-going with the Commissioner launching several key strategic campaigns in support of the new Police, Fire and Crime Plan and his commissioning strategy. In addition, work continues to explore opportunities for collaboration between blue light services, with a view to increasing efficiencies for both Cumbria Constabulary and Cumbria Fire & Rescue Service. Extensive work is underway to **to** transfer the Constabulary's Estates Department to the Office from April 2025. As the Commissioner legally owns all the police and fire estate, the new service will provide a cost-effective estates function for both policing and fire. The Office is well placed to deal with this new challenge in 2025/2026 and will continue to drive an ambitious programme of work that seeks to bring together further collaborative opportunities across several areas of business. For example, work is being carried out to bring together a shared commercial services function between police and fire as of June 2025.

Finance Review

2024/25 Grant Settlement and Budget

The Commissioner set a combined net revenue budget of £132.769m for 2024/25 on 15 February 2024. Funding of this amount came from the Police Grant settlement (£77.191m) and income from Council Tax (£55.578m). The budget represented an increase of the Council Tax precept by 4.36%, taking the Commissioner's proportion of the band D equivalent tax to £310.05 per annum. The effect of the increase is to support the medium term financial forecast and maintaining existing policing services through a period of higher inflationary pressures. The budget provided **net** funding for the Chief Constable of £158.014m comprising a **£153.270m £162.788m** expenditure budget to support policing and an income budget of **(£4.744m-£4.774m)**. The Commissioner's budget provided £3.274m for Commissioned Services, to provide funding for partnership working across the Commissioner's wider community safety, crime reduction and victim support responsibilities and £1.119m for the Office of the Police, Fire and Crime Commissioner.

Chief Finance Officer Narrative Report

The capital budget was set at £7.370m including schemes approved in the year and the effect of the 2023/24 capital outturn position. Capital expenditure is made up broadly of expenditure on assets that have a useful life of beyond one year. Approximately 52% of the programme related to investment in ICT, with the remainder being made up estates works, the cyclical replacement of fleet vehicles and operational equipment. The budget was funded from a combination of Revenue Contributions (1.711m), reserves (£0.742m) and a borrowing requirement (£2.686m).

The table below shows the summary revenue budget for 2024/25 as set on 15 February 2024, the revised budget (taking into account budget changes made during the year) and the outturn position. The presentation below is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table below will not reconcile directly to the Summary Comprehensive Income and Expenditure statement on page 14.

Summary Budget and Outturn

Summary Budget & Outturn	Base Budget 2024/25 £000s	Revised Budget 2024/25 £000s	Outturn 2024/25 £000s	(Under)/ Overspend 2024/25 £000s
Constabulary Budget	158,014	155,929	155,506	(423)
Office of the PFCC	1,119	1,184	1,194	10
Other PFCC Budgets	12,993	14,024	14,195	171
Grants/Contributions	(33,983)	(36,771)	(37,048)	(277)
Net Expenditure before reserves movements	138,143	134,366	133,847	(519)
To/(From) Reserves	(5,374)	(1,597)	(1,078)	519
Net Expenditure	132,769	132,769	132,769	0
Government Grants	(77,191)	(77,191)	(77,191)	0
Council Tax	(55,578)	(55,578)	(55,578)	0
Total External Funding	(132,769)	(132,769)	(132,769)	0

Chief Finance Officer Narrative Report

The Constabulary gross expenditure budget is made up of funding for employee costs, amounting in total to £143.865m, which is broken down into Police Officers £109.907m, PCSOs £1.748m, Police Staff £29.755m and other employee costs of £2.455m. The remainder of the budget relates to non-staff costs including, transport costs of £2.695m and supplies/other costs of £18.532m. Income of (£9.163m), which is generated through policing activities, is also shown within the Chief Constable's budget.

The Commissioner's budgets comprise of the costs of running his office £1.119m and the net position on a range of other costs. These include estates costs £5.699m for premises used by the Constabulary and Commissioner, Commissioned Services and Sexual Assault support £3.274m to deliver the Police and Crime Plan and budgets to finance capital expenditure and the costs of technical accounting adjustments. PFCC other budgets also include the costs of insurance and past pension costs.

In-Year Financial Performance

Revenue Expenditure: The out-turn position for 2024/25 is an underspend of £0.519m. The overall ~~overspend~~ underspend is made up of an underspend of £0.096m on the budgets managed by the Commissioner and ~~overspend~~ underspend of £0.423m on those held by the Constabulary. The core underspend equates to 0.39% of the revised net budget of £134.366m, which is within the target for the revenue expenditure to be within 1% of the budget at out-turn.

In overall terms budgets managed by the Commissioner were (£0.0.96m) under budget. This was largely attributable to a combination of, increases in investment income (£0.068m) and grants and contributions (£0.277m) offset by increased costs of insurances £0.047m, increased contributions to provisions for insurance and legal claims £0.267m.

In 2024/25 the Constabulary was £0.423m under budget. The officer pay budget was overspent by £0.132m because of changes to the workforce plan and a conscious decision to recruit additional uplift officer targets asap to secure additional specific grant from the home office. The transport budget was overspent (£0.318m) largely as a result of the increase in inflation vehicle fuel and repairs and maintenance.

However, this was offset by savings on police staff (£0.129m), PCSO (£0.167m), reduced supplies and services related spend (£0.270m) and additional income (£0.552m).

In relation to the underspend of £0.519m, a sum of £0.380m has been set aside in a budget c/fwd reserve to meet costs agreed in 2024/25 which will not be incurred until 2025/26, a sum of £0.157m set aside in an estates rationalisation reserve and the balancing sum of 0.018m drawn down from the budget support reserve from funds set aside earlier in the year.

The Commissioner maintains the Property Fund which is a short-term diversionary funding opportunity for community organisations across Cumbria. The budget for the fund is determined by the accumulation of property coming into the possession of the police under the Police Property Act 1987 and the Powers of the Criminal Courts Act 1973.

The Commissioner in 2024/25 re-introduced the Community Fund, a separate short-term diversionary funding opportunity for community organisations across Cumbria. This shares similar values and expectations to the Property Fund, but the available funding is generated from the OPFCC Commissioning Budget and not from disposal of property coming into the possession of the police. During 2024/25 awards totalling £0.129m were made to 61 applications.

The 2024/25 Capital Expenditure Outturn amounted to £3.884m against a revised budget of £6.160m, **the variance represents reprofiling of capital schemes into future years.**

The Financial Statements

This section of the narrative report provides an explanation of the various parts of the financial statements alongside a high-level summary and narrative on the financial position. The aim of the statements are to demonstrate to the reader the overall financial position of the Commissioner at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Commissioner's website.

Chief Finance Officer Narrative Report

The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)
- The Police Officer Pension Fund Accounts

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the cost of policing and other services provided in the year and the income from government grants and council tax that fund those services. The CIES is shown on page 42 of the full statement of accounts. An expenditure and income analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in note 6 on page 60.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2024/25 £000s	Gross Income 2024/25 £000s	Net Expenditure 2024/25 £000s
Cost of Police Services	137,072	(25,663)	111,409
Cost of Services	137,072	(25,663)	111,409
Other Operating Expenditure	16,440	(16,582)	(142)
Financing Costs and Investment Income	59,483	(11,303)	48,180
Council Tax and Grant Income	0	(138,278)	(138,278)
(Surplus)/Deficit on the Provision of Services	212,995	(191,826)	21,169
Other Comprehensive Income and Expenditure			(127,170)
Total Comprehensive Income and Expenditure			(106,001)

The statement shows that the net cost of providing services in the year amounted to £111.409m, which is predominantly the costs of policing.

Chief Finance Officer Narrative Report

In addition to showing the cost of services, the CIES also sets out net financing costs of £48.180m. The most significant element of financing costs comprise pension charges £48.790m. These charges are calculated in accordance with generally accepted accounting practices and do not all need to be funded in the 2024/25 financial year. Financing costs also include the costs of borrowing (capital financing) (£0.535m) which relates to the financing of the PFI at Workington and income from investing (£-1.145m). These costs are extremely low other than those that fund the Workington PFI building.

This is because the capital programme is funded internally using cash reserves to reduce investment risk and reflect the relatively low interest rates available on investing such balances, although it is recognised that this may change given the recent increases to interest rates. At the end of the financial year £21.772m (inclusive of PFI contract and Finance Leases) of the capital programme is funded using cash backed internal reserves rather than borrowing from the open market. At some point in the future, due to a planned reduction in reserves, the Commissioner will need to consider external borrowing.

Showing expenditure and income within this statement in accordance with generally accepted accounting practices results in expenditure exceeding income (a deficit on the provision of services) by £21.169m. Further 'Statutory Accounting' adjustments in relation to the revaluation of land and buildings and actuarial changes on the pension schemes of (£127.170m) classed as income through the 'other comprehensive income and expenditure' line results in an overall position on the statement of a surplus of (£106.001m). This is an accounting deficit that is taken to Unusable Reserves. Page 11 of this summary sets out the out-turn position based on the management accounts and excluding the technical accounting entries required for the CI&ES. The management accounts show an underspend of £0.519m against the 2024/25 budget.

Movement in Reserves Statement

This statement shows the different reserves held by the Commissioner. These are analysed into 'Usable Reserves' and 'Unusable Reserves'. Usable reserves can be used to fund expenditure. They may help to pay for future costs or reduce the amount we need to raise in council tax to meet our expenses. Unusable Reserves are principally technical accounting adjustments. The Movement in Reserves Statement shows the opening balance on all reserves at the start of the year, movements in year and the closing balance. The Movement in Reserves statement is shown on page 44 in the full statement of accounts. The table below sets out a summary movement in reserves statement.

Chief Finance Officer Narrative Report

Summary Movement in Reserves	Balance 31/03/2024 £000s	Movements 2024/25 £000s	Balance 31/03/2025 £000s
Police Fund	4,000	0	4,000
Earmarked Revenue Reserves	23,158	300	23,458
Earmarked Capital Reserves	2,013	(1,719)	294
Capital Receipts	2,231	(707)	1,524
Total Usable Reserves	31,402	(2,126)	29,276
Unusable Reserves	(1,029,747)	107,765	(921,982)
Total Reserves	(998,345)	105,639	(892,706)

Movements in usable reserves for 2024/25 show a net balance of £2.126m. This is the cumulative position recording the amounts we have drawn down from and contributed to specific (earmarked) reserves to help fund expenditure during the year. There are separate accounts to record our receipt and use of income from the sale of property and government grants for capital expenditure.

At the end of the year, the Police Fund at 31 March 2025 stands at £4.0m and provides for unplanned financial risks. Earmarked revenue reserves are £23.458m. These reserves provide for a number of specific operational contingencies, one off budget/project costs and funding to meet future liabilities in respect of insurances and the PFI contract. The balance of capital reserves as at 31 March 2025 was £0.294m, capital reserves are those set aside to fund the capital programme. Further detail on earmarked reserves is provided within note 8 to the statement of accounts on pages 65-66.

At the 31st March 2025 we have negative unusable reserves of (£922m). Unusable reserves provide a mechanism through which transactions are entered into the accounts in accordance with accounting standards. They also provide the means to manage differences in the timing and calculation of those transactions and the actual expenditure or income we need to charge to our accounts. For example, our properties are regularly re-valued. When this happens any increase in their value is shown in a revaluation reserve. The reserve 'records' the additional income we may receive when the property is sold, but it is 'unusable' until we decide to dispose of the property and achieve a sale. When we sell, the revaluation reserve will be reduced by any increase in value that was recorded before sale. The actual income we receive will be shown in our usable capital receipts reserve, where it can be used to fund new capital expenditure. The balance on our unusable reserves reflects the position following the required accounting transactions.

The cumulative position for unusable reserves includes reserves of:

- £59.707m in respect of the revaluation reserve and capital adjustment account, recording accounting transactions for our capital assets.
- (£0.978m) in respect of negative pensions reserves. The pensions reserves record accounting transactions for the Police and Local Government Pension Schemes and recognise the future liabilities under the pension schemes. Unlike the LGPS, the police pension schemes are ‘unfunded’ meaning that they do not have any assets that have been built up to meet future liabilities, for this reason, the police pensions scheme carry a large liability of £977m. The change in the balance on these reserves in 2024/25 is negative and is as a result of changes in actuarial assumptions that have decreased scheme liabilities.

The Balance Sheet

The balance sheet shows the value as at the balance sheet date (31 March 2025) of the Commissioner’s assets and liabilities. The balance sheet is shown on page 46 in the full statement of accounts. The table below sets out a summary balance sheet.

Balance 31/03/2024 £000s	Summary Balance Sheet	Balance 31/03/2025 £000s
74,402	Property, Plant & Equipment	79,570
1,127	Other Long Term Assets	1,350
26,834	Current Assets	26,508
(14,911)	Current Liabilities	(15,431)
(1,085,797)	Long Term Liabilities	(984,703)
(998,345)	Net Liabilities	(892,706)
31,402	Usable Reserves	29,276
(1,029,747)	Unusable Reserves	(921,982)
(998,345)	Total Reserves	(892,706)

The balance sheet shows property, plant and equipment assets, which include the Commissioner’s estate, fleet of vehicles and ICT/communications equipment, with a value of £79.570m. Of this, land and buildings comprise £66.575m. Long terms assets are comprised of intangible assets (predominantly computer

software) £0.855m. Current assets are principally made up of debtors £18.818m, inventories £0.698m and cash/cash equivalents £4.354m and have a total value of £26.508m. Investments are made in accordance with the Commissioner's treasury management strategy and support the management of reserves and cash flows.

Debtors' balances (held within the Current Assets total on the summary balance sheet) are primarily made up of institutional debtors, for example central government, and prepayments. This means that the risk of not receiving the debt remains low. The Commissioner has a good collection record in respect of debtor invoices raised for services provided. During 2024/25 there were no debtors invoices authorised to be written off as not collectable. The provision for impaired or doubtful debts stands at £16,307 against the future risk that not all outstanding invoices will prove to be 100% collectable, this figure is increased from the previous year of £11,178. The Commissioner's debtors include a share of the debtors recorded by the two Unitary Council's in respect of council tax. This debt amounts to £3.872m and is reduced by the Commissioner's share of their respective bad debt provisions of £1.779m. See note 14 to the statement of accounts (Page 75).

Balance sheet liabilities are amounts owed by the Commissioner. They include creditors, PFI debt, pensions and finance lease liabilities. They are split between short term (current) and long term liabilities, the current liabilities being those amounts due to be paid within 1 year. The most significant element of current liabilities are short term creditors which total (£14.932m).

The combined short and long term liability on the PFI scheme amount to (£3.402m) at 31st March 2025. Long term liabilities are the most significant figure on the balance sheet, showing a balance of (£985m) ((£1,085m) in 2023/24). The main element of this amount is a pension's deficit of (£978m) ((£1,080m) in 2023/24) for the Local Government Pension Scheme (LGPS) and the Police Pension Scheme. However, this deficit will be funded over a number of years, with financial support from Central Government, meaning that the financial position of the Commissioner remains healthy.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash held in bank accounts and changes in Money Market funds. Money Market funds are an alternative way of depositing cash to earn interest. The cash can be

Chief Finance Officer Narrative Report

withdrawn from the fund without having to give notice and they are therefore referred to as cash equivalents.

The statement shows how the Commissioner generates and uses cash and cash equivalents. Cash flows are classified within the cash flow statement as arising from operating activity, investing activity and financing activity. The statement is shown on pages 47-48 of the full statement of accounts. The table below sets out a summary cash flow statement.

Cash flows 2023/24 £000s	Summary Cash Flow Statement	Cash flows 2024/25 £000s
(13,097)	Cash & Cash Equivalents 1 April	(5,136)
	Net Cash Flow from:	
3,225	Operating Activity	(5,515)
4,472	Investing Activity	7,708
264	Financing Activity	(1,411)
(5,136)	Cash & Cash Equivalents 31 March, made up of:	(4,354)
(1,846)	Bank Accounts	(1,843)
(3,290)	Money Market Funds	(2,511)

The table shows a cash outflow of £5.515m from operating activity. This is the net of our cash income including government grants, council tax and charges for services, less how much cash has been paid out, for example for salaries and goods that have been purchased. Cash flows from investing activity show an outflow of £7.708m and primarily represents the net balance of investment deposits less the amount of cash received when the investment comes to the end of its term. Investment activity provides a way to manage resources that will be used to fund future expenditure, earning interest on any balances. Investment activity also includes cash flows from the purchase and sale of capital assets (e.g. property). Cash flows arising from financing activities show a net cash inflow of (£1.411m), this being amount of cash repaid in relation to financing and borrowing. The Commissioner has no borrowing other than that which relates to finance leases and the PFI agreement. An amount of £299k was paid to reduce those debts during the year.

The Commissioner's cash flow statement shows an overall balance of (£4.354m), compared to (£5.136m) in 2023/24, reflecting a decrease in cash and cash equivalents of £0.782m over the year. At the end of the year (£2.511m) of the Commissioner's cash deposits was held in money market funds and (£1.843m) in banks.

Chief Finance Officer Narrative Report

Police Officer Pension Fund Account

This statement sets out the transactions on the police officer pension fund account for the year. The statement records all the contributions that have been made during the year to the pension fund. These are primarily contributions from employees and the Constabulary as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions. These are either transferred contributions, where members join the Constabulary and pension scheme during the year, through transfer from another police force, and transfer in their existing pension benefits. Other contributions also include additional payments made by the employer to cover the cost of ill-health retirements. The fund records the pensions (benefits) that are paid out of the fund to its members. Any difference between the contributions received into the fund and the amount being paid out is met by Home Office government grant. This means the police pension fund always balances to nil.

Pension Fund 2023/24 £000s	Summary Police Pension Fund	Pension Fund 2024/25 £000s
(16,588)	Contributions - Employer	(19,923)
(7,193)	Contributions - Officers	(7,731)
(268)	Contributions - Other	(191)
40,539	Benefits Payable	44,183
55	Other Payments	102
16,545	Net Amount Payable	16,440
(16,545)	Contribution from Home Office	(16,440)
0	Net Amount Payable	0

The statement identifies contributions into the fund of (£19.923m) from the Constabulary (employer) and (£7.731m) from police officers. Employer contribution rates in 2024/25 were at 35.3%. In total £44.183m of pensions have been paid out of the fund. The balance between contributions and those pensions' benefits of £16.440m has been funded by Home Office. The full police officer pension fund account is shown on pages 97 to 98 of the financial statements accompanied with a page of explanatory notes.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published alongside the Annual Governance Statement for the Police, Fire and Crime Commissioner and the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

Business Review

During 2024/25, the Commissioner has continued with several programmes and initiatives working with the Constabulary and wider partners to deliver the key priorities within the Police, Fire & Crime Plan.

Alongside the core emotional, practical and advocacy support services commissioned for victims of crime and abuse, the Commissioner has worked with Victim Support to introduce Independent Domestic and Sexual Violence Advisor posts, through Ministry of Justice funding and grant managed by the Commissioner's office. The health IDSVA is based within Carlisle Infirmary and has been developed in partnership with North Cumbria Integrated Care NHS Foundation Trust, to provide support to survivors of abuse who are accessing health services, particularly those who might not otherwise encounter support services. The added benefit of this post is not only is support provided to presenting cases, but the health IDSVA is able to upskill staff within the health setting to recognise the indicators of Domestic Abuse & / or Sexual Violence but more importantly how to effectively arrange specialist support in a safe way.

While the VAWG strategy focuses on women & girls the Commissioner recognises there is much to do in supporting men & boys which includes their safety. The Commissioner understands men & boys are also affected by these crimes and the need for a trauma informed response is provided by a commissioned Male IDSVA based with Victim Support. This 'by and for' role enables male victims to choose the gender of the person from whom they receive support.

A service tailored to support children and young people who have witnessed or experienced domestic abuse has been part of the integrated support offer during 2024/25. The service continues to see high outcome scores in relation to healthy coping strategies, increased safety understanding, and understanding what a

healthy relationship looks like. The children & young people's DA service shows an 85% satisfaction outcome for the support received and increased referrals from schools.

The Commissioner has continued to co-commission Remedi in their third year to deliver restorative justice across Cumbria for victims of crime and to raise awareness of the process with persons on probation to encourage involvement with the service. Remedi also facilitates mediation for those experiencing antisocial behaviour and referred to the service by the constabulary neighbourhood policing teams by way of the multi-agency local focus hubs. Restorative Justice is a process which brings those harmed by a crime (a victim or victims) and those responsible for the harm (an offender or perpetrator), into some form of communication, enabling everyone affected by a particular incident to play a part in repairing the harm and finding a positive way forward.

The Bridgeway Sexual Assault Support Centre (SARC) is co-commissioned by the OPFCC and NHS England to offer confidential healthcare and compassionate support to anyone in Cumbria that has experienced sexual assault or rape. The service has a specially trained paediatrician and forensic nurse examiners in addition to support workers who can care for users of the service in a safe and non-judgmental environment.

Staff at The Bridgeway will also arrange for specialist support by way of an Independent Sexual Violence Advisor (ISVA) who can provide personalised support to help someone manage after a crime and to feel safer. If required the ISVA can offer support before, during and after court and act as a single point of contact between different agencies.

Safety Net & The Birchall Trust work in partnership with The Bridgeway by offering counselling and support during the recovery for those affected by rape, sexual abuse or sexual violence. The approach is offered to adults, children & young people in a trauma-informed holistic manner.

During 2024/25 the Office has continued to reduce reoffending via commissioned service Pathways, the Cumbria Adult Out of Courts Disposal with integrated Offender Management. Pathways are in the fourth year of delivery leading to their final year in 2025/26. To date Pathways has received 1,417 referrals for a deferred caution and 205 referrals for a deferred charge resulting in 1,622 offenders referred with increased motivation to change their behaviour. Appropriate use of the out of court disposal means victims receive justice quicker, while the offender faces immediate consequences for their actions.

Chief Finance Officer Narrative Report

Pathways continue to achieve 94% non- reoffending rate 365 days after completion of the programme which is delivered by Remedi Restorative Services.

The Commissioner, Cumberland, Westmorland & Furness councils continued to fund Keep Safe to deliver consistent crime prevention advice with a target hardening service (improving security measures) available to all victims of high risk, high harm crime. This service aims to reduce the likelihood of recidivism and helps victims to cope and recover from crime and/or anti-social behaviour by increasing their feelings of safety within their own homes. The number of victims supported by Keep Safe rises each year with an average of 80 referrals per month. Referrals are received from partner agencies with the highest crime type referred to being domestic abuse.

The Commissioner continued to provide a contribution towards the Crimestoppers regional manager to deliver campaigns and appeals at a local, regional and national level. These campaigns encourage people to report anonymously, taking away the fear of reprisals but still bringing criminals to the attention of the police and helping to safeguard victims of crime.

The commissioner has committed funding towards statutory provision of Operation Encompass in 2024/25 the police and education information sharing partnership enabling schools to offer immediate support to children & young people experiencing domestic abuse.

Operation Encompass ensures a telephone call or notification to the school's designated safeguarding lead prior to the start of the next school day after an incident of police attended domestic abuse where there are children or young people related to either of the adult parties involved.

The Commissioner continued funding to support the activities of the Rural Crime Team with priorities to reduce rural acquisitive crime, bring offenders to justice engaged in rural and wildlife crime, to identify & recover stolen property, enhance public engagement & crime prevention & to disrupt serious and organised crime in this area.

Responding to incidents in the North of the county the Commissioner procured Remedi to deliver Anti-Hate Crime work. Step Up BEAT HATE in secondary schools to over 500 students. The programme covered Hate CRime Awareness: defining hate crime, the impacts of hate crime, consequences for victims and offenders, how to report offences and where to seek help & support.

Chief Finance Officer Narrative Report

Turning the Spotlight (TTS) entered the final year of contract delivery by Victim Support offering support to couples, families and those whose relationship ranged from unhealthy to medium risk domestic abuse. TTS work with couples separately with or without children & offer a range of programmes delivered in a group work setting. The service accepts self-referral and agency referrals.

The benefits of the commissioner funding this intervention work is that couples and families are supported by specialist caseworkers with risk assessment and safety planning factored into the work. Couples and families will experience improved communication, less conflict, improved confidence and self-esteem and a happier home.

Programmes within the scope of delivery include a 12-week Healthy Relationship online programme, 7-week Partner Healthy Relationship programme & 4-week Children Matter programme.

As this was the final year for delivery of TTS the Commissioner ran a competitive procurement exercise which identified Victim Support to continue delivery of this service from 2025 onwards.

Performance

The Commissioner has an open and transparent Accountability Framework to assess how well the objectives in the Police Fire & Crime Plan are being achieved.

The Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy) by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). In March 2024, the evidence gathering phase of an extensive period of inspection came to an end with the report being published in July 2024. The Constabulary received one 'Outstanding' grade, six 'Good' grades and two 'Adequate' grades. This represents a significant improvement when compared to the previous inspection round and is a major endorsement of the work completed. As a result, Cumbria became the first force in the current round of PEEL inspections to be graded as 'outstanding' for Building, Supporting and Protecting the Workforce and 'good' for both Investigating Crime and Responding to the Public.

Chief Finance Officer Narrative Report

During 2024/25, the Police, Fire and Crime Panel has continued to facilitate effective scrutiny of delivery of the plan's objectives through quarterly meetings. Thematic reports are presented to the Panel and follow terms of reference agreed in advance with the Panel Chair.

Within the Office of the Police, Fire & Crime Commissioner (OPFCC) Strength Based Conversation Performance Reviews have been replaced by Personal Development Reviews and continue to be carried out with all staff. To support this, the OPFCC Training Plan sets out the overall training plan for the office and cascades into individual responsibilities. In 2024/25, specific training has been provided for staff in the areas of Restorative Approaches from Remedi, Deny, Attack, Reverse Victim and Offender (DARVO) Training, OPFCC Business Continuity, Victim Awareness, Contract Management, Social Media procedures, Risk Management, Data Protection and staff wellbeing. Individual staff have attended conferences, workshops and specific training events to help them develop within their roles.

Performance Report

During the 2024/25 financial year (01/04/2024-31/03/2025) Cumbria Constabulary recorded 37,074 crimes, which was a 4.3% increase on the previous financial year (1,522 additional crimes).

The Constabulary's positive outcome rate for the 2024/25 financial year was 20.9% which was a 1.4 percentage point increase compared to the previous year (19.5%). Latest national data (up to the end of February 2025) indicates that Cumbria had one of the highest outcome rates nationally, with a rate above the national average, and the average for our Most Similar Group.

Cumbria Constabulary's crime rate (all crime) per 1,000 population during the 2024/25 financial year was 74.0/1,000 population. This means that for every 1000 individuals residing in Cumbria, 74 crimes were recorded. Latest national data (up to the end of February 2025), indicates that this figure is lower than the national average and the average of our Most Similar Group.

All Crime – Offence Group Performance Overview

The table below provides a breakdown of the 37,074 recorded crimes by offence group.

Offence Groups with Crime Volume and Positive Outcome Rate – Apr-24 – Mar-25

Chief Finance Officer Narrative Report

OffenceGroup	Crime Volume	SPLY Volume	Vol. Delta	Vol. Delta (%)	Positive OCs	Positive OC Rate
Arson and Criminal Damage	3,847	4,336	-489	-11.28%	565	14.69%
Burglary	1,057	1,308	-251	-19.19%	181	17.12%
Drug offences	2,002	1,666	336	20.17%	1,575	78.67%
Miscellaneous Crimes Against Society	1,163	884	279	31.56%	269	23.13%
Possession of weapons offences	538	537	1	0.19%	253	47.03%
Public order offences	3,802	3,334	468	14.04%	767	20.17%
Robbery	134	178	-44	-24.72%	37	27.61%
Sexual offences	1,821	1,585	236	14.89%	200	10.98%
Theft offences	5,241	5,345	-104	-1.95%	1,102	21.03%
Vehicle Offences	837	972	-135	-13.89%	113	13.50%
Violence against the person	16,632	15,407	1225	7.95%	2,695	16.20%
Total	37,074	35,552	1522	4.28%	7,757	20.92%

Cumbria Constabulary saw a 20.2% increase in drug offences; this is influenced by an increase in the volume of proactive stop searches increasing (19.9% increase in the 2024/25 financial year, compared to the previous financial year) as well as targeted drugs operation run across the county targeting suppliers. The positive outcome rate for drug offences during the 2024/25 financial year was 78.7%, latest national data (up to the end of February 2025) indicates that this outcome rate is above the national average, as well as the average of our Most Similar Group.

There has been a 19.2% decrease in the volume of burglaries across the force. This is influenced by an increased focus on Burglary Performance across the Constabulary, with a dedicated Operation (THEMIS), weekly tactical meetings, introduction of outcome based and volume reduction KPI's, and increased media campaigns alerting residents on the importance of securing belongs and their homes. Residential burglary of a home has also decreased 23.0% which is 138 fewer crimes. During the 2024/25 financial year, Cumbria recorded 2.6 burglaries per 1000 population. Latest national data (up to February 2025) indicates that this figure is below the national average, and the average of Cumbria's Most Similar Group.

The outcome rate for Burglary for the 2024/25 financial year was 17.12%, latest national data (up to February 2025) indicates that this is one of the highest rates nationally, with a rate higher than the national average and that of our most similar group.

Robbery has decreased by 24.7% (44 fewer crimes) which is influenced by an increased focus on this offence across a number of tactical and strategic meetings. During the 2024/25 financial year, Cumbria recorded 0.36 robberies per 1000 population. Latest national data (up to February 2025) indicates that this figure is below the national average and in line with the average of Cumbria's most similar group.

Chief Finance Officer Narrative Report

The outcome rate for Robbery for the 2024/25 financial year was 27.61%. Latest national data (up to February 2025) indicates that this is one of the highest rates nationally, with a rate above the national average, and that of our Most Similar Group.

Public order offences have increased by 14.0%. The largest proportional increase is seen in the offence sub group 'Other offences against the state or public order', which has seen a 50.2% increase (an additional 149 offences). This sub category contains the offences of "breach of a criminal behaviour order", "breach of a SHPO/interim SHPO/SOPO/interim SOPO" and "Failure to Comply with Notification Order", all of which have all seen notable increases compared to the previous year and is representative of the Constabulary increasing its use of these orders.

Violence against the person has seen an 8.0% increase, most of this increase came from the subgroup "stalking & harassment" which saw a 11.5% increase (533 additional crimes) and the offence group "violence without injury" which saw a 10.9% increase (665 additional crimes).

Stalking has increased nationally and is influenced by increased awareness, the National Stalking Helpline reporting a surge in stalking complaints following a Netflix programme 'Baby Reindeer' which was watched by millions of people. The Stalking Super complaint was also published in 2024, further increasing awareness to both victims and police forces nationally.

The outcome rate for Stalking & Harassment during 2024/25 was 12.82%, latest national data (up to February 2025) indicates that this is one of the highest outcome rates nationally, with a rate above the national average, and that of our most similar group. Stalking has also been introduced as an outcome based KPI for the 2025/26 financial year.

Sexual Offences have increased by 14.9% and is discussed in more detail within the RASSO report. The increase is influenced by a change in counting rules, in which 3 new offences were introduced under the Online Safety Act in January 2024, relating to sending and sharing images of a sexual nature.

Miscellaneous crimes against society have increased by 31.6% (279 additional offences). National data indicates that increases have also been seen nationally, and within our Most Similar Group. The largest increases are seen within the sub-group, 'Threat or Possession with Intent to Commit Criminal Damage' (+110 offences), this is influenced by a change in crime counting rules, which has changed the offence criteria

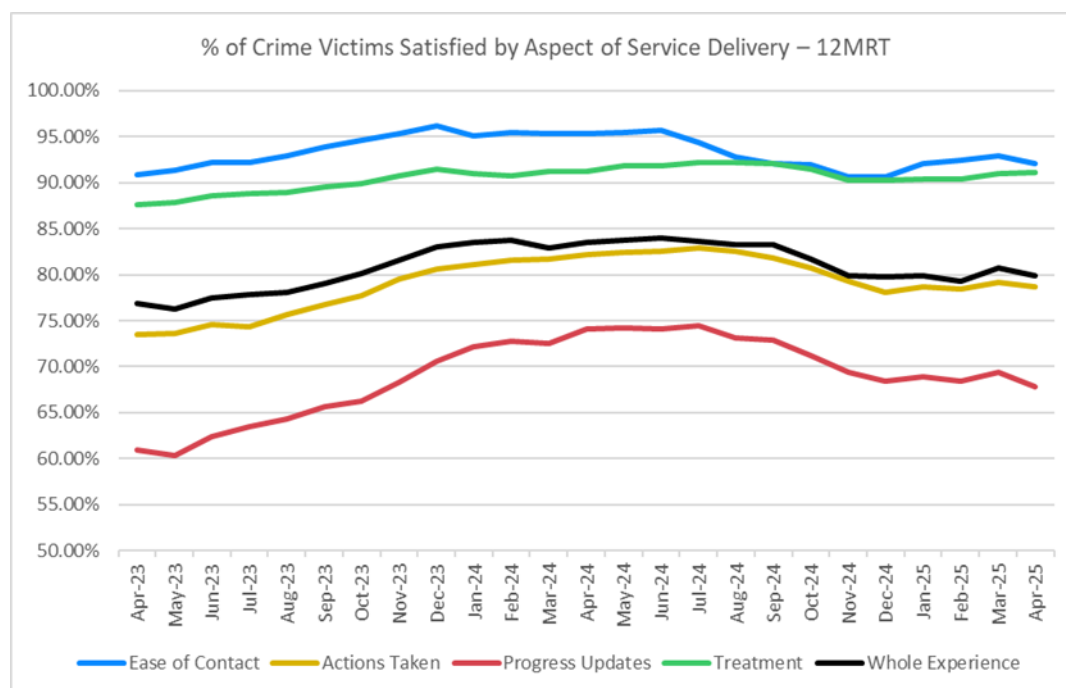
Chief Finance Officer Narrative Report

and placed the recording of this under the 'Miscellaneous Crimes Against Society' category (previously recorded under Malicious Communications category).

The offence of 'Profiting from or concealing knowledge of the proceeds of crime' has also increased by 80 offences, this is influenced by increased activity by the Roads Crime Unit, focusing on identifying vehicles likely to be involved in the transportation of illicit / criminal cash. Furthermore, the Constabulary have introduced a dedicated Financial Investigator within the Economic Crime Unit, to target illicit / criminal cash held in bank accounts, identified through Suspicious Activity Reports (SARs).

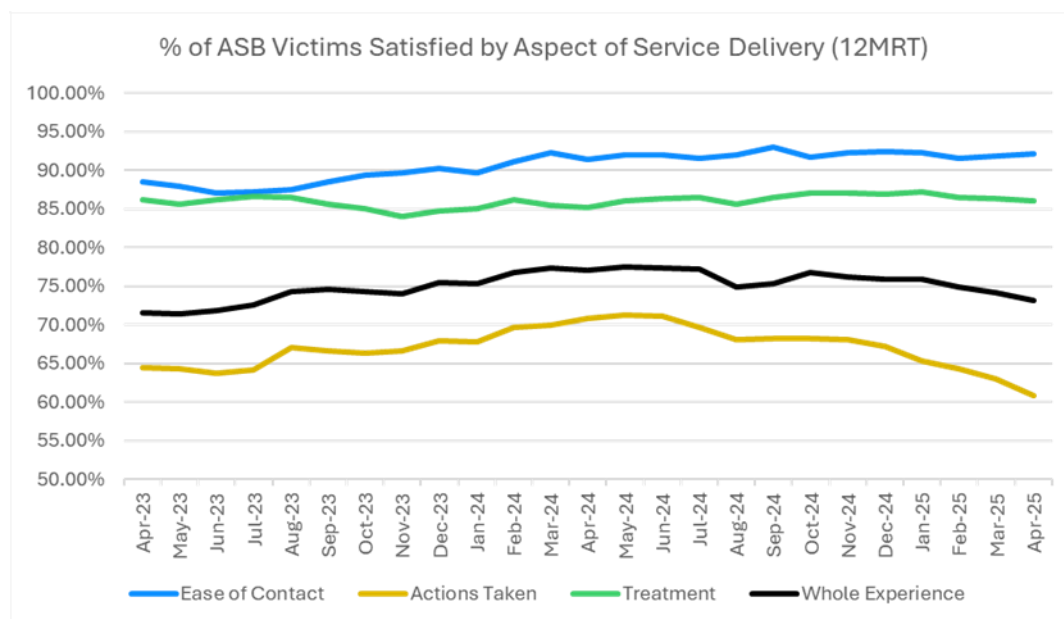
The outcome rate for Miscellaneous crimes against society is 23.1%. Latest national data (up to the end of February 2025), indicates that this is one of the highest rates nationally, and is above the national average and the average of our Most Similar Group.

Victim Satisfaction



During the 2024/25 financial year, 637 interviews were conducted with victims of Crime. Overall, 80.8% of respondents were satisfied with the whole experience. Broken down by aspect of service; 93.0% were satisfied with Ease of contact, 79.1% were satisfied with Actions Taken, 69.3% were satisfied with Progress Updates and 91.0% were satisfied with Treatment by Staff.

Chief Finance Officer Narrative Report



During the 2024/25 financial year, 309 interviews were conducted with victims of ASB. Overall, 74.1% of respondents were satisfied with the whole experience. Broken down by aspect of service; 91.8% were satisfied with Ease of contact, 63.0% were satisfied with Actions Taken and 86.4% were satisfied with Treatment by Staff.

Priorities and areas of focus over next 12 months

Revised KPI's for 2025/26 will focus on improving outcomes for:

- All Crime
- Victim Based Crime
- Domestic Abuse
- Hate Crime
- Rape
- Other Sexual Offences
- Stalking
- Robbery
- Burglary Residential
- Vehicle Crime

Revised KPIs for 2025/26, will focus on continued reductions in:

- Anti-social Behaviour (ASB)
- Killed or Seriously Injured (KSI)

- Vehicle Crime
- As well as ensuring volumes of Burglary Residential and Robbery remain low

Areas of Local / National concern

The Home Office and College of Policing are currently engaging with forces to inform the plan for a Neighbourhood Policing Performance Framework. This framework will provide a “Neighbourhood Policing Guarantee”, focussing upon five pillars namely:

- Policing back on the beat
- Community led
- A new neighbourhood policing career pathway
- A crackdown on antisocial behaviour
- Safer town centres

Finance & Value for Money

- We measure our performance against targets for achieving financial outturn within a percentage of the net budget. For 2024/25 this was set at 1% for the revenue budget and 8% for the capital budget.
- Actual performance for the Group revenue was 0.6%, which was within the target.
- The capital outturn was significantly (50%) below budget, falling outside the target. Whilst this was a disappointing result, the slippage was to a large degree attributable to a combination of delays in vehicle deliveries, which were beyond our control, and of taking additional time to ensure that investment in fast moving digital technologies is spent wisely to provide long term benefits. Stretch targets will continue to be set for capital expenditure going forward as a recognised area for performance improvement.
- Historically the budget for the Commissioner and Office of the Police, Fire and Crime Commissioner was benchmarked against HMICFRS Value for Money profiles. Following the inclusion of fire and rescue services under the remit of HMICFRS, costs for Police, Fire and Crime Commissioners are no longer included in the VFM comparators. It has therefore not been possible to undertake a Value for Money analysis for the Office of the Police, Fire and Crime Commissioner for 2024/25.
- His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) latest PEEL inspection in 2024 assessed the Constabulary adequate in respect of use of resources.

- Outcomes against wider performance measures that indicate the effectiveness of activity and interventions are strong against the priority areas of keeping crime at low levels, reducing anti-social behaviour, bringing criminals to justice and increasing reporting of hate crime and domestic and sexual abuse.
- External audit of arrangements for Value for Money in their annual report.
- Collectively, these indicators provide assurance of Value for Money in respect of the 2024/25 financial year.

The Future Outlook

The overall balance sheet at the 31st March 2025 remains healthy, which is reflected in the Medium Term Financial Forecast, which sets out the revenue budget position until 2029/30 and a capital programme, which is fully funded until 2034/35, which will support delivery of the Police, Fire and Crime Plan. The current financial position has primarily arisen as a result of positive action on behalf of the Constabulary to reduce costs in the context of real terms reductions in funding since 2010. This has enabled reserves to be maintained at a level that balances financial resilience and supports continued investment.

The Medium Term Financial Strategy and 2025/26 budget was approved in the context of the Government continuing to provide additional funding for Operation Uplift and affording Commissioners' flexibility to raise council tax above inflation. However, this is accompanied by increasing cost pressures particularly in light of the emergence of continued inflationary pressures throughout 2025/26.

Against this background the 2025/26 budget provides £158.014m funding for the Chief Constable to deliver policing for Cumbria. Resources include maintaining an establishment of 1,359 Police Officers. The longer term 10 year capital programme envisages a total investment of £56m principally across the estate, fleet and ICT.

Whilst the position is financially resilient in the short term, there are uncertainties which have the potential to impact negatively on the budget in the medium term. Based on the MTFF assumptions, savings will need to be delivered from 2025/26 to balance the budget. The cumulative budget gap by 2029/30 is forecast as £10.9m. The uncertain impact of inflation on future budget prospects compounds existing financial risks in relation to the adequacy and sustainability of funding beyond Operation Uplift, the cost of national policing programmes, particularly the Emergency Services Network, pensions issues and the review of the police

funding formula. The required savings are considered to be challenging and will need diligence to ensure they are achievable, manageable and are delivered.

Financial scenario modelling continues to take place on a frequent on-going basis, together with development of a savings and efficiency plan involving both the OPFCC and Constabulary.

The announcement of the Comprehensive Spending Review in the summer of 2025 will provide greater clarity on the future funding settlements for policing and the additional requirements around Neighbourhood Policing targets set by government.

Acknowledgements

The financial statements were authorised for issue by me as PFCC Chief Finance Officer on 17 June 2025.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis the Constabulary Chief Finance Officer, Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these Statements against tight deadlines and complex financial reporting standards.

Steven Tickner

PFCC Chief Finance Officer

The accounts present a true and fair view of the position of the Police, Fire and Crime Commissioner for Cumbria Single Entity and Group Accounts as at 31 March 2025 and its income and expenditure for the year there ended.

Signatures removed for the purpose of publication on the website

Steven Tickner CPFA

PFCC Chief Finance Officer

Date: 17 June 2025

Responsibilities for the Statement of Accounts

1 The Commissioner's Responsibilities

The Police, Fire and Crime Commissioner (The Commissioner/PFCC) is the recipient of funding relating to policing and crime reduction and has statutory responsibility for the Police Fund. The Commissioner is required to:

- make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the PFCC Chief Finance Officer (CFO).
- manage his affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

2 The Chief Constable's Responsibilities

The Chief Constable (the CC) is accountable to the Police, Fire and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police, Fire and Crime Commissioner. The Chief Constable is required to:

- make arrangements for the proper administration of the financial affairs of the Constabulary and to secure that one of their officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Constabulary Chief Finance Officer (CFO).
- manage the affairs of the Constabulary to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

3 The PFCC Chief Finance Officer's Responsibilities

The PFCC Chief Finance Officer is responsible for the preparation of the Commissioner's, Chief Constable's and Group Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Account, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- complied with the local authority code.

The CFO has also:

- kept proper accounting records, which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The CFO should sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the organisation at the reporting date and its income and expenditure for the year ended 31 March 2025.

Independent Auditor's Report

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The Statement of Accounts includes four primary or core financial statements:

- **Comprehensive Income and Expenditure Statement** - This statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

The expenditure in the statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables.

- **Movement in Reserves Statement** - This statement shows the movement in the year on the different reserves held by the Commissioner, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce taxation) and other 'Unusable Reserves'. The Surplus (or Deficit) on the Provision of Services line shows the true economic cost of providing the Commissioner's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Police Fund Balance for Council Tax setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory Police Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Commissioner.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables, the figures for 2024/25 and the comparators for 2023/24 are also shown in separate tables.

- **Balance Sheet** – This statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Commissioner. The net assets (assets less liabilities) are matched by the reserves held by the Commissioner. Reserves are reported in two categories.

The first category of reserves are **usable reserves**, i.e. those reserves that the Commissioner may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves are **unusable reserves** and relate to those that the Commissioner is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The balance sheet for the Group and PFCC are shown side by side and include both 2024/25 figures and 2023/24 comparators.

- **Cash Flow Statement** - This statement shows the changes in cash and cash equivalents of the Commissioner during the reporting period. The statement shows how the Commissioner generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Commissioner are funded by way of taxation and grant income or from the recipients of services. Investing activities represent the extent to which cash outflows have been generated from resources which are intended to contribute to the Commissioner's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing).

The cash flow statement for the Group and PFCC are shown side by side and include both 2024/25 figures and 2023/24 comparators.

Police Property Act – At the 31 March 2025, the Commissioner held £54k (£2k in 2023/24) under the Police Property Act 1997. The Act applies to property that is in the possession of police where the owner of the property cannot be identified and where no order of a competent court has been made. The proceeds, after defraying the costs of handling the property, are available for distribution each year to local charities as directed by the Office of the Police, Fire and Crime Commissioner. During 2024/25 awards totaling £1.5k were made to 1 group from the Police Property Act Fund.

Proceeds of Crime and Misuse of Drugs Acts – At the 31 March 2025, the Commissioner held £1.234m (£1.249m in 2023/24) under the Proceeds of Crime Act 2002 and the Misuse of Drugs Act. This is money seized in connection with possible criminal activity and held pending a decision, by the courts, on the lawful owner, or distribution if no legal owner is identified.

These funds are not under the ownership of the Constabulary who acts as steward on behalf of various parties, and as such, does not form part of the Commissioner's accounts.

Comprehensive Income and Expenditure Statement – Group

Group 2023/24 Gross Expenditure	Group 2023/24 Gross Income	Group 2023/24 Net Expenditure	Comprehensive Income and Expenditure Statement (Group)			Group 2024/25 Gross Expenditure	Group 2024/25 Gross Income	Group 2024/25 Net Expenditure
£000s	£000s	£000s		Notes	£000s	£000s	£000s	
130,015	(24,500)	105,515	Cost of Policing and Crime Services	#	137,072	(25,663)	111,409	
130,015	(24,500)	105,515	Cost of Policing and Crime Services		137,072	(25,663)	111,409	
			Other Operating Expenditure					
0	(23)	(23)	(Gain)/loss on disposal of non current assets	9e	0	(174)	(174)	
16,545	(16,493)	52	Transfer to Pension Fund/Pension Top Up Grant		16,440	(16,408)	32	
16,545	(16,516)	29			16,440	(16,582)	(142)	
			Financing and Investment Income and Expenditure					
480	0	480	Interest payable on PFI unitary payments		535	0	535	
57,096	(9,233)	47,863	Net Interest on the net defined benefit liability (asset)	Annex B	58,948	(10,158)	48,790	
	(1,009)	(1,009)	Investment interest income			(1,145)	(1,145)	
57,576	(10,242)	47,334			59,483	(11,303)	48,180	
			Taxation and Non-Specific Grant Income					
0	(52,004)	(52,004)	Income from Council Tax	28	0	(55,578)	(55,578)	
0	(4,850)	(4,850)	Council Tax Grant (Freeze & Support)	27	0	(4,850)	(4,850)	
0	(37,360)	(37,360)	Formula Funding	27	0	(38,127)	(38,127)	
0	(35,496)	(35,496)	Home Office Police Grant	27	0	(39,064)	(39,064)	
0	(688)	(688)	PFI Grant	27	0	(659)	(659)	
0	(130,398)	(130,398)			0	(138,278)	(138,278)	
204,136	(181,656)	22,480	(Surplus) or Deficit on Provision of Services		212,995	(191,826)	21,169	
			Surplus or Deficit on revaluation of Property, Plant and Equipment Assets					
		(2,944)	Revaluation (Gains)	20a			(4,546)	
		4,490	Revaluation losses (chargeable to revaluation reserve)	20a			10	
			Actuarial (gains) / losses on pension assets / liabilities					
		(7,726)	- Matching the entry to the pensions reserve	Annex B			(122,634)	
		(6,180)	Other Comprehensive Income and Expenditure				(127,170)	
		16,300	Total Comprehensive Income and Expenditure				(106,001)	

A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Comprehensive Income and Expenditure Statement – PFCC

PFCC 2023/24 Gross Expenditure	PFCC 2023/24 Gross Income	PFCC 2023/24 Net Expenditure	Comprehensive Income and Expenditure Statement (PFCC)			PFCC 2024/25 Gross Expenditure	PFCC 2024/25 Gross Income	PFCC 2024/25 Net Expenditure
£000s	£000s	£000s		Notes	£000s	£000s	£000s	
18,417	(32,796)	(14,379)	Cost of Policing and Crime Services	#	16,727	(32,672)	(15,945)	
146,028	0	146,028	Funding Provided by PFCC to CC		156,652	0	156,652	
164,445	(32,796)	131,649	Cost of Policing and Crime Services		173,379	(32,672)	140,707	
			Other Operating Expenditure					
0	(23)	(23)	(Gain)/loss on disposal of non current assets	9e	0	(174)	(174)	
16,545	(16,493)	52	Transfer to Pension Fund/Pension Top Up Grant		16,440	(16,408)	32	
16,545	(16,516)	29			16,440	(16,582)	(142)	
			Financing and Investment Income and Expenditure					
480	0	480	Interest payable on PFI unitary payments		535	0	535	
234	(261)	(27)	Net Interest on the net defined benefit liability (asset)	Annex B	251	(293)	(42)	
0	(1,009)	(1,009)	Investment interest income		0	(1,145)	(1,145)	
714	(1,270)	(556)			786	(1,438)	(652)	
			Taxation and Non-Specific Grant Income					
0	(52,004)	(52,004)	Income from Council Tax	28	0	(55,578)	(55,578)	
0	(4,850)	(4,850)	Council Tax Grant (Freeze & Support)	27	0	(4,850)	(4,850)	
0	(37,360)	(37,360)	Formula Funding	27	0	(38,127)	(38,127)	
0	(35,496)	(35,496)	Home Office Police Grant	27	0	(39,064)	(39,064)	
0	(688)	(688)	PFI Grant	27	0	(659)	(659)	
0	(130,398)	(130,398)			0	(138,278)	(138,278)	
181,704	(180,980)	724	(Surplus) or Deficit on Provision of Services		190,605	(188,970)	1,635	
			Surplus or Deficit on revaluation of Property, Plant and Equipment Assets					
		(2,944)	Revaluation gains	20a			(4,546)	
		4,490	Revaluation losses (chargeable to revaluation reserve)	20a			10	
			Actuarial (gains) / losses on pension assets / liabilities					
		48	Remeasurement of the net defined pension benefit liability/asset	Annex B			40	
		1,594	Other Comprehensive Income and Expenditure				(4,496)	
		2,318	Total Comprehensive Income and Expenditure				(2,861)	

A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Movement in Reserves Statement – Group

The figures for the group in 2024/25 are provided in the table below:

Movement in Reserves Statement (Group) Figures for 2024/25											
	Note	Balance at 1 April 2024	Adjustment to Opening Balance 1 April 2024	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2024/25	Balance at 31 March 2025
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves											
Police Fund Account	-	4,000	0	(21,169)	0	(21,169)	19,750	(1,419)	1,419	0	4,000
Earmarked Revenue Reserves	8	23,158	0	0	0	0	0	0	300	300	23,458
Earmarked Capital Reserves	8	2,013	0	0	0	0	0	0	(1,719)	(1,719)	294
Capital Receipts Reserve	19	2,231	0	0	0	0	(707)	(707)	0	(707)	1,524
Total Usable Reserves		31,402	0	(21,169)	0	(21,169)	19,043	(2,126)	0	(2,126)	29,276
Unusable Reserves											
Revaluation Reserve	20a	23,999	0	0	4,536	4,536	(274)	4,262	0	4,262	28,261
Capital Adjustment Account	20b	30,731	0	0	0	0	715	715	0	715	31,446
Police Pensions Reserve	20e	(1,079,290)	0	0	124,240	124,240	(21,950)	102,290	0	102,290	(977,000)
LGPS Pensions Reserve	20e	(733)	(362)	0	(1,606)	(1,606)	2,056	450	0	450	(645)
Collection Fund Adjustment A/c	20c	6	0	0	0	0	0	0	0	0	6
Accumulated Absences A/c	20d	(4,460)	0	0	0	0	410	410	0	410	(4,050)
Total Unusable Reserves		(1,029,747)	(362)	0	127,170	127,170	(19,043)	108,127	0	108,127	(921,982)
Total Reserves		(998,345)	(362)	(21,169)	127,170	106,001	0	106,001	0	106,001	(892,706)

The comparative figures for the group in 2023/24 are provided in the table below:

Movement in Reserves Statement (Group) Figures for 2023/24										
	Note	Balance at 1 April 2023	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/ (from) earmarked reserves	Increase/ (decrease) in 2023/24	Balance at 31 March 2024
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves										
Police Fund Account	-	4,000	(22,480)	0	(22,480)	24,338	1,858	(1,858)	0	4,000
Earmarked Revenue Reserves	8	19,681	0	0	0	0	0	3,477	3,477	23,158
Earmarked Capital Reserves	8	3,632	0	0	0	0	0	(1,619)	(1,619)	2,013
Capital Receipts Reserve	19	2,359	0	0	0	(128)	(128)	0	(128)	2,231
Capital Grants Unapplied	19	1,728	0	0	0	(1,728)	(1,728)	0	(1,728)	0
Total Usable Reserves		31,400	(22,480)	0	(22,480)	22,482	2	0	2	31,402
Unusable Reserves										
Revaluation Reserve	20a	25,878	0	(1,546)	(1,546)	(333)	(1,879)	0	(1,879)	23,999
Capital Adjustment Account	20b	31,078	0	0	0	(347)	(347)	0	(347)	30,731
Police Pensions Reserve	20e	(1,065,680)	0	9,890	9,890	(23,500)	(13,610)	0	(13,610)	(1,079,290)
LGPS Pensions Reserve	20e	0	0	(2,164)	(2,164)	1,431	(733)	0	(733)	(733)
Collection Fund Adjustment A/c	20c	84	0	0	0	(78)	(78)	0	(78)	6
Accumulated Absences A/c	20d	(4,805)	0	0	0	345	345	0	345	(4,460)
Total Unusable Reserves		(1,013,445)	0	6,180	6,180	(22,482)	(16,302)	0	(16,302)	(1,029,747)
Total Reserves		(982,045)	(22,480)	6,180	(16,300)	0	(16,300)	0	(16,300)	(998,345)

Movement in Reserves Statement – PFCC

The figures for the PFCC Single Entity in 2024/25 are provided in the table below:

Movement in reserves Statement (PFCC) Figures for 2024/25											
	Note	Balance at 1 April 2024	Adjustment to Opening Balance 1 April 2024	Surplus/(deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase/(decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/(decrease) in 2024/25	Balance at 31 March 2025
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves											
Police Fund Account	-	4,000	0	(1,635)	0	(1,635)	216	(1,419)	1,419	0	4,000
Earmarked Revenue Reserves	8	23,158	0	0	0	0	0	0	300	300	23,458
Earmarked Capital Reserves	8	2,013	0	0	0	0	0	0	(1,719)	(1,719)	294
Capital Receipts Reserve	19	2,231	0	0	0	0	(707)	(707)	0	(707)	1,524
Total Usable Reserves		31,402	0	(1,635)	0	(1,635)	(491)	(2,126)	0	(2,126)	29,276
Unusable Reserves											
Revaluation Reserve	20a	23,999	0	0	4,536	4,536	(274)	4,262	0	4,262	28,261
Capital Adjustment Account	20b	30,731	0	0	0	0	715	715	0	715	31,446
LGPS Pensions Reserve	20e	(14)	(11)	0	(40)	(40)	52	12	0	12	(13)
Collection Fund Adjustment A/c	20c	6	0	0	0	0	0	0	0	0	6
Accumulated Absences A/c	20d	(46)	0	0	0	0	(2)	(2)	0	(2)	(48)
Total Unusable Reserves		54,676	(11)	0	4,496	4,496	491	4,987	0	4,987	59,652
Total Reserves		86,078	(11)	(1,635)	4,496	2,861	0	2,861	0	2,861	88,928

The comparative figures for 2023/24 are provided in the table below:

Movement in Reserves Statement (PFCC) Figures for 2023/24										
	Note	Balance at 1 April 2023	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2023/24	Balance at 31 March 2024
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves										
Police Fund Account	-	4,000	(724)	0	(724)	2,582	1,858	(1,858)	0	4,000
Earmarked Revenue Reserves	8	19,681	0	0	0	0	0	3,477	3,477	23,158
Earmarked Capital Reserves	8	3,632	0	0	0	0	0	(1,619)	(1,619)	2,013
Capital Receipts Reserve	19	2,359	0	0	0	(128)	(128)	0	(128)	2,231
Capital Grants Unapplied	19	1,728	0	0	0	(1,728)	(1,728)	0	(1,728)	0
Total Usable Reserves		31,400	(724)	0	(724)	726	2	0	2	31,402
Unusable Reserves										
Revaluation Reserve	20a	25,878	0	(1,546)	(1,546)	(333)	(1,879)	0	(1,879)	23,999
Capital Adjustment Account	20b	31,078	0	0	0	(347)	(347)	0	(347)	30,731
LGPS Pensions Reserve	20e	0	0	(48)	(48)	34	(14)	0	(14)	(14)
Collection Fund Adjustment A/c	20c	84	0	0	0	(78)	(78)	0	(78)	6
Accumulated Absences A/c	20d	(44)	0	0	0	(2)	(2)	0	(2)	(46)
Total Unusable Reserves		56,996	0	(1,594)	(1,594)	(726)	(2,320)	0	(2,320)	54,676
Total Reserves		88,396	(724)	(1,594)	(2,318)	0	(2,318)	0	(2,318)	86,078

Balance Sheet – PFCC & Group

PFCC		Group		Balance Sheet		PFCC		Group	
31 March 2024		31 March 2024				31 March 2025		31 March 2025	
£000s		£000s				£000s		£000s	
					Notes				
				Property, Plant & Equipment					
63,775	63,775			Land and Buildings	9	66,575	66,575		
4,989	4,989			Vehicles	9	4,744	4,744		
4,825	4,825			Information Technology Equipment	9	5,498	5,498		
813	813			Furniture, Equipment & Plant	9	765	765		
0	0			Right of Use assets	13a	1,988	1,988		
74,402	74,402					79,570	79,570		
20	20			Investment Properties		495	495		
1,107	1,107			Intangible Assets - Software	11	855	855		
75,529	75,529			Long Term Assets		80,920	80,920		
0	0			Short Term Investments	17	2,078	2,078		
0	0			Assets held for sale (within 1yr)	10	560	560		
0	554			Inventories		0	698		
21,144	21,144			Short Term Debtors (external)	14	18,818	18,818		
11,295	0			Short Term Debtors (amounts owed to PFCC by CC re CC share of external Creditors)	14	11,733	0		
6,218	0			Short Term Debtors (funding balance owed to PFCC by CC)	14	7,105	0		
5,136	5,136			Cash and Cash Equivalents	CF6	4,354	4,354		
43,793	26,834			Current Assets		44,648	26,508		
(14,612)	(14,612)			Short Term Creditors (external)	15	(14,932)	(14,932)		
(5,992)	0			Short Term Creditors (amounts owed by PFCC to CC re CC share of external debtors)	15	(6,616)	0		
(8,925)	0			Short Term Creditors (funding balance due from PFCC to CC)	15	(9,967)	0		
(299)	(299)			PFI Finance Lease Liability Due within 1 Year	12	(338)	(338)		
0	0			Finance Lease Liability Due within 1 Year	13c	(161)	(161)		
(29,828)	(14,911)			Current Liabilities		(32,014)	(15,431)		
0	(2,372)			Provisions	16	0	(2,445)		
				Other Long Term Liabilities					
0	(1,079,290)			Pensions liability - Police	18	0	(977,000)		
(14)	(733)			Pensions liability - LGPS	18	(13)	(645)		
(3,402)	(3,402)			PFI Finance Lease Liability	12	(3,064)	(3,064)		
0	0			Finance Lease Liability		(1,549)	(1,549)		
(3,416)	(1,085,797)			Long Term Liabilities		(4,626)	(984,703)		
86,078	(998,345)			Net Assets / Net (Liabilities)		88,928	(892,706)		
				Usable reserves	19				
4,000	4,000			Police Fund		4,000	4,000		
23,158	23,158			Earmarked reserves (revenue)	8	23,458	23,458		
2,013	2,013			Earmarked reserves (capital)	8	294	294		
2,231	2,231			Capital Receipts Reserve	7	1,524	1,524		
31,402	31,402					29,276	29,276		
				Unusable Reserves	20				
23,999	23,999			Revaluation Reserve	20a	28,261	28,261		
30,731	30,731			Capital Adjustment Account	20b	31,446	31,446		
0	(1,079,290)			Pensions Reserve - Police	20e	0	(977,000)		
(14)	(733)			Pensions Reserve - LGPS	20e	(13)	(645)		
6	6			Collection Fund Adjustment Account	20c	6	6		
(46)	(4,460)			Accumulated Absences Account	20d	(48)	(4,050)		
54,676	(1,029,747)					59,652	(921,982)		
86,078	(998,345)			Total Reserves		88,928	(892,706)		

Cash Flow Statement – PFCC & Group

PFCC 2023/24 £000s	Group 2023/24 £000s	Cash Flow Statement (PFCC and Group)	See Note Below	PFCC 2024/25 £000s	Group 2024/25 £000s
724	22,480	Net (Surplus) or Deficit on the provision of services		1,635	21,169
2,501	(19,255)	Adjustment to net surplus or deficit on the provision of services for non-cash movements	CF1	(7,150)	(26,684)
0	0	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	CF2	0	0
3,225	3,225	Net cash (inflow)/ outflow from Operating Activities	CF3	(5,515)	(5,515)
4,472	4,472	Investing Activities	CF4	7,708	7,708
264	264	Financing Activities	CF5	(1,411)	(1,411)
7,961	7,961	Net (increase) or decrease in cash and cash equivalents		782	782
(13,097)	(13,097)	Cash and cash equivalents at the beginning of the reporting period		(5,136)	(5,136)
(5,136)	(5,136)	Cash and cash equivalents at the end of the reporting period	CF6	(4,354)	(4,354)
		Notes to the Cash Flow Statement			
		CF1 - The Adjustment to net surplus or deficit on the provision of services for non-cash movements are made up as follows:			
(4,591)	(4,591)	Depreciation & Amortisation		(5,352)	(5,352)
(820)	(820)	Impairment & Downward Valuations		728	728
0	0	Grants applied to the financing of capital expenditure		310	310
34	(22,069)	Pension Liability (Contributions to/from Pensions Reserve)		52	(19,894)
4,008	4,008	Creditors - Change in Balance Sheet		(320)	(320)
(410)	(410)	Creditors - Change in Balance Sheet (Adjustment for Purchase of Fixed Assets)		20	20
(2)	0	Creditors - Adjustment re CC Share of Debtors		(623)	0
2,317	0	Creditors - Adjustment re Balance of Funding due from PFCC to CC		(1,042)	0
5,260	5,260	Debtors - Change in Balance Sheet		(2,325)	(2,325)
0	0	Debtors - Change in Balance Sheet (Adjustment for Investment Interest)		78	78
(3,217)	0	Debtors - Adjustment re CC Share of Creditors		438	0
(78)	0	Debtors - Adjustment re Balance of Funding due from CC to PFCC		886	0
0	32	Stock - Change in Balance Sheet		0	144
0	(665)	Provisions - Change in Balance Sheet		0	(73)
2,501	(19,255)	Adjustment to net surplus or deficit on the provision of services for non-cash movements		(7,150)	(26,684)

Cash Flow Statement – PFCC & Group

PFCC 2023/24 £000s	Group 2023/24 £000s	Cash Flow Statement (PFCC and Group)		PFCC 2024/25 £000s	Group 2024/25 £000s
		CF2 - The Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities are made up as follows:			
0	0	Proceeds from the Sale of Property, Plant & Equipment and Intangibles		0	0
0	0	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0	0
		CF3 - The cash flows from <i>Operating Activities</i> include the following items:			
(1,009)	(1,009)	Interest received		(1,067)	(1,067)
4	4	Interest Paid		580	580
(1,005)	(1,005)			(487)	(487)
		CF4 - The cash flows from <i>Investing Activities</i> are made up as follows:			
4,472	4,472	Purchase of property, plant and equipment and intangible assets		6,018	6,018
63,067	63,067	Purchase of short-term and long-term investments		73,856	73,856
(63,067)	(63,067)	Proceeds from short-term and long-term investments		(71,856)	(71,856)
0	0	Other receipts from investing activities		(310)	(310)
4,472	4,472	Net cash flows from investing activities		7,708	7,708
		CF5 - The cash flows from <i>Financing Activities</i> are made up as follows:			
0	0	Repayments of short and long term borrowing		(1,847)	(1,847)
264	264	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		436	436
264	264	Net cash flows from financing activities		(1,411)	(1,411)
		CF6 - The balance of <i>Cash and Cash Equivalents</i> is made up as follows:			
7	7	Bank current accounts		(66)	(66)
(1,853)	(1,853)	Short-term deposit with bank (overnight)		(1,777)	(1,777)
(3,290)	(3,290)	Investments in Money Market Funds (available on demand)		(2,511)	(2,511)
(5,136)	(5,136)	Total Cash and Cash Equivalents		(4,354)	(4,354)

The accounting policy for cash and cash equivalents can be found in Annex C, section 5.

Index of Notes to the Accounts

Note	Title	Page
1	Accounting Policies	50
2	Critical Judgements in Applying Accounting Policies	50
3	Events after the Balance Sheet Date	50
4	Assumptions made about the future and other Sources of Estimation Uncertainty	51
5	Expenditure and Funding Analysis	52
6	Expenditure and Income Analysed by Nature	60
7	Adjustments between Accounting Basis and Funding Basis under Regulations	601
8	Transfers to/from Earmarked Reserves	65
9	Property, Plant and Equipment.....	67
10	Assets Held for Sale.....	70
11	Intangible Assets	71
12	Private Finance Initiative (PFI)	71
13	Leases	73
14	Short-term Debtors	75
15	Short-term Creditors	76
16	Provisions	77
17	Financial Instruments.....	78
18	Pensions	78
19	Usable Reserves	79
20	Unusable Reserves	80
21	Related Party Transactions	83
22	Members Allowances and Expenses.....	85
23	Disclosure of Remuneration for Senior Employees	86
24	Employee Remuneration	88
25	Exit Packages/Termination Payments.....	89
26	Audit Fees.....	90
27	Grant Income	91
28	Income from Council Tax	92
29	Capital Expenditure and Capital Financing	93
30	Capital Commitments	94
31	Minimum Revenue Provision	95
32	Accounting Standards that have been Issued but have not yet been Adopted	95
33	Pension Notes	95

The notes to the accounts are provided to aid the understanding of material items within the core financial statements. Where the figures provided are different for the Group and PFCC Single Entity either separate notes will be provided or a single note will show the respective figures in different columns, these will be headed Group or PFCC. Where the figures are the same for the group and single entity a single note is provided, this is headed up PFCC/Group. The notes contain the relevant information for the 2024/25 financial year plus the comparative figures for 2023/24.

The notes sometimes include terms that may require further explanation. Where possible, explanations are provided within the note, otherwise explanations are provided within the “glossary of terms” in pages 99-101. Terms for which an explanation is provided will be depicted by text that is shown in teal coloured text and underlined.

1 Accounting Policies

There are a number of accounting policies that determine how items within the accounts are treated. The accounting policies are shown in a separate annex (**Annex C**).

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex C (AP1-18), the Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for policing. However, the Commissioner has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Commissioner might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Commissioner is deemed to control the services provided under the PFI agreement in relation to the West Cumbria BCU HQ at Workington. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement. The Commissioner has a number of options regarding ownership of the PFI building beyond the initial 25 year contract period including the right to purchase the asset for half of its market value at that time. In December 2015, the PFI building at Hall Brow Workington experienced flooding for the second time in six years. The impact of the flooding on the building highlighted resilience issues for the longer term in respect of both custody and deployment. As a result, options for the future provision of the police estate in West Cumbria are under review and the capital programme includes provision which seeks to address those resilience issues and provide a longer term solution to the PFI arrangement. In accounting for the PFI contract it is assumed that there is reasonable certainty that the Commissioner will exercise the right to purchase the building. Accordingly the PFI land and building are recognised as property, plant and equipment in the Commissioner's balance sheet at full value of £8.1m. In addition, a liability for outstanding obligations to pay for the building, which includes the cost of purchasing the asset for half its market value at the end of the PFI period are also shown on the balance sheet. As the PFI contract approaches its end it may be necessary to reflect an additional liability to recognise that the market value of the asset may exceed the construction cost.
- As part of the work undertaken in relation to the changes introduced by IFRS16 Leases, we have considered the arrangements between the PFCC and Constabulary and have come to the conclusion that there is no lease arrangement between the two bodies. If that judgement had been different, the accounts would have looked different.

3 Events after the Balance Sheet Date

A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the Code require adjustment or disclosure. Consideration has been given as to whether any events meet the requirement to be disclosed as a post balance sheet event and it has been concluded that no such matters require disclosure.

The Statement of Accounts was authorised for issue by the PFCC Chief Finance Officer on 17 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4 Assumptions made about the future and other Sources of Estimation Uncertainty

The statement of Accounts contains estimated figures that are based on assumptions made by the Commissioner about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Commissioner's group balance sheet as at 31 March 2025 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Land and buildings assets are revalued on a two year rolling basis. Therefore, the value of the assets that have not been subject to valuation in the financial year may not reflect the true value of that asset.</p> <p>Each year the valuer conducts an impairment review, whilst the valuer has concluded that there are no impairments of land and building valuations as at 31/03/25.</p> <p>At the balance sheet date 31 March 2025, the value of property, plant and equipment was £80m.</p>	<p>Revaluation gains and losses or disposal proceeds in future years may be significantly different than anticipated. However, as all land and building assets are subject to an annual impairment review, and biennial revaluations, the impact of this is thought to be immaterial.</p> <p>If the useful lives of assets are reduced, depreciation will increase and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings, vehicles and plant would increase by approx. £731k for every year that useful lives had to be reduced. A 10% change in those assets subject to revaluation (£67m) would change the value of those assets on the Balance Sheet by £6.7m and the depreciation charge to the CIES by £133k.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two firms of consulting actuaries are engaged to provide the Commissioner with expert advice about the assumptions to be applied for both the Police Pension Scheme (Government Actuaries Department) and the Local Government Pension Scheme (Mercer Ltd).</p> <p>At the balance sheet date, the liability in respect of the police pension scheme was £977m.</p> <p>In relation to LGPS, the actuary calculated that the valuation resulted in a net asset of £61m, however under IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:</p> <ul style="list-style-type: none"> • The surplus in the defined benefit plan; and • The asset ceiling. <p>The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil for funded benefits and £645k for unfunded benefits.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. Examples of the impact of changes in individual assumptions is included in the sensitivity analysis provided in the technical annex to the accounts (Annex B) Pension Disclosures (pages 107-117).</p>

5 Expenditure and Funding Analysis

This note shows how annual expenditure is used and funded from resources (government grants, council tax precepts) by the Commissioner in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between subjective headings. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables.

The figures for the group in 2024/25 are provided in the table below:

Expenditure and Funding Analysis (Group)	Group 2024/25				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	109,012	0	109,012	(28,640)	80,372
PCSO Pay & Allowances	1,622	0	1,622	0	1,622
Police Staff Pay & Allowances	30,879	0	30,879	(258)	30,621
Other Employee Budgets	4,301	0	4,301	0	4,301
Premises Related Expenditure	5,473	0	5,473	0	5,473
Transport Related Expenditure	3,564	0	3,564	0	3,564
Supplies & Services Expenditure	13,595	0	13,595	0	13,595
Third Party Related Expenditure	9,010	0	9,010	0	9,010
Technical Accounting Adjustments	10,119	(5,352)	4,767	(144)	4,623
Income from Fees & Charges	(8,568)	0	(8,568)	0	(8,568)
Grants & Contributions	(33,503)	0	(33,503)	0	(33,503)
Non distributed costs	0	0	0	2	2
Termination Payments	297	0	297	0	297
Net Cost of Services	145,801	(5,352)	140,449	(29,040)	111,409
Other Income and Expenditure	(139,030)	0	(139,030)	48,790	(90,240)
(Surplus)/Deficit on the Provision of Services	6,771	(5,352)	1,419	19,750	21,169
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2024	(4,000)	(23,158)	(2,013)	(29,171)	
Less Deficit on Police Fund Balance in Year	0	(300)	1,719	1,419	
Closing Police Fund Balance at 31 March 2025	(4,000)	(23,458)	(294)	(27,752)	

Notes to the Accounts

The comparative figures for the group in 2023/24 are provided in the table below:

Expenditure and Funding Analysis (Group)	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Group 2023/24		Net Expenditure in the Comprehensive Income and Expenditure Statement
			Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	100,936	0	100,936	(25,470)	75,466
PCSO Pay & Allowances	1,833	0	1,833	(24)	1,809
Police Staff Pay & Allowances	29,485	0	29,485	(386)	29,099
Other Employee Budgets	4,397	0	4,397	0	4,397
Premises Related Expenditure	6,223	0	6,223	0	6,223
Transport Related Expenditure	3,251	0	3,251	0	3,251
Supplies & Services Expenditure	13,950	0	13,950	0	13,950
Third Party Related Expenditure	6,380	0	6,380	0	6,380
Technical Accounting Adjustments	7,732	(4,591)	3,141	2,269	5,410
Income from Fees & Charges	(7,578)	0	(7,578)	0	(7,578)
Grants & Contributions	(33,414)	0	(33,414)	0	(33,414)
Non distributed costs	0	0	0	86	86
Termination Payments	436	0	436	0	436
Net Cost of Services	133,631	(4,591)	129,040	(23,525)	105,515
Other Income and Expenditure	(130,898)	0	(130,898)	47,863	(83,035)
(Surplus)/Deficit on the Provision of Services	2,733	(4,591)	(1,858)	24,338	22,480
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2023	(4,000)	(19,681)	(3,632)	(27,313)	
Less Deficit on Police Fund Balance in Year	0	(3,477)	1,619	(1,858)	
Closing Police Fund Balance at 31 March 2024	(4,000)	(23,158)	(2,013)	(29,171)	

Notes to the Accounts

The figures for the PFCC in 2024/25 are provided in the table below:

Expenditure and Funding Analysis (PFCC)	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	PFCC 2024/25		Net Expenditure in the Comprehensive Income and Expenditure Statement
			Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	16,408	0	16,408	0	16,408
Police Staff Pay & Allowances	957	0	957	(10)	947
Other Employee Budgets	396	0	396	0	396
Premises Related Expenditure	(1,498)	0	(1,498)	0	(1,498)
Transport Related Expenditure	1,670	0	1,670	0	1,670
Supplies & Services Expenditure	(906)	0	(906)	0	(906)
Third Party Related Expenditure	4,486	0	4,486	0	4,486
Technical Accounting Adjustments	9,707	(5,352)	4,355	268	4,623
Income from Fees & Charges	(8,568)	0	(8,568)	0	(8,568)
Grants & Contributions	(33,503)	0	(33,503)	0	(33,503)
Funding Provided by PFCC to CC	156,652	0	156,652	0	156,652
Net Cost of Services	145,801	(5,352)	140,449	258	140,707
Other Income and Expenditure	(139,030)	0	(139,030)	(42)	(139,072)
(Surplus)/Deficit on the Provision of Services	6,771	(5,352)	1,419	216	1,635
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2024	(4,000)	(23,158)	(2,013)	(29,171)	
Less Deficit on Police Fund Balance in Year	0	(300)	1,719	1,419	
Closing Police Fund Balance at 31 March 2025	(4,000)	(23,458)	(294)	(27,752)	

Notes to the Accounts

The comparative figures for the PFCC in 2023/24 are provided in the table below:

Expenditure and Funding Analysis (PFCC)	PFCC 2023/24				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	16,493	0	16,493	0	16,493
Police Staff Pay & Allowances	1,022	0	1,022	(93)	929
Other Employee Budgets	307	0	307	0	307
Premises Related Expenditure	(1,296)	0	(1,296)	0	(1,296)
Transport Related Expenditure	991	0	991	0	991
Supplies & Services Expenditure	(375)	0	(375)	0	(375)
Third Party Related Expenditure	3,860	0	3,860	0	3,860
Technical Accounting Adjustments	7,386	(4,591)	2,795	2,616	5,411
Income from Fees & Charges	(7,578)	0	(7,578)	0	(7,578)
Grants & Contributions	(33,414)	0	(33,414)	0	(33,414)
Non distributed costs	0	0	0	86	86
Termination Payments	207	0	207	0	207
Funding Provided by PFCC to CC	146,028	0	146,028	0	146,028
Net Cost of Services	133,631	(4,591)	129,040	2,609	131,649
Other Income and Expenditure	(130,898)	0	(130,898)	(27)	(130,925)
(Surplus)/Deficit on the Provision of Services	2,733	(4,591)	(1,858)	2,582	724
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2023	(4,000)	(19,681)	(3,632)	(27,313)	
Less Deficit on Police Fund Balance in Year	0	(3,477)	1,619	(1,858)	
Closing Police Fund Balance at 31 March 2024	(4,000)	(23,158)	(2,013)	(29,171)	

5.a Note to the Expenditure Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the Police Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (pages 42-43). The relevant transfers between reserves are explained in the Movement in Reserves Statement (pages 44-45).

The figures for the Group for 2024/25 are set out in the table below:

Note to the Expenditure and Funding Analysis (Group)	Group 2024/25					
	Depreciation	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	0	0	0	(28,640)	0	(28,640)
PCSO Pay & Allowances	0	0	0	0	0	0
Police Staff Pay & Allowances	0	0	0	(258)	0	(258)
Technical Accounting Adjustments	(5,352)	(5,352)	266	0	(410)	(144)
Non distributed costs	0	0	0	2	0	2
Net Cost of Services	(5,352)	(5,352)	266	(28,896)	(410)	(29,040)
Other Income and Expenditure	0	0	0	48,790	0	48,790
(Surplus)/Deficit on the Provision of Services	(5,352)	(5,352)	266	19,894	(410)	19,750
Further Analysis of Adjustments						
Depreciation/Amortisation			5,352	0	0	5,352
Minimum Revenue Provision (MRP)			(871)	0	0	(871)
Revaluations			(728)	0	0	(728)
Direct Revenue Contribution			(3,177)	0	0	(3,177)
Capital Grant Reversal			(310)	0	0	(310)
Police Pensions - Interest on Liabilities			0	50,590	0	50,590
Police Pensions - Reverse Employer Contributions			0	(37,680)	0	(37,680)
Police Pensions - Current Service Cost			0	9,040	0	9,040
LGPS - Interest on Liabilities			0	8,358	0	8,358
LGPS - Return on Plan Assets			0	(10,158)	0	(10,158)
LGPS - Reverse Employer Contributions			0	(4,299)	0	(4,299)
LGPS - Current Service Cost			0	4,041	0	4,041
LGPS - Non Distributed Costs			0	2	0	2
Accumulated Absences Account Adj			0	0	(410)	(410)
Total Adjustments			266	19,894	(410)	19,750

Notes to the Accounts

The comparative figures for the Group for 2023/24 are set out in the table below:

Note to the Expenditure and Funding Analysis (Group)	Group 2023/24					
	Depreciation	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	0	0	0	(25,470)	0	(25,470)
PCSO Pay & Allowances	0	0	0	(24)	0	(24)
Police Staff Pay & Allowances	0	0	0	(386)	0	(386)
Technical Accounting Adjustments	(4,591)	(4,591)	2,536	0	(267)	2,269
Non distributed costs	0	0	0	86	0	86
Net Cost of Services	(4,591)	(4,591)	2,536	(25,794)	(267)	(23,525)
Other Income and Expenditure	0	0	0	47,863	0	47,863
(Surplus)/Deficit on the Provision of Services	(4,591)	(4,591)	2,536	22,069	(267)	24,338
Further Analysis of Adjustments						
Depreciation/Amortisation			4,591	0	0	4,591
Minimum Revenue Provision (MRP)			(682)	0	0	(682)
Revaluations			820	0	0	820
Direct Revenue Contribution			(2,193)	0	0	(2,193)
Police Pensions - Interest on Liabilities			0	48,970	0	48,970
Police Pensions - Reverse Employer Contributions			0	(34,720)	0	(34,720)
Police Pensions - Current Service Cost			0	9,250	0	9,250
LGPS - Interest on Liabilities			0	8,126	0	8,126
LGPS - Return on Plan Assets			0	(9,233)	0	(9,233)
LGPS - Reverse Employer Contributions			0	(4,646)	0	(4,646)
LGPS - Current Service Cost			0	4,236	0	4,236
LGPS - Non Distributed Costs			0	86	0	86
Collection Fund Adjustment			0	0	78	78
Accumulated Absences Account Adj			0	0	(345)	(345)
Total Adjustments			2,536	22,069	(267)	24,338

Notes to the Accounts

The figures for the PFCC for 2024/25 are set out in the table below:

Note to the Expenditure and Funding Analysis (PFCC)	PFCC 2024/25					
	Depreciation	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Staff Pay & Allowances	0	0	0	(10)	0	(10)
Technical Accounting Adjustments	(5,352)	(5,352)	266	0	2	268
Net Cost of Services	(5,352)	(5,352)	266	(10)	2	258
Other Income and Expenditure	0	0	0	(42)	0	(42)
(Surplus)/Deficit on the Provision of Services	(5,352)	(5,352)	266	(52)	2	216
Further Analysis of Adjustments						
Depreciation/Amortisation			5,352	0	0	5,352
Minimum Revenue Provision (MRP)			(871)	0	0	(871)
Revaluations			(728)	0	0	(728)
Direct Revenue Contribution			(3,177)	0	0	(3,177)
Capital Grant Reversal			(310)	0	0	(310)
LGPS - Interest on Liabilities			0	251	0	251
LGPS - Return on Plan Assets			0	(293)	0	(293)
LGPS - Reverse Employer Contributions			0	(153)	0	(153)
LGPS - Current Service Cost			0	143	0	143
Collection Fund Adjustment			0	0	0	0
Accumulated Absences Account Adj			0	0	2	2
Total Adjustments			266	(52)	2	216

Notes to the Accounts

The comparative figures for the PFCC for 2023/24 are set out in the table below:

Note to the Expenditure and Funding Analysis (PFCC)	PFCC 2023/24					
	Depreciation	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Staff Pay & Allowances	0	0	0	(93)	0	(93)
Technical Accounting Adjustments	(4,591)	(4,591)	2,536	0	80	2,616
Non distributed costs	0	0	0	86	0	86
Net Cost of Services	(4,591)	(4,591)	2,536	(7)	80	2,609
Other Income and Expenditure	0	0	0	(27)	0	(27)
(Surplus)/Deficit on the Provision of Services	(4,591)	(4,591)	2,536	(34)	80	2,582
Further Analysis of Adjustments						
Depreciation/Amortisation			4,591	0	0	4,591
Minimum Revenue Provision (MRP)			(682)	0	0	(682)
Revaluations			820	0	0	820
Direct Revenue Contribution			(2,193)	0	0	(2,193)
LGPS - Interest on Liabilities			0	234	0	234
LGPS - Return on Plan Assets			0	(261)	0	(261)
LGPS - Reverse Employer Contributions			0	(242)	0	(242)
LGPS - Current Service Cost			0	149	0	149
LGPS - Non Distributed Costs			0	86	0	86
Collection Fund Adjustment			0	0	78	78
Accumulated Absences Account Adj			0	0	2	2
Total Adjustments			2,536	(34)	80	2,582

6 Expenditure and Income Analysed by Nature

This note provides an analysis of the expenditure and income by the nature of that spend/income.

PFCC 2023/24 £000s	Group 2023/24 £000s	Expenditure and Income	PFCC 2024/25 £000s	Group 2024/25 £000s
		Expenditure		
16,493	100,936	Police Pay & Allowances	16,408	109,012
0	1,833	PCSO Pay & Allowances	0	1,622
936	29,399	Police Staff Pay & Allowances	957	30,877
307	4,397	Other Employee Costs	396	4,301
(1,296)	6,223	Premises Related Costs	(1,498)	5,473
991	3,251	Transport Related Costs	1,670	3,564
(375)	13,950	Supplies & Services	(906)	13,595
3,860	6,380	Third Party Payments	4,486	9,010
480	480	External Interest	535	535
(23)	(23)	Loss on the Disposal of Assets	(174)	(174)
2,873	3,219	Technical Accounting Adjustments	4,356	4,768
86	86	Non Distributed Costs	0	2
52	52	Pension Adjustment	31	31
207	436	Termination Payments	0	297
146,028	0	Funding Between PFCC & CC	156,652	0
170,619	170,619	Total Expenditure	182,913	182,913
		Income		
(7,578)	(7,578)	Income from Fees & Charges	(8,568)	(8,568)
(16,921)	(16,921)	Income from Grant & Contributions	(17,095)	(17,095)
(1,009)	(1,009)	Interest & Investment Income	(1,145)	(1,145)
(688)	(688)	PFI Grant	(659)	(659)
(16,493)	(16,493)	Pensions Top Up grant (Home Office)	(16,408)	(16,408)
(42,689)	(42,689)	Total Income	(43,875)	(43,875)
		Use of Reserves		
3,477	3,477	Transfer to Earmarked Reserves (Revenue)	300	300
(1,619)	(1,619)	Transfer from Earmarked Reserves (Capital)	(1,719)	(1,719)
1,858	1,858		(1,419)	(1,419)
		External Financing		
(52,004)	(52,004)	Income from Council Tax	(55,578)	(55,578)
(78)	(78)	Collection Fund Adjustment	0	0
		General Government Grants		
(35,496)	(35,496)	- Home Office Police Grant	(39,064)	(39,064)
(4,850)	(4,850)	- Council Tax Grants (Freeze & Support)	(4,850)	(4,850)
(37,360)	(37,360)	Formula Funding	(38,127)	(38,127)
(129,788)	(129,788)	Total	(137,619)	(137,619)
0	0	Deficit on the Provision of Services	0	0

7 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Commissioner in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Commissioner to meet future capital and revenue expenditure.

The figures for the Group for 2024/25 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	Group Police Fund Balance £000s	Group Capital Receipts Reserve £000s	Group Capital Grants Unapplied £000s	Group Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex B	19,894	0	0	19,894
- Council tax (transfers to or from Collection Fund)	20c/28	0	0	0	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	(410)	0	0	(410)
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	4,624	0	0	4,624
Total Adjustments to the Revenue Resources		24,108	0	0	24,108
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(871)	0	0	(871)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(3,177)	0	0	(3,177)
Total Adjustments between Revenue and Capital Resources		(4,048)	0	0	(4,048)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(707)	0	(707)
- Application of capital grants to finance capital expenditure	20b	(310)	0	0	(310)
Total Adjustments to Capital Resources		(310)	(707)	0	(1,017)
Total Adjustments		19,750	(707)	0	19,043

Notes to the Accounts

The comparative figures for the Group for 2023/24 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	Group Police Fund Balance £000s	Group Capital Receipts Reserve £000s	Group Capital Grants Unapplied £000s	Group Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex B	22,069	0	0	22,069
- Council tax (transfers to or from Collection Fund)	20c/28	78	0	0	78
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	(345)	0	0	(345)
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	5,410	0	0	5,410
Total Adjustments to the Revenue Resources		27,212	0	0	27,212
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(681)	0	0	(681)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(2,193)	0	0	(2,193)
Total Adjustments between Revenue and Capital Resources		(2,874)	0	0	(2,874)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(128)	0	(128)
- Application of capital grants to finance capital expenditure	20b	0	0	(1,728)	(1,728)
Total Adjustments to Capital Resources		0	(128)	(1,728)	(1,856)
Total Adjustments		24,338	(128)	(1,728)	22,482

Notes to the Accounts

The figures for the PFCC for 2024/25 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	PFCC Police Fund Balance £000s	PFCC Capital Receipts Reserve £000s	PFCC Capital Grants Unapplied £000s	PFCC Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex B	(52)	0	0	(52)
- Council tax (transfers to or from Collection Fund)	20c/28	0	0	0	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	2	0	0	2
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	4,624	0	0	4,624
Total Adjustments to the Revenue Resources		4,574	0	0	4,574
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(871)	0	0	(871)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(3,177)	0	0	(3,177)
Total Adjustments between Revenue and Capital Resources		(4,048)	0	0	(4,048)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(707)	0	(707)
- Application of capital grants to finance capital expenditure	20b	(310)	0	0	(310)
Total Adjustments to Capital Resources		(310)	(707)	0	(1,017)
Total Adjustments		216	(707)	0	(491)

Notes to the Accounts

The comparative figures for the PFCC for 2023/24 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	PFCC Police Fund Balance £000s	PFCC Capital Receipts Reserve £000s	PFCC Capital Grants Unapplied £000s	PFCC Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex B	(34)	0	0	(34)
- Council tax (transfers to or from Collection Fund)	20c/28	78	0	0	78
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	2	0	0	2
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	5,410	0	0	5,410
Total Adjustments to the Revenue Resources		5,456	0	0	5,456
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(681)	0	0	(681)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(2,193)	0	0	(2,193)
Total Adjustments between Revenue and Capital Resources		(2,874)	0	0	(2,874)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(128)	0	(128)
- Application of capital grants to finance capital expenditure	20b	0	0	(1,728)	(1,728)
Total Adjustments to Capital Resources		0	(128)	(1,728)	(1,856)
Total Adjustments		2,582	(128)	(1,728)	726

8 Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the Police Fund balances in earmarked reserves to provide financing for future expenditure plans and the movement on earmarked reserves during 2024/25 (and comparatives for 2023/24).

PCC/Group Balance 01 April 2023 £000s	PCC/Group Movement in 2023/24 £000s	PCC/Group Balance 31 March 2024 £000s	Earmarked Reserves	Note	PCC/Group Movement in 2024/25 £000s	PCC/Group Balance 31 March 2025 £000s
			Revenue Reserves			
			Future Liability Reserves			
867	(879)	(12)	Insurance Reserve	1	42	30
135	22	157	PFI - Lifecycle Replacements	2	(61)	96
2,497	361	2,858	Commissioned Services Reserve	3	85	2,943
300	0	300	Management of Change Reserve - CC		0	300
0	0	0	Management of Change Reserve - PFCC		250	250
225	148	373	Ill Health Retirements		140	513
27	(6)	21	PFCC Re-branding		(20)	1
4,051	(354)	3,697			436	4,133
			Budget Stabilisation Reserves			
500	0	500	Chief Constable's Contingency	4	0	500
250	(250)	0	Chief Constable's Operational Reserve	5	250	250
250	0	250	PFCC Operational Reserve	6	0	250
8,049	(122)	7,927	Budget Support Reserve	7	(1,607)	6,320
387	0	387	Body Armour (Future Roll Out)	8	0	387
170	(170)	0	75% Tax Income Guarantee Scheme		0	0
40	0	40	Specialist Services Dilapidation Reserve	9	0	40
9,646	(542)	9,104			(1,357)	7,747
			Short Term Project Reserves	10		
678	(41)	637	The Bridgeway (SASS)		114	751
7	0	7	Safer Cumbria Delivery Board		0	7
180	0	180	HQ Security		0	180
3,691	(731)	2,960	Records Management System		(805)	2,155
28	0	28	Business Intelligence		0	28
206	(10)	196	Business Transformation		0	196
100	(100)	0	CO - Demand Risk Resourcing		0	0
155	(63)	92	Firearms Digitisation		(44)	48
238	0	238	ESN Grant Funding C/Fwd		0	238
701	(416)	285	CCTV Reserve		(76)	209
0	128	128	Change Management (S&E Facilitation)		0	128
0	80	80	Portakabin		(31)	49
0	1,326	1,326	POCA / ARIS Funding		1,084	2,410
0	4,200	4,200	National DDaT		(1,852)	2,348
0	0	0	Hunter Lane Refurb		135	135
0	0	0	Ammunition smoothing reserve		25	25
0	0	0	National DDaT - Investment income		120	120
0	0	0	National DDaT - Finance Support		21	21
0	0	0	Estates Feasibility Reserve		558	558
0	0	0	Op Olympos (Post Office)		200	200
0	0	0	Cambridge Masters Programme		62	62
0	0	0	Targeted Variable Payments		1,330	1,330
0	0	0	Budget Carry Forwards 24/25		380	380
5,984	4,373	10,357			1,221	11,578
19,681	3,477	23,158	Total Earmarked Revenue Reserves		300	23,458
			Capital Reserves	11		
3,302	(1,583)	1,719	Estates West Flood Management		(1,719)	0
294	0	294	HQ adaptations		0	294
36	(36)	0	CCTV		0	0
3,632	(1,619)	2,013	Total Earmarked Capital Reserves		(1,719)	294

The purpose of the groups or individual reserves are as follows:

1. Insurance Reserve – to offset any insurance claims not specifically detailed in the insurance provision.
2. PFI Lifecycle Replacements – to equalise the impact on the comprehensive income and expenditure statement of changing levels of grant income and charges over the period of the PFI contract.
3. Commissioned Services Reserve – to provide resources for future expenditure on existing commitments under PFCC commissioned services.
4. Chief Constables Contingency – reserve held to meet an increase in budget pressure arising in year as a result of budgeting risks taken during the budget process. The establishment of this reserve supported a reduction in the ongoing revenue budget requirement.
5. Chief Constables Operational Reserve – to provide resources to assist in funding unexpected major events, if necessary. The Home Office Financial Management Code recommends that there should be an operational contingency. This reserve was fully utilised in 2023/24 and was replenished by the PFCC in 2024/25.
6. PFCC Operational Reserve – to provide resources both to back up the annual operational contingency and, in addition, to assist in funding unexpected expenditure/budget pressures in line with the Commissioner's responsibilities. The Home Office Financial Management Code recommends that there should be an operational contingency.
7. Budget Support Reserve – to meet the medium term risks associated with balancing the budget in the context of current funding and uncertainties and inflationary pressures.
8. Body Armour Future Roll Out – to equalise the impact on the comprehensive income and expenditure statement of changing levels of expenditure due to the cyclical nature of body armour replacement.
9. Specialist Services Accommodation Reserve- This reserve is to maintain the fabric of the specialist offsite accommodation.
10. Short Term Project Reserves – To support a variety of locally managed initiatives granted under the scheme of devolved resource management. These are primarily multi-year technology based projects or resources to provide funding for unbudgeted revenue costs within the 2024/25 or 2025/26 financial year.
11. Capital Reserves – the capital reserve holds direct contributions from the revenue budget to fund capital schemes within the capital programme.

9 Property, Plant and Equipment

The table below summarises the movements in Property, Plant and Equipment during the year:

Property, Plant and Equipment	Land and Buildings £000s	PFC/Group Vehicles £000s	IT and Technology £000s	Furniture Equipment & Plant £000s	Total Property, Plant & Equipment £000s	PFI Assets Included in P.P.E. £000s
Cost or Valuation						
At 1 April 2024	64,926	9,850	8,326	1,263	84,365	8,620
Additions	0	1,324	2,066	104	3,494	0
Enhancements	98	0	0	0	98	11
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,142	0	0	0	3,142	(132)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	149	0	0	0	149	0
Derecognition - Disposals	0	(1,557)	(959)	0	(2,516)	0
Assets reclassified (to)/from Held for Sale	(565)				(565)	
At 31 March 2025	67,750	9,617	9,433	1,367	88,167	8,499
Accumulated Depreciation & Impairment						
At 1 April 2024	(1,151)	(4,861)	(3,501)	(450)	(9,963)	(562)
Depreciation Charge	(1,528)	(1,569)	(1,393)	(152)	(4,642)	(177)
Derecognition - Disposals	0	1,557	959	0	2,516	0
Depreciation written out to the Revaluation Reserve	1,395	0	0	0	1,395	354
Depreciation written out to the Surplus/Deficit on the Provision of Services	144	0	0	0	144	0
Impairment written out to the Surplus/Deficit on the Provision of Services	(35)	0	0	0	(35)	(35)
Depreciation as at 31 March 2025	(1,175)	(4,873)	(3,935)	(602)	(10,585)	(420)
Net Book Value						
At 31 March 2025	66,575	4,744	5,498	765	77,582	8,079
At 31 March 2024	63,775	4,989	4,825	813	74,402	8,058



The Constabulary now has 11 fully electric vehicles and 37 hybrid vehicles on the fleet. These vehicles are made up of a mixture of marked and unmarked fleet. These vehicles are supported by a network of 15 electric vehicle charging points at HQ and the main deployment centres.

Notes to the Accounts

The comparative figures for 2023/24 are set out in the table below:

Property, Plant and Equipment	Land and Buildings £000s	Vehicles £000s	PFCC/Group IT and Technology £000s	Furniture Equipment & Plant £000s	Assets Under Construction £000s	Total Property, Plant & Equipment £000s	PFI Assets Included in P.P.E. £000s
Cost or Valuation							
At 1 April 2023	67,363	8,211	8,431	1,996	1,147	87,148	8,615
Additions	0	2,112	1,275	517	7	3,911	0
Additions from Assets under construction	1,154	0	0	0	(1,154)	0	0
Enhancements	128	0	0	0	0	128	5
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(2,483)	0	0	0	0	(2,483)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,236)	0	0	0	0	(1,236)	0
Derecognition - Disposals	0	(473)	(1,380)	(1,250)	0	(3,103)	0
At 31 March 2024	64,926	9,850	8,326	1,263	0	84,365	8,620
Accumulated Depreciation & Impairment							
At 1 April 2023	(1,038)	(4,415)	(3,543)	(1,585)	0	(10,581)	(385)
Depreciation Charge	(1,467)	(919)	(1,338)	(115)	0	(3,839)	(177)
Derecognition - Disposals	0	473	1,380	1,250	0	3,103	0
Depreciation written out to the Revaluation Reserve	937	0	0	0	0	937	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	417	0	0	0	0	417	0
Depreciation as at 31 March 2024	(1,151)	(4,861)	(3,501)	(450)	0	(9,963)	(562)
Net Book Value							
At 31 March 2024	63,775	4,989	4,825	813	0	74,402	8,058
At 31 March 2023	66,325	3,796	4,888	411	1,147	76,567	8,230



Learning and Development Centre , Penrith

9.a Valuations Rolling Programme

The Commissioner carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued every two years. Valuations of land and buildings are carried out on behalf of the Commissioner by Mr. M. Beales BSc (Hons) MRICS, Carigiet Cowen, Suite 2, Telford House, Riverside, Warwick Road, Carlisle CA1 2BT and were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors (RICS). Valuations of vehicles, plant, furniture and equipment are based on historic cost as a proxy for fair value. The basis of the valuations is set out in the accounting policies. The table below sets out details of the land and buildings valuations undertaken over the two year rolling programme.

Valuations Rolling Programme	Land and Buildings £000s	PFCC/Group Vehicles £000s	IT and Technology £000s	Furniture Equipment & Plant £000s	Total Property, Plant & Equipment £000s
Carried at Historical Cost	0	9,617	9,433	1,367	20,417
Valued at Current Value as at:					
- 31 March 2024	29,828				29,828
- 31 March 2025	37,922	0	0	0	37,922
Total Cost or Valuation	67,750	9,617	9,433	1,367	88,167

9.b Impairment Review

The Commissioner's professional valuer, Mr. M. Beales BSc (Hons) MRICS, Carigiet Cowen, Suite 2, Telford House, Riverside, Warwick Road, Carlisle CA1 2BT, has made an assessment of the possible effects of material [impairment](#) to land and buildings during the financial year. His assessment was based on a number of specific criteria, which, in his opinion, could affect the valuation of assets. The outcome of the assessment process is the valuer has concluded that there are no new impairments. The existing 5% impairment to Workington has risen in monetary value by £35k in line with the rise in overall valuation at 31.03.2025.

9.c Property, Plant and Equipment in the Ownership of the Police, Fire and Crime Commissioner

A brief analysis of the Commissioner's principal assets as at 31 March 2025 is set out below:

Property, Plant and Equipment in Ownership of PFCC	PFCC/Group As at 31 March	
	2024 Number	2025 Number
HQ, TPA HQ & Larger Police Stations	8	8
Other Police Stations / Land	11	10
Police Houses and other Properties	0	0
Surplus Properties/ Held for Sale/ Investment Properties	1	2
Vehicles	364	341

9.d Effects of Changes in Estimates

There have been no material changes in estimates in the 2024/25 accounts.

9.e Gain / Loss on Sale of Property, Plant and Equipment

The table below analyses the (gain)/loss on sale of property, plant and equipment for the year ended 31 March 2025.

Gain/Loss on Sale of Property, Plant and Equipment	Net Book Value £000s	PFCC/Group		(Gain) / Loss 2024/25 £000s
		Costs of Sale £000s	Proceeds of Sale £000s	
Vehicles	0	4	(178)	(174)
Total	0	4	(178)	(174)

The comparative figures for 2023/24 are set out in the table below:

Gain/Loss on Sale of Property, Plant and Equipment	Net Book Value £000s	PFCC/Group		(Gain) / Loss 2023/24 £000s
		Costs of Sale £000s	Proceeds of Sale £000s	
Vehicles	0	1	(24)	(23)
Total	0	1	(24)	(23)

Note in 2024/25 £178k (£24k in 2023/24) of receipts from proceeds of sale included in the above table were individually below the £10k threshold for recognition as [capital receipts](#) and have therefore been treated as revenue income. This explains why the capital receipts recorded in note 7 show £0k (£0k in 2023/24) rather than £178k (£24k in 2023/24) as above.

10 Assets Held for Sale

Assets held for sale relate to land and buildings assets that are available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets. The assets are being actively marketed for a sale at a price that is reasonable in relation to its current [fair value](#). The sale is expected to qualify for recognition as a completed sale within one year from the date of classification. The table below shows the movement on Assets Held for Sale in 2024/25 with comparative information for 2023/24.

Assets Held for Sale	PFCC/Group As at 31 March	
	2024 £000s	2025 £000s
Balance outstanding at start of year	0	0
Newly classified as held for sale	0	565
Revaluation gains/(losses)	0	(5)
Balance outstanding at end of year	0	560

During 2024/25 Ravenside Lodge, Wreay was actively marketed for sale and reclassified as HFS.

There were no Held for Sale assets in 2023/24 and no assets sold in 2023/24

11 Intangible Assets

The Commissioner accounts for his computer software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item within Property, Plant and Equipment. The intangible assets include computer software development and acquisitions. All software is given a finite useful life (5 years) unless at contract inception the expectation of the period that the software is expected to be of use to the Commissioner is longer. The carrying amount of intangible assets is amortised on a straight line basis and is charged to the Comprehensive Income and Expenditure Statement.

A summary of the movements in intangible assets during the year and the position as at 31 March 2025 (with comparatives for 2023/24) is set out in the table below:

Intangible Assets	PFCC/Group	
	2023/24 £000s	2024/25 £000s
Balance at start of year		
- Gross carrying amount	5,124	3,415
- Accumulated amortisation	(3,287)	(2,308)
Net carrying amount at start of year	1,837	1,107
Additions	22	292
Disposals	(1,731)	(1,064)
Amortisations for the period	(752)	(544)
Amortisation adjustment re disposals	1,731	1,064
Net carrying amount at end of year	1,107	855
Comprising		
- Gross carrying amount	3,415	2,644
- Accumulated amortisation	(2,308)	(1,789)
	1,107	855

Intangible Assets are those which do not have physical substance but are controlled as a result of past events (e.g. software licences) where expenditure is capitalised when it is expected that future economic benefits or service potential will flow from the asset.

Amortisation is the practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation.

12 Private Finance Initiative (PFI)

Private Finance Initiatives (PFI) are arrangements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor.

There is currently one PFI scheme recognised on the Balance Sheet and this relates to the Cumberland Basic Command Unit (BCU) deployment centre in Workington. Under the terms of the Commissioner's funding arrangement to the Chief Constable the Commissioner controls all property and, accordingly, the PFI building is recorded on the Balance Sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the Comprehensive Income and Expenditure Statement for the Chief Constable's use of the building and the services provided.

The former Police Authority entered an agreement for the construction and subsequent servicing of the building in September 2001 under a PFI arrangement. Under the agreement the PFI provider constructed the facility and undertakes to make the building available to the Commissioner in a

specified condition for a 25 year period in return for a monthly unitary charge payment made by the Commissioner. In addition the provider delivers a range of services in relation to the building which are specified in the PFI contract. At the end of the contract period the Commissioner has the right to acquire the building at 50% of its market value.

The PFI asset is recognised on the Commissioner's balance sheet along with a corresponding PFI finance lease liability which recognises the Commissioner's outstanding liability to pay for the asset. The PFI asset is depreciated and revalued in the same way as any other asset in accordance with accounting policies.

The amount paid to the PFI operator each year (known as the unitary charge payment) is now split into four elements in the accounts as follows:

- **Service Charges** – the fair value of the services received during the year which are debited to the relevant function in the Comprehensive Income and Expenditure Statement.
- **Finance cost** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- **Payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write downs is calculated using the same principles as for a finance lease). However, a corresponding increase in the [minimum revenue provision](#) is made in accordance with the Commissioner's minimum revenue provision policy.
- **Lifecycle replacement costs** – a proportion of the amounts payable is posted to the Balance sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

The following information is disclosed in relation to the PFI asset.

12.a Movement on Fixed Assets

The value and movement in value of the asset held under the PFI agreement is analysed in note 9 above.

12.b PFI Finance Lease Liability

The value of Liabilities resulting from the PFI Agreement are shown in the table below:

PFI Lease Liability	PFCC/Group As at 31 March	
	2024 £000s	2025 £000s
Balance at the start of the year	(3,964)	(3,701)
Repayments made during year	263	299
Balance at the end of the year	(3,701)	(3,402)
Split of liability:		
Current Liability	(299)	(338)
Long Term Liability	(3,402)	(3,064)
	(3,701)	(3,402)

12.c Payments Due to be made under PFI Contract

An estimate of the future payments to be made under the PFI contract are shown in the table below. Where applicable an estimated inflation index of 2% (linked to the GDP deflator) per annum has been applied to the payments.

Payments Due under PFI Contract	PFCC/Group			Total £000s
	Repayment of Liability £000s	Interest Payments £000s	Service Costs £000s	
Repayable within one year	338	406	682	1,426
Between two and five years	3,064	156	345	3,565
	3,402	562	1,027	4,991

The repayment of liability figures include a sum of £2,910k between 2 and 5 years which recognises that there is reasonable certainty that the Commissioner will exercise his right to purchase the PFI building at the end of the PFI contract period. See critical judgement note 2 (page 50) for further explanation.

13 Leases

In 2024/25, the Commissioner applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value (less than £10k) and leases that expire on or before 31 March 2025 are exempt from the new arrangements. The Code of practice allowed for some expedients which have resulted in:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the incremental borrowing rate at that date.
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.09%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024 and it was decided that there were none.

This has resulted in the following additions to the Balance Sheet:

- £2,060,000 Property, plant and equipment (right-of-use assets)
- £1,617,870 non-current creditors (lease liabilities)
- £137,364 Current creditors (lease liabilities)

Notes to the Accounts

The newly recognised lease liabilities of £1,755,234 compare with the operating lease commitments of £4,023,005 at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £887,000 (using the incremental borrowing rate as at 1 April 2024), there is a difference of £868,192 from the newly recognised lease liabilities. This is explained by an error due to the omission of future years lease commitments in the 2023/24 note as many leases had expired & were on a one year rolling provision.

The effective date of the revaluation of right of use assets was 01/04/2024, by external valuer Carigiet Cowan. The valuation method used is Depreciated Replacement Cost (DRC) and the valuations have been undertaken on the special assumption that the instant build approach applies, all other assumptions are in line with PPE assumptions in note 4

13.a Right of Use Assets

Right of Use Assets	PFCC/Group			Total Property, Plant & Equipment £000s
	Land and Buildings £000s	Vehicles £000s	Equipment £000s	
At 1 April 2024	1,656	0	404	2,060
Additions	0	94	0	94
Depreciation	(124)	(2)	(40)	(166)
At 31 March 2025	1,532	92	364	1,988

13.b The Comprehensive Income and Expenditure Statement charges under these arrangements

CIES Expenses and Cash Flows incurred in relation to leases	2024/25 £000s
Comprehensive Income and Expenditure:	
Interest expense on lease liabilities	90
Expense relating to leases of low-value assets	20
Cash flows statement:	
Total cash outflows for leases	110

13.c The value of future payments

Maturity analysis of lease Liabilities	2024/25 £000s
Less than one year	161
One to five years	595
More than five years	954
Total liabilities	1,710

14 Short-term Debtors

Debtors reflect amounts owing to the Police and Crime Commissioner but not yet received at the end of the financial year.

A breakdown of the amounts owing to the Commissioner as at 31 March 2025 is set out in the table below:

PFCC As at 31 March 2024 £000s	Group 2024 £000s	Short-term Debtors	PFCC As at 31 March 2025 £000s	Group 2025 £000s
12,360	12,360	Trade Receivables	8,408	8,408
2,890	2,890	Prepayments/Payments in Advance	3,754	3,754
		Other Receivable Amounts		
3,132	3,132	- Police Pensioners Prepayment	3,408	3,408
328	328	- Employees (accumulated compensating absences)	209	209
3,872	3,872	- Council Tax - Local Taxpayers (#)	3,872	3,872
352	352	- VAT Reimbursement	962	962
		Less Impairment Allowance for Doubtful Debts:		
(11)	(11)	- Trade Receivables	(16)	(16)
(1,779)	(1,779)	- Local Taxpayers (#)	(1,779)	(1,779)
21,144	21,144		18,818	18,818
		Balances Owed From Chief Constable:		
11,295	0	- Re CC Share of External Creditors	11,733	0
6,218	0	- Re balance of Funding	7,105	0
38,657	21,144	Total Debtors	37,656	18,818

The debtors in respect of Local Taxpayers represent the Commissioner's share of the debtors recorded by the two unitary councils in respect of Council Tax. This figure is reduced by the Commissioner's share of their respective impairment allowance for doubtful debts. In a requirement from 2018/19 the Commissioner must show the age profile of debtors in respect of local taxation. The table on the next page provides this analysis.

For 2024/25 the unitary councils have not provided the information required to update these notes, for this reason the figures are shown as the same as in 2023/24.

Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax) can be analysed by age as follows:

Council Tax Debtors	PFCC/Group	
	31 March 2024 £000s	31 March 2025 £000s
Less than Three Months	0	0
Three to Six Months	0	0
Six Months to One Year	1,279	1,279
less than One year	0	0
More than One Year	2,593	2,593
	3,872	3,872

Please note, in the above table some unitary councils have provided the split of debtors over the wider categories of: less than 3 months, 3 to 6 months, 6 to 12 months and over 1 year whilst others have simply provided figures for under and over 1 year.

At the time of preparing the financial statements for 2024/25 the unitary councils had not provided the Commissioner with his share of the fund balances as at 31/03/25. The figures in the table above are therefore shown as exactly the same as in 2023/24.

15 Short-term Creditors

Creditors reflect amounts owed by the Police and Crime Commissioner for goods and services received which had not been paid for at the end of the financial year.

An analysis of the amounts owed by the Commissioner as at 31 March 2025 is set out in the table below:

PFCC		Group	Short-term Creditors	PFCC	
As at 31 March 2024	As at 31 March 2024			As at 31 March 2025	As at 31 March 2025
£000s	£000s			£000s	£000s
(4,329)	(4,329)		Trade Payables	(5,168)	(5,168)
(573)	(573)		Receipts in Advance	(463)	(463)
(4,788)	(4,788)		Employees (accumulated compensating absences)	(4,259)	(4,259)
(1,340)	(1,340)		Council Tax - Local Taxpayers	(1,340)	(1,340)
(747)	(747)		Council Tax - District Councils	(747)	(747)
(2,835)	(2,835)		HMRC PAYE Amounts Due	(2,955)	(2,955)
(14,612)	(14,612)			(14,932)	(14,932)
			Balances Owed to Chief Constable:		
(5,992)	0		- Re CC Share of External & Employee Debtors	(6,616)	0
(8,925)	0		- Re balance of Funding	(9,967)	0
(29,529)	(14,612)		Total Creditors	(31,515)	(14,932)

16 Provisions

The Commissioner is able to maintain [provisions](#) to meet expected future liabilities. The Code of Practice on Local Authority Accounting advises that the value of any provisions be charged to the appropriate part of the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met in the future. The classification of provisions is consistent with the Code of Practice.

A brief description of the purpose of the individual provisions as at 31 March 2025 is provided below:

Insurance liabilities – this provision has been established to meet a number of eventualities from ongoing claims which are not covered by external insurers. In particular, liability risks up to £250k per event (this figure was £25k until 1 November 2014 when the policy excess was increased to £100k, and increased again to £250k from 1 November 2021) are retained by the Commissioner and met internally. The provision for insurance liabilities is subject to an actuarial review on a biennial basis to determine the most appropriate level for the provision based on the circumstances at the time of the review.

Legal Claims – this provision has been established to cover the potential costs relating to a number of legal claims that are currently ongoing.

The table below shows the movements during the year on each of the group provisions and the position as at 31 March 2025.

Provisions	Balance as at 01/04/24 £000s	Additional Provisions Made 2024/25 £000s	Amounts Used in 2024/25 £000s	Unused Amounts Reversed in 2024/25 £000s	Balance as at 31/03/25 £000s
Insurance Liabilities	(1,470)	(288)	288	0	(1,470)
Legal Claims	(902)	(457)	194	190	(975)
Total Provisions	(2,372)	(745)	482	190	(2,445)

The comparative information for year ended 31 March 2024 is as follows:

Provisions	Balance as at 01/04/23 £000s	Additional Provisions Made 2023/24 £000s	Amounts Used in 2023/24 £000s	Unused Amounts Reversed in 2023/24 £000s	Balance as at 31/03/24 £000s
Insurance Liabilities	(682)	(988)	200	0	(1,470)
Legal Claims	(1,025)	(330)	285	168	(902)
Total Provisions	(1,707)	(1,318)	485	168	(2,372)

17 Financial Instruments

Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as loans and receivables and **financial liabilities** such as creditors and borrowings.

Under International Financial reporting Standards a full set of disclosure notes are required in respect of financial instruments. These notes for the PFCC/Group are included in Section A of a separate technical appendix at Annex A on pages 102 to 106.

The disclosures include:

- The Categories of Financial Instrument
- Gains and Losses on Financial Instruments
- Fair value of Assets and Liabilities Carried at Amortised Cost
- Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

18 Pensions

The PFCC/Group participates in the Local Government Pension Scheme (LGPS) for Police Staff and three pensions schemes in respect of Police Officers. Under International Financial reporting Standards a full set of disclosure notes are required in respect of Pensions. These notes for the PFCC/Group are included in a separate technical appendix at Annex B on pages 107 to 117.

The disclosures include:

- Details of the pension schemes
- A summary of accounting entries in respect of pensions
- Pensions assets and liabilities recognised in the balance sheet
- Reconciliation of the Fair Value of scheme assets
- Basis for estimating assets and liabilities
- A summary of principal assumptions used by the scheme actuary
- Sensitivity analysis in relation to pensions
- Impact on the Commissioner's Cash Flows

19 Usable Reserves

***Usable reserves** result from the Commissioner's activities and are available to be spent in future years.*

In addition to the Commissioner's Police Fund, which the Commissioner aims to maintain at 3% of budgeted expenditure, the following reserves are maintained and accounted for in line with the Code of practice.

- [Capital Receipts](#) Reserve – this reserve is used to hold capital receipts until they are utilised to finance capital expenditure or reduce borrowing.
- Capital Grants Unapplied Account – this reserve is used to hold capital grants until they are utilised to finance capital expenditure.
- Capital Reserve – this reserve is a revenue backed earmarked reserve that has been set aside to fund capital expenditure.
- [Earmarked Reserves](#) - The Commissioner has a number of earmarked reserves that exist both to provide a [contingency](#) to cushion the effect of unexpected events and to provide a mechanism to build up funds to meet expected liabilities. The Commissioner's earmarked reserves have been formulated in conjunction with the [CIPFA](#) guidance on Reserves and [Provisions](#). Details of the earmarked reserves in existence and a brief description as to their purpose is included in note 8 to the accounts (see pages 65-66).

The movement in the Commissioner's Group and Single Entity Usable Reserves is detailed in the Movement in Reserves Statement (see pages 44 to 45), and the disclosure notes relating to Adjustments between the Accounting Basis and Funding Basis under regulations (Note 7) and Transfer to/from Earmarked reserves (Note 8).

20 Unusable Reserves

Unusable reserves derive from accounting adjustments and are not available to be spent.

Certain reserves are kept to manage the accounting processes for [non-current assets](#), financial instruments, retirement and employee benefits and do not represent usable resources for the Commissioner.

20.a Revaluation Reserve

The [Revaluation Reserve](#) contains the overall gains made by the Commissioner arising from increases in the value of Property, Plant and Equipment and Intangible assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through [depreciation](#), or
- disposed of and the gains are realised.

The Reserve records the unrealised net gain from the revaluation of non-current assets accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the [Capital Adjustment Account](#). The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

The movements on the reserve during 2024/25 and the previous year are set out in the table below:

PFCC/Group 2023/24 £000s	Revaluation Reserve	PFCC/Group 2024/25 £000s
25,878	Balance at Start of Year	23,999
2,944	Upward revaluation of assets	4,546
(4,490)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(10)
(1,546)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	4,536
(333)	Difference between fair value depreciation and historical cost	(274)
(333)	Amount written off to Capital Adjustment Account	(274)
23,999	Balance at End of Year	28,261

20.b Capital Adjustment Account

The [Capital Adjustment Account](#) (CAA) absorbs the timing differences arising from the different arrangements for accounting for the consumption of [non-current assets](#) and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as [depreciation](#), [impairment](#) losses and [amortisations](#) are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the [Revaluation Reserve](#) to convert [fair value](#) figures to a historical cost basis). The account is credited with the amounts set aside by the Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation reserve was created to hold such gains. Note 7 provides details of the source of all the transactions posted to the account apart from those involving the revaluation reserve.

The movements on the account during 2024/25 and the previous year are set out in the table below:

PFCC/Group 2023/24 £000s	Capital Adjustment Account	PFCC/Group 2024/25 £000s
31,078	Balance at Start of Year	30,731
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(3,838)	Charges for depreciation and impairment of non-current assets	(4,808)
(820)	Revaluation gains/(losses) on Property, Plant and Equipment	728
(752)	Amortisation of Intangible assets	(544)
(5,410)		(4,624)
333	Adjusting amounts written out of the Revaluation Reserve	274
(5,077)	Net written out amount of the cost of non-current assets consumed in the year	(4,350)
	Capital financing applied in the year:	
128	Use of the Capital Receipts Reserve to finance new capital expenditure	707
1,728	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital	310
681	Statutory provision for the financing of capital investment charged against the General Fund (MRP)	871
2,193	Capital expenditure charged against the Police Fund	3,177
4,730		5,065
30,731	Balance at End of Year	31,446

20.c Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers compared with the statutory arrangements.

The end of year balance on the account reflects the Commissioner's aggregate share of the Surplus/(Deficit) on the Collection fund operated by each of the 2 unitary councils 6 district councils (or billing authorities) that has yet to be distributed. The movements on the account during 2024/25 and the previous year are set out in the table below:

Collection Fund Adjustment Account	PFCC/Group 2023/24	PFCC/Group 2024/25
	£000s	£000s
Balance at Start of Year	84	6
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(78)	0
Balance at End of Year	6	6

A further breakdown of the movement in year by unitary district council, is provided in note 28 on page 92.

At the time of preparing the financial statements for 2024/25 the unitary councils had not provided the Commissioner with his share of the fund balances as at 31/03/25. The figures in the table above are therefore shown as exactly the same as in 2023/24.

20.d Accumulated Absences Account

The short-term accumulated absences account absorbs the differences that would otherwise arise on the Police Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave, time off in lieu and rest day entitlements carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

PFCC 2023/24 £000s	Group 2023/24 £000s	Accumulated Absences Account	PFCC 2024/25 £000s	Group 2024/25 £000s
(44)	(4,805)	Balance at Start of Year	(46)	(4,460)
44	4,805	Settlement or cancellation of accrual made at the end of the preceding year	46	4,460
(46)	(4,460)	Amounts accrued at the end of the current year	(48)	(4,050)
(2)	345	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)	410
(46)	(4,460)	Balance at End of Year	(48)	(4,050)

20.e Pensions Reserve

The Pensions [Reserves](#) (LGPS and Police) absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding in accordance with statutory provisions. The Commissioner accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Commissioner has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

PFCC LGPS 2023/24 £000s	Group LGPS 2023/24 £000s	Group Police 2023/24 £000s	Pensions Reserve	PFCC LGPS 2024/25 £000s	Group LGPS 2024/25 £000s	Group Police 2024/25 £000s
0	0	(1,065,680)	Balance at Start of Year	(14)	(733)	(1,079,290)
0	0	0	Adjustment to Opening Balance	(11)	(362)	0
0	0	(1,065,680)	Adjusted Balance at Start of Year	(25)	(1,095)	(1,079,290)
359	12,843	9,890	Remeasurement of the net defined pension benefit liability/asset	691	23,549	124,240
(208)	(3,215)	(58,220)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and	(101)	(2,243)	(59,630)
242	4,646	34,720	Employer's pension contributions and direct payments to pensioners payable in the year.	153	4,299	37,680
(407)	(15,007)	0	Impact of Asset Ceiling	(731)	(25,155)	0
(14)	(733)	(1,079,290)	Balance at End of Year	(13)	(645)	(977,000)

21 Related Party Transactions

The Commissioner is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Commissioner or to be controlled or influenced by the Commissioner. Disclosure of these transactions allows readers to assess the extent to which the Commissioner might have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Commissioner.

21.a Chief Constable for Cumbria Constabulary

The Police, Fire and Crime Commissioner has direct control over the Chief Constable's finances, providing funding for all running costs and taking responsibility for funding of all pensions' liabilities. The Commissioner is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the funding arrangement set by the Commissioner, to deliver the aims and objectives set out in the Police, Fire and Crime Plan.

21.b Central Government

Central government has effective control over the general operations of the Commissioner – it is responsible for providing the statutory framework within which the Commissioner operates and provides the majority of its funding in the form of grants. Grants received from government departments are set out in the Comprehensive Income and Expenditure Statement (pages 42-43). Government Grants included within the Net Cost of Services are detailed in note 27 below, the extent to which these grants are outstanding at the end of the year is recorded in short-term [debtors](#) note 14.

21.c Members

The Commissioner has nine appointed Members, five who serve on the Joint Audit Committee and four who serve on the Community Scrutiny Panel. These members are required to declare any direct financial relationship through outside bodies or companies with the Commissioner. No material transactions have been reported in respect of the 2024/25 financial year. The total members allowances paid in 2024/25 are shown in note 22.

21.d Officers and Employees

Employees of the Commissioner and senior officers and staff of the Constabulary were asked to declare any direct financial relationship through outside bodies or companies with the Commissioner. No material transactions have been reported in respect of the 2024/25 financial year.

21.e Other Public Bodies

The Commissioner's transactions with the Cumbria Local Government Pension Scheme (administered by the ~~former County Westmorland & Furness~~ Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex B) pages 107-117.

The amounts received in respect of council tax income from the two Cumbrian Unitary Councils are detailed in note 28.

The Commissioner has included within the Comprehensive Income and Expenditure Statement his respective share of costs in relation to collaborative arrangements with other forces/councils. In particular these include:

- The PCC for Cheshire – North West Underwater Search Unit, Northwest Armed Policing Collaboration, Northwest Strategic Automatic Number Plate Recognition (ANPR) and Regional Emergency Services Network (ESN).
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team, Regional Insourced Forensic Science Services.
- The PCC for Lancashire – Regional Insourced Forensic Science Services.

22 Members Allowances and Expenses

The Code of Practice on Local Authority Accounting requires the disclosure of the total amount of members allowances paid in the year. This is set out in the table below together with a comparative figure for the previous year.

PFCC/Group 2023/24 £000s		Members Allowances	PFCC/Group 2024/25 £000s
44		Basic Allowance	48
7		Travel and Subsistence	7
51			55
		Analysis by Type:	
14		Joint Audit Committee	15
17		Community Scrutiny Panel	22
3		Independent Custody Visitors	3
17		Misconduct Panel	15
51			55

The above table includes expenses for the five appointed members of the Joint Audit Committee, the Community Scrutiny Panel, misconduct panels together with travel allowances payable to independent custody visitors. The table above includes the total costs of members and these apply jointly between the Commissioner and Constabulary.

A full disclosure of allowances and expenses paid to individual members can be found on the Police, Fire and Crime Commissioners website at:
<https://cumbria-pfcc.gov.uk/finance-governance/allowances>.

23 Disclosure of Remuneration for Senior Employees

The following tables set out the remuneration disclosures for Senior Officers and Relevant Police Officers whose salary is more than £50,000 per year. The first table provides the information for 2024/25 and the second provides comparatives for 2023/24.

The table below gives the PFCC and Group information for 2024/25 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrific e	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneratio n Excluding pension Contributions	Pension Contributio ns	Total Remuneratio n Including pension Contributions
Shown in Single Entity Statements of Police, Fire & Crime Commissioner									
Police, Fire & Crime Commissioner (a)	8	7	0	0	0	0	7	1	8
Police, Fire & Crime Commissioner (b)	9	64	0	0	0	0	64	12	76
PFCC Chief Executive		99	0	(3)	0	0	96	18	114
OPFCC Chief Finance Officer		90	0	0	0	0	90	17	107
OPFCC Head of Estates		79	0	(2)	0	0	77	15	92
Total PFCC		339	0	(5)	0	0	334	63	397
Shown in Single Entity Statements of Chief Constable									
Chief Constable - Robert Carden		186	(2)	0	0	11	195	66	261
Deputy Chief Constable		142	3	0	0	0	145	0	145
Assistant Chief Constable		134	0	0	0	0	134	47	181
Temporary Assistant Chief Constable (a)		126	12	0	0	0	138	38	176
Temporary Assistant Chief Constable (b)	1	107	3	0	1	0	111	38	149
Chief Superintendent (Cumberland)	2	97	3	0	1	0	101	34	135
Chief Superintendent (Corporate Support)	3	108	1	(1)	1	0	109	38	147
Temporary Chief Superintendent (Westmorland & Furness)	4	95	6	0	1	0	102	33	135
Chief Superintendent (Westmorland & Furness)	5	101	4	0	1	0	106	35	141
Chief Superintendent (Operations)		108	2	0	1	0	111	38	149
Temporary Chief Superintendent (Crime & Intel Command)	6	94	6	0	0	0	100	32	132
Chief Superintendent (Crime & Intel Command)	7	81	2	0	1	0	84	28	112
Director of Strategic Development		87	1	0	1	0	89	16	105
Constabulary Chief Finance Officer		86	0	(20)	0	0	66	16	82
Director of Legal Services		99	1	(1)	1	0	100	19	119
Total Chief Constable		1,651	42	(22)	9	11	1,691	478	2,169
Total Group		1,990	42	(27)	9	11	2,025	541	2,566

Notes

- 1 Ch Supt (Cumberland) appointed to Temporary ACC (b) 17/02/2025
- 2 Temp Ch Supt (Cumberland) was appointed to the role on 09/09/2024.
- 3 Ch Supt (Westmorland & Furness) appointed to Ch Supt Futures and Blue light Collaboration on 08/07/2024.
- 4 Temp Ch Supt (Westmorland & Furness) until 05/05/2024 returned to Detective Supt role.
- 5 Temp Ch Supt (Crime & Intel) appointed to the role of Ch Supt (Westmorland & Furness) on 06/05/2024
- 6 Supt (Crime & Intel) appointed to the role of Ch Supt (Crime & Intel) on 06/05/2024
- 7 Ch Supt (Crime & Intel) appointed on 08/07/2024.
- 8 Police, Fire and Crime Commissioner (a) resigned 8/5/2024
- 9 Police, Fire & Crime Commissioner (b) elected 9/5/2024

Notes to the Accounts

The comparative PFCC and Group figures for 2023/24 in £000s, are set out in the table below:

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Termination Pay & Compensation for loss of office	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Shown in Single Entity Statements of Police, Fire & Crime Commissioner:									
Police, Fire & Crime Commissioner		71	0	0	0	0	71	14	85
PFCC Chief Executive (a)	15	84	0	0	125	0	209	97	306
PFCC Chief Executive (b)		94	0	(3)	0	0	91	18	109
OPFCC Chief Finance Officer		78	0	0	0	0	78	14	92
									0
Total PFCC		327	0	(3)	125	0	449	143	592
Shown in Single Entity Statements of Chief Constable									
Chief Constable - Michelle Skeer	1	55	3	0	0	1	59	0	59
Chief Constable - Robert Carden	2	160	(2)	0	0	11	169	50	219
Deputy Chief Constable (a)	3	99	11	0	0	0	110	0	110
Deputy Chief Constable (b)	4	11	0	0	0	3	14	0	14
Assistant Chief Constable	5	126	2	0	0	0	128	37	165
Temporary Assistant Chief Constable	6	109	10	0	0	1	120	29	149
Assistant Chief Officer	7	46	4	0	62	0	112	8	120
Chief Superintendent (Cumberland) (a)	8	60	2	0	0	1	63	15	78
Temporary Chief Superintendent (Cumberland)	9	78	2	0	0	4	84	24	108
Chief Superintendent (Cumberland) (b)	10	94	1	0	0	1	96	26	122
Temporary Chief Superintendent (Westmorland & Furness) (a)		99	1	(1)	0	1	100	31	131
Temporary Chief Superintendent (Westmorland & Furness) (b)	11	90	1	0	0	1	92	27	119
Chief Superintendent (Operations)		96	4	0	0	1	101	27	128
Temporary Chief Superintendent (Crime & Intel Command)	12	93	4	0	0	1	98	27	125
Director of Performance & Change		78	1	0	0	0	79	15	94
Joint Chief Finance Officer	13	19	0	0	0	0	19	3	22
Constabulary Chief Finance Officer		78	0	(17)	0	0	61	14	75
Director of Corporate Support	14	83	0	0	140	0	223	15	238
Director of Legal Services		94	1	(1)	0	0	94	18	112
Total Chief Constable		1,568	45	(19)	202	26	1,822	366	2,188
Total Group		1,895	45	(22)	327	26	2,271	509	2,780

Notes

- Chief Constable Michelle Skeer retired on 01/08/23.
- Chief Constable Robert Carden was promoted from Deputy CC in 01/08/23.
- Deputy Chief Constable (a) was appointed on 01/07/23.
- Deputy Chief Constable (b) was seconded to the Police Officer Uplift Programme and associated costs were reimbursed by other forces until her resignation on 30/04/23.
- Assistant Chief Constable was promoted from Temporary ACC to substantive on 16/06/23.
- Temporary Assistant ACC was promoted from Ch Supt Crime & Intel) to T ACC on 26/06/23.
- The Assistant Chief Officer left the organisation on 10/08/23.
- Chief Supt (Cumberland) (a) resigned on 08/10/23.
- Temp Ch Supt (Cumberland) held the post from 26/06/23 until he retired on 09/02/24.
- Ch Supt (Cumberland) (b) moved from Standards, Insight & Performance to Cumberland on 22/01/24.
- Temp Ch Supt (Westmorland & Furness) (b) was appointed to the role on 11/09/23.
- Temp Ch Supt (Crime & Intel) was appointed to the role on 26/06/23.
- The Joint Chief Finance Officer retired on 15/06/23.
- The Director of Corporate Support left the organisation on 29/02/24.
- OPFCC Chief Executive (a) left the organisation on 29/02/24.

24 Employee Remuneration

The Code of Practice on Local Authority Accounting requires the disclosure of the number of employees whose remuneration, excluding pension's contributions, exceeded £50,000 and senior police officers (defined as those holding a rank **above** that of superintendent). This is set out in the table below in bands of £5,000:

2023/24				Remuneration Band	2024/25			
PFCC	CC	CC	Group		PFCC	CC	CC	Group
Police Staff	Police Staff	Snr Police Officers	Total		Police Staff	Police Staff	Snr Police Officers	Total
1	18	0	19	£50,000 to £54,999	1	19	0	20
0	3	1	4	£55,000 to £59,999	1	6	0	7
0	2	0	2	£60,000 to £64,999	1	3	0	4
0	1	0	1	£65,000 to £69,999	0	2	0	2
1	4	0	5	£70,000 to £74,999	0	0	0	0
1	3	0	4	£75,000 to £79,999	1	5	0	6
0	0	1	1	£80,000 to £84,999	0	1	1	2
0	0	0	0	£85,000 to £89,999	1	1	0	2
1	2	1	4	£90,000 to £94,999	0	0	0	0
0	0	3	3	£95,000 to £99,999	1	0	0	1
0	0	1	1	£100,000 to £104,999	0	1	1	2
0	0	1	1	£105,000 to £109,999	0	0	2	2
0	1	0	1	£110,000 to £114,999	0	0	2	2
0	0	1	1	£115,000 to £119,999	0	0	0	0
0	0	0	0	£120,000 to £124,999	0	0	0	0
0	0	1	1	£125,000 to £129,999	0	0	0	0
0	0	0	0	£130,000 to £134,999	0	0	1	1
0	0	0	0	£135,000 to £139,999	0	0	1	1
0	0	0	0	£140,000 to £144,999	0	0	1	1
0	0	0	0	£145,000 to £149,999	0	1	0	1
0	0	0	0	£150,000 to £154,999	0	0	0	0
0	0	0	0	£155,000 to £159,999	0	0	0	0
0	0	0	0	£160,000 to £164,999	0	0	0	0
0	0	1	1	£165,000 to £169,999	0	0	0	0
0	0	0	0	£170,000 to £174,999	0	0	0	0
0	0	0	0	£175,000 to £179,999	0	0	0	0
0	0	0	0	£180,000 to £184,999	0	0	0	0
0	0	0	0	£185,000 to £189,999	0	0	0	0
0	0	0	0	£190,000 to £194,999	0	0	0	0
0	0	0	0	£195,000 to £199,999	0	0	1	1
1	1	0	2	£200,000+	0	0	0	0
5	35	11	51	Total	6	39	10	55

In 2024/25 the remuneration for 443 Police Officers (377 in 2023/24) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000. The large increase represents the full year impact of the September 2023 pay award and part year impact of the September 2024 pay award. The two employees in 2023/24 in the £200k+ line represents the impact of exit payments.

The table above includes those employees and senior police officers that are also required to be disclosed on a more detailed individual basis. Please see note 23 for more information.

25 Exit Packages/Termination Payments

The numbers of exit packages with total cost per band and a total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Group		Group		Group		Group	
	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by cost band		Total cost of exit packages in each band	
	2023/24 Headcount	2024/25 Headcount	2023/24 Headcount	2024/25 Headcount	2023/24 Headcount	2024/25 Headcount	2023/24 £000's	2024/25 £000's
£0-£20,000	0	0	0	3	0	3	0	18
£20,001 - £40,000	0	0	1	2	1	2	26	63
£40,001 - £60,000	0	0	0	1	0	1	0	46
£60,001 - £80,000	0	0	1	0	1	0	62	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	1	0	1	0	141	0
£150,001 - £200,000	0	0	0	1	0	1	0	171
£200,001 - £250,000	1	0	0	0	1	0	207	0
Total	1	0	3	7	4	7	436	298

During 2024/25 the contracts of a small number of employees were terminated incurring termination payments amounting to £298k (£436k in 2023/24). This amount is made up of exit packages paid in 2023/24.

The exit packages paid in 2024/25 amount to £298k (£436k in 2023/24). The exit packages can be further split into compensation for loss of employment £161k (£354k in 2023/24) and enhanced pension benefits £137k (£82k in 2023/24). The Exit Packages table above provides details of the number and total cost of exit packages per band and include those exit packages paid in 2024/25.

It should be noted that the total cost of termination payments above is offset by income of £103k elsewhere in the accounts. This is due an agreement to split the redundancy costs with a third party at the end of the secondment contract.

26 Audit Fees

In 2024/25 the Commissioner and Chief Constable incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

Group 2023/24 £000s	External Audit Fees	Group 2024/25 £000s
	Amounts Relating to The Police, Fire and Crime Commissioner	
	Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:	
1	- In relation to 2022/23 Audit	0
96	- In relation to 2023/24 Audit	0
0	- In relation to 2024/25 Audit	104
97		104
	Amounts Relating to The Chief Constable	
	Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:	
3	- In relation to 2022/23 Audit	0
52	- In relation to 2023/24 Audit	0
0	- In relation to 2024/25 Audit	57
55		57
152	Total External Audit Fees for Year	161

The above table shows the gross fees payable to the external auditor during the year.

The amounts in the table agree to the amounts recorded in the comprehensive income and expenditure statement. External audit fees are determined following a national procurement exercise with the annual scale charges increasing to take account of new audit requirements in areas such as pension scheme valuations and value for money arrangements.

27 Grant Income

The Commissioner credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25.

Grant Income	PFCC/Group	
	2023/24 £000s	2024/25 £000s
Credited to Taxation and Non Specific Grant Income		
Formula Funding (Home Office)	37,360	38,127
Council Tax Freeze & Local Council Tax Support (Home Office)	4,850	4,850
Home Office Police Grant	35,496	39,064
PFI Grant (Home Office)	688	659
TOTAL	78,394	82,700
Credited to other Operating Expenditure		
Police Pension Grant (Home Office)	16,493	16,408
	16,493	16,408
Credited to Services		
<i>Grants and Contributions - Central Government</i>		
Apprenticeship Levy (Home Office)	787	606
Pension Remedy Grant (Home Office)	0	291
Criminal Records Bureau (Home Office)	427	489
Police Pension Contribution (Home Office)	1,174	3,804
Operation Uplift (Home Office)	3,372	4,592
Fire Gov Funding	52	0
Drugs Testing on Arrest	26	17
ATOM Programme (Home Office)	10	0
Safer Streets Fund (Home Office)	671	355
Hotspot Funding (Home Office)	0	831
Serious Violence Duty (Home Office)	234	268
Local Communities Funding (Home Office)	0	37
Police Pay Award (Home Office)	2,783	1,380
Victims Services (Ministry of Justice)	1,399	1,380
National ICT Charges	169	0
Law Enforcement Data Services	405	243
National DDaT	4,298	0
International Law Enforcement Alerts Platform	20	0
Operations Specific Funding (Home Office)	0	839
Collaborations (Various)	131	127
	15,958	15,259
<i>Grants and Contributions - Other</i>		
NHS Funding (SASS)	125	18
Local Partnership	487	389
Youth Offending Team (Cumbria CC)	88	53
Safer Cumbria Delivery Board (PCC for Cumbria)	263	1,066
	963	1,526
TOTAL	16,921	16,785

28 Income from Council Tax

Precept- The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

The income from Council Tax for 2024/25 is received as precept from the two unitary councils as set out below:

Council Tax Income	Precept Paid 2024/25 £000s	PFCC/Group Adjustment Re Debtors/ (Creditors) £000s	Income from Council Tax £000s
Cumberland Council	27,846	0	27,846
Westmorland & Furness Council	27,732	0	27,732
	55,578	0	55,578

At the time of preparing the financial statements for 2024/25 the unitary councils had not provided the Commissioner with his share of the fund balances as at 31/03/25. The figures in the table above are therefore shown as exactly the same as in 2023/24.

The comparative information for 2023/24 for the unitary councils is as follows:

Council Tax Income	Precept Paid 2023/24 £000s	PFCC/Group Adjustment Re Debtors/ (Creditors) £000s	Income from Council Tax £000s
Cumberland Council	26,085	141	26,226
Westmorland & Furness Council	25,997	(219)	25,778
	52,082	(78)	52,004

29 Capital Expenditure and Capital Financing

Capital expenditure can be defined as expenditure on the acquisition, construction or enhancement of non-current assets which adds to and not merely maintains the value of a non-current asset.

The commissioner approves on an annual basis a capital programme for the Constabulary. The capital programme is fully funded for a five year period to tie in with the medium term financial forecast. The capital programme covers the routine cyclical replacement of ICT equipment and vehicles and also includes specific one off projects. Due to the cyclical nature of the majority of the capital programme, the programme is also modelled at a high level over a 10 year longer term horizon. The capital programme for 2024/25 was approved by the Commissioner at his Public Accountability Conference on 15 February 2024, papers for which can be found on the Commissioner's website.

The capital outturn report for 2024/25 was approved by the Commissioner at Executive Board Police on 19 May 2025 and can also be found on the Commissioner's website.

The total amount of [capital expenditure](#) incurred in the year is shown in the table below.

Capital Expenditure	PFCC/Group	
	2023/24 £000s	2024/25 £000s
Technology Schemes		
Computer Hardware & Infrastructure	968	1,284
Wide Area Network	0	543
Control Room Futures	94	0
Records Management System	93	43
CCTV Replacement and Analytics	70	109
Other Technology Scheme	50	87
	1,275	2,066
Vehicles Replacement Scheme	2,112	1,324
Building Schemes		
Hunter Lane	25	0
Carlisle Mechanical and Electrical	39	0
Brampton Boiler	27	0
Appleby Refurbishment	0	66
Kendal UPS	0	16
Other Estates Projects	44	16
	135	98
Equipment Schemes		
Drones	34	0
Taser Expansion	197	0
CCTV/Rapid Deployment Cameras	178	31
Telematics	28	12
LaserCam	80	0
CSI Cameras	0	31
Protective Shields	0	30
	517	104
Intangible Assets	22	292
Total Capital Expenditure	4,061	3,884

29.a Capital Financing

The table below illustrates the resources used to finance [capital expenditure](#). Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Commissioner, the expenditure results in an increase in the [Capital Financing Requirement](#) (CFR), a measure of the capital expenditure incurred historically by the Commissioner that has yet to be financed. The CFR is analysed below:

PFCC/Group 2023/24 £000s	Capital Financing Requirement	PFCC/Group 2024/25 £000s
21,468	Opening Capital Financing Requirement	20,799
	<i>Capital investment:</i>	
4,039	Property, Plant and Equipment	3,592
0	Right of Use Assets	2,154
22	Intangible Assets	292
	<i>Sources of Finance:</i>	
(128)	Capital receipts	(707)
(1,728)	Government grants and other contributions	(310)
	Sums set aside from revenue:	
(2,193)	- Direct revenue contributions	(3,177)
(681)	- Minimum revenue provision	(871)
20,799	Closing Capital Financing Requirement	21,772
	<i>Explanation of Movements in Year:</i>	
(681)	Increase in underlying need to borrow (unsupported by government financial assistance)	(871)
12	Notional/Internal Borrowing	0
0	Assets acquired under finance leases	1,844
(669)	Increase/(Decrease) in Capital Financing Requirement	973

30 Capital Commitments

The Commissioner has outstanding contractual commitments amounting to £1,659k in respect of a number of schemes from the 2024/25 capital programme (£3,056k in 2023/24).

Outstanding Capital Commitments	PFCC/Group As at 31 March	
	2024 £000s	2025 £000s
ICT Core Hardware	364	43
ICT Core Hardware - Radio Replacements	582	154
Control Room Futures	200	200
Records Management System	603	310
Vehicle Replacement	1,205	712
Telematics	68	6
Appleby Refurbishment	0	122
Brampton Wall	0	82
Minor commitments	34	30
Total	3,056	1,659

31 Minimum Revenue Provision

Regulations 27 and 28 of the Capital Financing and Accounting Regulations 2003 require the Commissioner to make a provision from revenue for the repayment of any undischarged credit liabilities. This is referred to as the [Minimum Revenue Provision](#) (MRP). Additional voluntary contributions are permitted, which have the effect of reducing the Commissioner's [Capital Financing Requirement](#).

In line with the Capital Finance and Accounting regulations a Statement of MRP Policy was approved in February 2017 as part of the Treasury Management Strategy Statement. The policy states that MRP will be calculated using the regulatory method for debt incurred prior to 1 April 2008 and on the asset life basis for debt incurred after this date. In respect of PFI assets brought onto the balance sheet under the 2009 SORP, the MRP provision will match the annual principal repayment for the associated deferred liability.

The Minimum Revenue Provision charged for the year 2024/25 (and comparatives for 2023/24) is made up as follows:

PFCC/Group 2023/24 £000s	Minimum Revenue Provision	PFCC/Group 2024/25 £000s
	Minimum Revenue Provisions (MRP)	
418	Core MRP	438
263	PFI MRP	299
0	Finance Lease / Right of Use Asset MRP	134
681	Total MRP for Year	871

32 Accounting Standards that have been Issued but have not yet been Adopted

For 2024/25 the following accounting policy changes that need to be reported relate to:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as

requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

In the Financial Statements for 2025/26, the effect of the changes will be assessed and where necessary, the comparative figures restated.

33 Pensions Notes

The Chief Constable of Cumbria along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

Legal Claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Impact of High Court Ruling in the case of Virgin Media vs NTL Pensions Trustees

Background - In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling was appealed, and in a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court. The National Audit Office have engaged PWC to carry out a review of actuaries' methodologies to aid local auditors in gaining assurance over their client's pensions disclosures. In their latest review, they said that if the ruling stands it will form part of case law and can therefore be expected to apply across other schemes.

Current Position - The latest position on PPS is that GAD has undertaken a review of historical rule amendments and confirmed that the correct actuarial confirmation is in place, and therefore concluded this judgement has no impact. The latest position on LGPS is that GAD is in the process of reviewing historical rule amendments. In 2024 GAD has located the relevant certificates in respect of the 2014 reforms, and believes a certificate will have been prepared in respect of the 2008 reforms, but the initial electronic search for this has meant paper files would now need to be retrieved from archive storage to try and locate this. As at 30 June 2025 no update has been received as to whether the certificate in respect of the 2008 reforms has been located. On 5 June 2025, the Government announced that it will 'introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.' Once the legislation has been passed, affected pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards. The legal case and its applicability to LGPS is currently too uncertain to recognise any impact; but management will continue to monitor developments.

Police Officer Pension Fund Account

Police Officer Pension Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2024/25 financial year together with comparative information for 2023/24.

Group 2023/24 £000s	Police Officer Pension Fund Account	Group 2024/25 £000s
	Contributions Receivable	
	Employer	
(16,588)	- Contributions (31.0% of Pensionable Pay in 2023/24 and 35.3% in 2024/25)	(19,923)
	Officers' Contributions	
(9)	- 1987 Scheme Member Contributions (see narrative for rates)	(128)
(7,184)	- 2015 Scheme Member Contributions (see narrative for rates)	(7,603)
(23,781)		(27,654)
(96)	Transferees in from Other Schemes	(11)
(172)	Capital Equivalent charge for ill-health schemes	(180)
(268)		(191)
	Benefits Payable	
36,689	Recurrent Pensions	39,220
3,614	Commutations and Lump Sums	5,072
236	Other (Scheme Pays)	(109)
40,539		44,183
	Payments to and on Account of Leavers	
45	Refund of Contributions	94
10	Transfer out to other schemes	8
55		102
16,545	Net Amount Payable for the Year	16,440
(16,545)	Additional Contribution from the Police, Fire & Crime Commissioner	(16,440)
0	Net Amount Payable (Receivable) for the Year	0

Net Assets Statement

This statement shows the net assets and liabilities of the scheme as at 31 March 2025.

Group 2023/24 £000s	Pension Fund Net Assets & liabilities	Group 2024/25 £000s
	Current Assets	
3,051	Pensions Benefits paid in advance	3,284
	Current Liabilities	
(3,051)	Amount due to the Police, Fire & Crime Commissioner	(3,284)

Notes to the Police Officer Pension Fund Account

Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the requirements of the Police Pension Fund Regulations 2015 (SI 2015 No 445). The Pension Fund Accounts are administered by the Chief Constable and have been prepared on an accruals basis.

Operation of Police Pensions Schemes

Since 1 April 2015 the Chief Constable has operated three Pensions Schemes for Police Officers. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they fall due. The original Police Officer Pension scheme is known as the 1987 scheme. The second scheme was introduced in April 2006 with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All Police Officers recruited from April 2006 onwards automatically become members of the 2006 scheme and the previous 1987 scheme was closed to new members. Officers who were members of the 1987 scheme were allowed by regulation to become members of the 2006 scheme if they wished.

From 1 April 2015, a new pension scheme was introduced for Police Officers, known as the 2015 Scheme. The 2015 scheme is based on career average revalued earnings (CARE). All Police Officers recruited from 1 April 2015 automatically become members of the new scheme and the two previous schemes (1987 and 2006) have been closed to new members from that date. Members of the two older police pension schemes received full protection to 31 March 2022, transferred to the new 2015 scheme on 1 April 2015, or transferred on different tapering dates in the future subject to individual circumstances around age and length of service remaining. All members transferred to the 2015 Scheme on 1 April 2022 when the legacy schemes 1987 and 2006 closed. Many members who were previously members of the 1987 or 2006 schemes may be eligible for pension remedy, which gives them the option to choose whether to take benefits from their legacy scheme or the 2015 CARE scheme for 1st April 2015 to 31st March 2022, subject to a pension contribution adjustment. This regardless of whether they were previously protected or not. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2024/25 and 2023/24.

The financial statements for the Police Officer pension fund account do not take account of liabilities to pay pensions and other benefits after the period end. Details of the Chief Constable's long term pensions obligations can be found in the main accounting statements (see Balance Sheet page 46). Detailed disclosure notes regarding the Police Pension schemes can be found in the Technical Annex to the Statement of Accounts (Annex B Pensions on pages 107-117).

Funding of Police Pension Schemes

In 2006/07 a new arrangement was established to fund Police Pensions. This revised arrangement is for both new and existing police officer schemes, but has no effect on the benefit structures of either scheme. The purpose of the change is to smooth fluctuations in costs, that would previously have been charged to the Chief Constable's Comprehensive Income and Expenditure Statement on a 'pay as you go basis', and to more clearly show the effect of the liability as opposed to current pension payments. Under the revised arrangements the liability for payment of police pensions is removed from the Chief Constable and replaced with an employers' contribution, currently set at 35.3% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. The employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to periodic revaluation by the Government Actuary's Department. Pensions are then paid from this account. The pensions account is balanced to nil annually, with any shortfall met by a top up from the Commissioner, or vice versa. However, the Home Office indemnify the Commissioner against any financial liability arising from a deficit on the Pension Account by providing a grant to the Commissioner equal to the Commissioner's top up. Similarly, any surplus on the Pension Account is ultimately repayable to the Home Office.

Glossary of Terms

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not when money is paid or received.

Actuarial Valuation

A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, for example on behalf of a pension fund.

Agency Costs

Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

Amortisation/Amortised Cost

The practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation, though in practice amortisation tends to be used for the write-off of intangible assets, such as computer software.

BCU

Basic Command Unit.

Budget

A statement of the Police, Fire and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police, Fire and Crime Commissioner before the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Adjustment Account

The CAA records the balance of resources set aside to finance capital expenditure (i.e. Capital Receipts, Minimum Revenue Provision (MRP), Direct Revenue Contributions (DRC) and Deferred Grants Account (DGA)) and also the consumption of resources associated with the historical cost of acquiring, creating or enhancing non-current assets over the life of those assets (i.e. depreciation/impairment).

Capital Expenditure

As defined in section 16 of the Local Government Act 2003 and regulation 25 of the Capital Finance and Accounting Regulations 2003, but broadly expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Financing Requirement (CFR)

The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.

Capital Receipt

Monies received from the sale of capital assets, which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules prescribed by Central Government. Capital Receipts cannot be used to finance revenue expenditure, with the exception that up to 4% of sale proceeds may be transferred to the General Fund to finance costs directly associated with the disposal of the asset.

Cash and Cash Equivalents

Cash is represented by cash in hand and in bank accounts. Cash Equivalents include demand deposits with financial institutions which are highly liquid in that they are repayable without penalty on notice of not more than 24 hours.

CC or Chief Constable

The Chief Constable of Cumbria Constabulary.

CFO

The PFCC Chief Finance Officer.

CIPFA

The Chartered Institute of Public Finance and Accountancy. The main professional body for accountants working in the public services.

Commissioner

The Police, Fire and Crime Commissioner for Cumbria.

Componentisation

Identifying and depreciating the components of an asset separately if they have differing patterns of benefits relative to the total cost of the asset.

Contingency

A sum set aside to meet unforeseen expenditure.

Creditors

Amounts owed by the Police, Fire and Crime Commissioner for goods and services provided which had not been paid for at the end of the financial year.

Glossary of Terms

Debtors

Amounts owing to the Police, Fire and Crime Commissioner but not received at the end of the financial year.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-minimis

In general the term means lacking in significance or importance. In terms of the accounts, a de-minimis limit is set for inclusion of projects in the capital programme, below this limit projects would be charged to revenue budgets.

Direct Revenue Contributions (DRC)

Resources provided from the Police, Fire and Crime Commissioner's revenue budget to finance the cost of capital projects.

Earmarked Reserves

Those elements of the Police Fund that have been set aside, "earmarked", for specific purposes.

Fair Value

In accounting and economics, fair value is a rational and unbiased estimate of the potential market price of a good, service, or asset.

Hedge Funds

A hedge fund is a pooled investment vehicle administered by a professional management firm, and often structured as a limited partnership/ limited liability company. Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments.

Heritage Assets

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture.

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services who are a government agency responsible for monitoring the standards and performance of Constabularies and Fire and Rescue Services.

IDSVA

Independent Domestic and Sexual Violence Advisor.

Impairment/Impaired

A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Investment Property

Property (land or building) held solely to earn rentals or for capital appreciation or both, rather than for operational reasons such as the provision of services.

Leasing

A method of financing expenditure over a period of time. There are two main types of lease:

- Finance Lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Police, Fire and Crime Commissioner's balance sheet at a current valuation.
- Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

MHCLG

Department for Housing, Communities and Local Government (formerly DLUHC and DCLG).

Minimum Revenue Provision (MRP)

The minimum amount which must be set aside in the Revenue Account each year as a provision for credit liabilities.

Non-current Assets

An asset, which will yield a benefit to the Police and Crime Commissioner for a period of more than one year.

NPCC

The National Police Chiefs Council.

PFCC

The Police, Fire and Crime Commissioner for Cumbria.

Pension actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or
- the actuarial assumptions have changed.

Glossary of Terms

Pension – current service costs

The increase in the present value of a defined benefit's liabilities expected to arise from employee service in the current period.

Pension – defined benefit scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. The scheme rules define the benefits independently of the contribution payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Pension assets – expected rate of return

For a funded defined benefits scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Pension – interest costs

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Pension - past service costs

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Police Objective Analysis (POA)

The Police Objective Analysis (POA) is a model developed by the Home Office for analysing individual policing areas expenditure. It has been developed to support the need for understandable, accurate and consistent costing information to allow internal and inter-force comparisons.

Precept

The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

Private Equity Funds

A private equity fund is a collective investment scheme used for making investments in various equity (and to a lesser extent debt) securities according to one of the investment strategies associated with private equity.

Provision

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

Public Works Loan Board (PWLb)

A Government agency which provides longer term loans to Local Authorities at interest rates which are only slightly higher than those at which the government itself can borrow.

Reserves

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. The Police Fund represents accumulated balances which may be used to support future spending.

Revaluation Reserve

The revaluation reserve records the unrealised net gain from revaluation of non-current assets made after 1 April 2007. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

SERCOP

The CIPFA Service Reporting Code of Practice. It was introduced as part of the Best Value Regime to bring about more consistent accounting treatment of costs and to facilitate more meaningful financial comparisons between Authorities.

The Commissioner

The Police, Fire and Crime Commissioner for Cumbria.

Annex A – Technical Annex – Financial Instrument Disclosures

Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as cash & equivalents, investments and debtors and **financial liabilities** such as creditors and borrowings.

A1 Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

PFCC Long Term 31 March 2024 £000s	PFCC Current 31 March 2024 £000s	Group Long Term 31 March 2024 £000s	Group Current 31 March 2024 £000s	Categories of Financial Instruments	PFCC Long Term 31 March 2025 £000s	PFCC Current 31 March 2025 £000s	Group Long Term 31 March 2025 £000s	Group Current 31 March 2025 £000s
				Financial Assets				
				Cash and Cash Equivalents				
0	5,137	0	5,137	Imprest and cash	0	4,354	0	4,354
0	5,137	0	5,137	Total cash and cash equivalents	0	4,354	0	4,354
				Debtors				
0	12,321	0	12,337	Debtors held at Amortised Cost	0	8,344	0	8,388
0	26,336	0	8,806	Items not classified as Financial Instruments	0	29,312	0	10,430
0	38,657	0	21,143	Total Debtors	0	37,656	0	18,818
0	43,794	0	26,280	Total Financial Assets	0	42,010	0	23,172
				Financial Liabilities				
				Creditors				
0	(586)	0	(4,329)	Creditors held at Amortised Cost	0	(575)	0	(5,169)
0	(28,944)	0	(10,283)	Items not classified as Financial Instruments	0	(30,941)	0	(9,764)
0	(29,530)	0	(14,612)	Total Creditors	0	(31,516)	0	(14,933)
				Other Long-term Liability (PFI/Finance Lease)				
(3,402)	(299)	(3,402)	(299)	PFI & Finance Lease Liabilities	(4,613)	(498)	(4,613)	(498)
(3,402)	(299)	(3,402)	(299)	Total other long term liabilities	(4,613)	(498)	(4,613)	(498)
(3,402)	(29,829)	(3,402)	(14,911)	Total Financial Liabilities	(4,613)	(32,014)	(4,613)	(15,431)

A2 Gains and Losses on Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in 2024/25 relating to financial instruments are made up as follows:

PFCC/Group 2023/24				Gains and Losses on Financial Instruments	PFCC/Group 2024/25			
Financial Liabilities Held at amortised cost	Financial Liabilities PFI/Finance Lease	Financial Assets Loans & Receivables	Total		Financial Liabilities Held at amortised cost	Financial Liabilities PFI/Finance Lease	Financial Assets Loans & Receivables	Total
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
0	480	0	480	Interest Expense	0	535	0	535
0	0	0	0	Impairment Losses (Impairment Allowance for Doubtful Debts Increase)	(5)	0	0	(5)
0	480	0	480	Total Expenses in (Surplus) or Deficit on the Provision of Services	(5)	535	0	530
0	0	(1,010)	(1,010)	Interest Income	0	0	(1,145)	(1,145)
2	0	0	2	Impairment Gain (Impairment Allowance for Doubtful Debts Reduction)	0	0	0	0
2	0	(1,010)	(1,008)	Total Income in (Surplus) or Deficit on the Provision of Services	0	0	(1,145)	(1,145)
2	480	(1,010)	(528)	Net (Gain)/Loss for the Year	(5)	535	(1,145)	(615)

Annex A – Technical Annex – Financial Instrument Disclosures

A3 Fair value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and assets represented by loans, investments, cash and cash equivalents and long term [debtors](#) and [creditors](#) are carried in the balance sheet at amortised cost. Financial Instruments are to be measured at fair value. The fair value hierarchy must now be followed, whereby inputs used in the valuation techniques for assets and liabilities are prioritised to give the most accurate and appropriate measurement of fair value. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. For example, where the instrument is not actively marketed or measurable, quoted prices of similar assets or liabilities may be used.
- Level 3 – unobservable inputs for the asset or liability.

The fair valuation of the PFCC's long term liabilities is classed as level 2 in the hierarchy.

The PFCC reviews the categorisation of inputs when new formal valuations are undertaken and when trigger events occur (for example a major change of tenant of a rented property, or change in Bank of England base lending rate). The change in category is reported at the next financial year-end following the trigger event.

Their [fair value](#) can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced amount.
- In calculating the fair value of the PFI a discount rate based on the returns of a zero coupon AA corporate bond have been used to discount future cash flows as this instrument has an estimated risk profile equivalent to that of public sector PFI schemes.

The fair values calculated are as follows:

PFCC 31 March 2024 Carrying Amount £000s	PFCC 31 March 2024 Fair Value £000s	Group 31 March 2024 Carrying Amount £000s	Group 31 March 2024 Fair Value £000s	Fair Values of Assets and Liabilities	PFCC 31 March 2025 Carrying Amount £000s	PFCC 31 March 2025 Fair Value £000s	Group 31 March 2025 Carrying Amount £000s	Group 31 March 2025 Fair Value £000s
				Financial Liabilities				
(29,530)	(29,530)	(14,612)	(14,612)	Creditors	(31,516)	(31,516)	(14,933)	(14,933)
(3,701)	(5,028)	(3,701)	(5,028)	Other Long-term Liabilities (PFI/Finance Lease)	(5,111)	(4,808)	(5,111)	(4,808)
(33,231)	(34,558)	(18,313)	(19,640)		(36,627)	(36,324)	(20,044)	(19,741)
				Financial Assets				
5,137	5,137	5,137	5,137	Cash and Cash Equivalents	4,354	4,354	4,354	4,354
38,657	38,657	21,143	21,143	Debtors	37,656	37,656	18,818	18,818
43,794	43,794	26,280	26,280		42,010	42,010	23,172	23,172

For financial assets the fair value is shown to be the same as the carrying amount as the investments are for a short period and there is no option to vary the amount or timing of repayment.

In relation to the PFI, the fair value exceeds the carrying amount as a result of the historically higher level of interest rates prevailing at the inception of the PFI arrangement and the interest rate implicit within the PFI agreement.

Annex A – Technical Annex – Financial Instrument Disclosures

A4 Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

The Commissioner's activities expose it to a variety of financial risks. The Commissioner's annual Treasury Management Strategy focuses on these risks and seeks to minimise potential adverse effects on the resources available to fund services. The Commissioner provides written policies within its Treasury Management Strategy covering interest rate risk, credit risk and the investment of surplus cash balances. A copy of the current Treasury Management Strategy Statement can be found on the Police, Fire and Crime Commissioner's website at: <https://cumbria-pfcc.gov.uk/finance-governance/budget-finance/treasury-management>.

A4 (i) Credit Risk

Credit Risk is the possibility that other parties might fail to pay amounts due to the Commissioner.

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Commissioner's customers.

This risk is minimised through the application of policies set out in the annual Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody's ratings services. The annual TMSS (approved by the Commissioner in February 2024), also imposes a maximum sum to be invested with a financial institution located within each category.

The credit criteria as set out in the 2024/25 TMSS in respect of financial assets held by the Commissioner are detailed below:

Financial Asset Category	Minimum Criteria	Maximum Investment
Deposits with major UK and non UK Banks and Building Societies (Unsecured)	A- The maximum duration of investments varies according to the credit rating. The only exception to this is the NatWest bank (Currently BBB+) which provides the day to day banking services to the Commissioner	Maximum per institution or Group £2m (varies according to credit rating). Maximum of all deposits £20m.
Deposits with major UK and non UK Banks and Building Societies (Secured)	A- The maximum duration of investments varies according to the credit rating.	Maximum per institution or Group £4m (varies according to credit rating). Maximum of all deposits £20m.
Deposits with Money Market Funds/Pooled Funds	Long Term: AAA	£4m per fund. Maximum of all deposits £20m.
Deposits with Government (includes HM Treasury and other Local Authorities)	Not credit rated but are legally required to set a balanced budget.	£4m per Local Authority, unlimited with HM Treasury. Maximum of all deposits – No Limit.

Annex A – Technical Annex – Financial Instrument Disclosures

The Commissioner's maximum exposure to credit risk in relation to its investments in banks, building societies and other Local Authority's of £4m at the balance sheet date cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Commissioner's deposits, but there was no evidence at the 31 March 2025 that this was likely to happen.

The following analysis summarises the Commissioner's potential maximum exposure to credit risk, on other financial assets, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

Potential Maximum Exposure to Credit Risk	Amount at 31/03/25 £000s	Historical Experience of Default %	Historical Experience Adjusted for Market Conditions at 31/03/24	Estimated maximum exposure to default and uncollectability £000s	Comparative Estimated maximum exposure at 31/03/24 £000s
Customers - Operational Debtors	10,711	0.02%	0.15%	16	11

The Commissioner does not generally allow credit for customers. At the 31 March 2025, £230k (2.2%) of the £10.711m balance of operational debt was past the due date for payment. This sum has increased from the balance at 31 March 2024 (£106k (0.7%) out of £14.781m overdue). The Commissioner has increased the bad debt provision as at 31 March 2025 to £16k following a detailed analysis of amounts outstanding to reflect the degree of uncertainty around a number of the longer standing debts. The past due amount can be analysed by age as follows:

PFCC/Group As at 31 March 2024 £000s	Aged Debt Past Due Date	PFCC/Group As at 31 March 2025 £000s
14,781	Total Operational Debtors	10,711
	Aged Debt past its due date by:	
63	1-30 Days	158
3	31-60 Days	18
1	61-90 Days	0
3	91-120 Days	1
0	121-150 Days	12
36	150+ Days	41
106		230

A4 (ii) Liquidity Risk

Liquidity Risk is the possibility that the Commissioner might not have funds available to meet its commitments to make payments.

As the Commissioner has ready access to borrowings from the PWLB and had at 31 March 2025 no actual long term external debt having financed a number of recent projects through internal borrowing, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. A more pertinent risk is that the Commissioner will be required to replenish a significant proportion of its internal borrowings at a time of unfavourable interest rates. At the balance sheet date the Commissioner is confident that it has adequate working capital principally as a result of its [reserves](#) to mitigate this risk. Nevertheless, prevailing money market rates are regularly monitored with a view to ensuring that long term debt financing decisions are made at the optimum time.

All operational liabilities are due to be repaid within one year.

A4 (iii) Market Risk

Market Risk is the possibility that financial loss might arise for the Commissioner as a result of changes in such measures as interest rates and stock market movements.

The Commissioner is exposed to some risk due to movements in interest rates on its loans and investments. These potential risks are:

- An increase in interest rates will result in a fall in the fair value of borrowings and investments.
- A decrease in interest rates will result in a rise in the fair value of borrowings and investments.
- The value of interest received from investments will rise or fall depending on increases and decreases in interest rates and will impact on the Comprehensive Income and Expenditure Statement.

As all of the Commissioner's existing borrowings and investments have been placed at fixed rates, this risk has to a large extent been minimised.

Borrowings and investments are carried in the Balance Sheet at fair value, so nominal gains and losses on fixed rate financial instruments have no impact on the Comprehensive Income and Expenditure Statement.

The Commissioner carries out its borrowing and investment function within parameters set out in its Treasury Management Strategy, which assesses interest rate exposure to feed into the budget process. Forecasts are updated regularly throughout the year, which allows any significant changes to interest rates to be reflected in current budget projections.

The Treasury Management Strategy also advises on the limits for new variable and fixed-rate borrowing for the year. No new external long-term borrowing was undertaken in 2024/25.

B1 Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire, under IAS 19 the Commissioner must recognise its future commitment to make payments, which need to be disclosed at the time that employees earn their future entitlement. In addition, the financial statements should contain adequate disclosure of the costs of providing benefits and related gains/losses.

Individually there are three pension schemes for police officers (1987, 2006 and 2015 schemes) and a single scheme for police staff (LGPS). They are all defined benefits schemes.

- **The Local Government Pension Scheme (LGPS)**

Police staff, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which is a funded defined benefit scheme. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

The LGPS for Police Staff employees, is administered by Westmorland & Furness Council (outsourced to Lancashire County Council) – this is a funded defined benefit scheme, meaning that the Commissioner and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets over the long term. On 01 April 2023 the employer contribution rates were increased and during 2024/25 the Commissioner made a contribution of 18.6% of pensionable pay in respect of OPFCC employees and 18.9% for Constabulary employees. In 2024/25 the Commissioner received a refund of pension fund surplus of £374k (PFCC £12k, Constabulary £362k). For 2023/24 the refund of pension fund surplus was £363k (PFCC £12k, Constabulary £351k). The contribution rate will next be reviewed in March 2025 with a revised rate for employers contributions being applicable from April 2026.

- **The Police Pension Scheme**

There are currently three pension schemes in operation for Police Officers:

- The original Police Pension Scheme (PPS) is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976.
- The new Police Pensions Scheme (NPPS) is also governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006).
- The 2015 Police Pensions Scheme is a career average revalued earnings (CARE) scheme and is governed by the Police Pensions Scheme 2015 Regulations and related regulations under the Police Pensions Act 1976.

The Police Pension Scheme is an unfunded scheme (i.e. there are no investment assets built up to meet pension liabilities and cash has to be generated to meet actual pensions payments as they fall due). The funding arrangements for police officers' pensions changed on 1st April 2006. Before April 2006 pensions of former employees were required to be met on a 'pay as you go' basis with the cost charged to the revenue account. From April 2006 onwards the payments made during the year under the scheme are funded by a combination of employee contributions and employer contributions charged to the Comprehensive Income and Expenditure Statement with the remaining deficit funded by a specific Home Office grant. The employer's contribution rate was increased to 35.3% from 1st April 2024 (previously 31% in 2023/24).

Annex B – Technical Annex – Pensions Disclosures

The Commissioner and employees pay contributions into a separate pensions fund account administered by the Commissioner from which on-going pensions liabilities are met. At the year-end any surplus or deficit on the pensions fund account is paid to or met by the Commissioner who then repays or is reimbursed by the Home Office.

Also from 1st April 2006 legislation required the operation of a Pension Fund Account (shown on pages 97-98). The amounts that must be paid into and out of the fund are specified by regulation. Officers' contributions and the employer's contributions are paid into the pension fund account from which pension payments are made. Any shortfall on the pension fund account is met by a contribution from the Police Fund. A Home Office Grant is received to cover this contribution. Conversely, a surplus on the Pension Fund Account would result in a contribution to the police fund, which would then be recouped by the Home Office.

The principal risk to the Commissioner of the schemes are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Police Fund the amounts required by statute as described in the accounting policy.

Defined Benefit Scheme – A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be **funded** or **unfunded**.

A **funded** scheme is one where employers and employees pay contributions into a fund. The payments to pensioners are then made from this fund.

An **unfunded** scheme is one where there is no fund with investment assets built up to meet pension liabilities and cash has to be generated (from employee and employer contributions) to meet the actual pension payments as they fall due.

The Accounts show the full implementation of IAS19 (Employee Benefits). IAS19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable to the pension fund during the year, an appropriation is made within the pensions reserve equal to the net change in the pensions liability recognised in the Comprehensive Income and Expenditure Statement. The neutralising entry is made through the Movement in Reserves Statement. The Balance Sheet discloses the net liability in relation to retirement benefits. The figures are based on the Actuary's latest estimate.

There are restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and are accounted for using the same policies as applied to the LGPS.

Annex B – Technical Annex – Pensions Disclosures

The cost of retirement benefits is recognised in the Cost of Services within the Comprehensive Income and Expenditure Statement when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the contributions in the year, so the real cost of retirement benefits is reversed out of the Police Fund in the Movement in Reserves Statement.

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

Group						Pension Transactions in MiRS and CI&ES	Group									
LGPS		Police Scheme			Total		LGPS		Police			Total				
Funded 2023/24	Unfunded 2023/24	1987 2023/24	2006 2023/24	2015 2023/24	All Schemes 2023/24		Funded 2024/25	Unfunded 2024/25	1987 2024/25	2006 2024/25	2015 2024/25	All Schemes 2024/25				
£000s	£000s	£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s				
						Comprehensive Income and Expenditure Statement										
						Cost of Services										
						Service cost comprising:										
4,236	0	490	80	8,680	13,486	• Current service cost					4,041	0	410	0	8,630	13,081
0	0	0	0	0	0	• Past service costs					2	0	0	0	0	2
86	0	0	0	0	86	• (Gain)/loss from settlements/curtailments					0	0	0	0	0	0
						Financing and Investment Income and Expenditure										
(1,141)	34	42,810	1,660	4,500	47,863	• Net interest expense					(1,835)	35	43,390	1,760	5,440	48,790
3,181	34	43,300	1,740	13,180	61,435	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services					2,208	35	43,800	1,760	14,070	61,873
						Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement										
						Remeasurement of the net defined benefit liability comprising:										
(5,721)	0	0	0	0	(5,721)	• Return on plan assets (excluding the amount included in the net interest expense)					5,358	0	0	0	0	5,358
(2,060)	(11)	0	0	0	(2,071)	• Actuarial (gains) and losses arising on changes in demographic assumptions					(468)	(2)	(1,160)	(90)	(490)	(2,210)
(6,404)	(11)	(17,990)	(820)	(3,940)	(29,165)	• Actuarial (gains) and losses arising on changes in financial assumptions					(28,527)	(52)	(91,670)	(7,270)	(23,810)	(151,329)
1,167	7	10,330	850	1,680	14,034	• Experience (gains) and losses on liabilities					(53)	0	220	200	(170)	197
190	0	0	0	0	190	• Administration expenses					195	0	0	0	0	195
14,226	781	0	0	0	15,007	• Impact of Asset Ceiling					25,155	0	0	0	0	25,155
1,398	766	(7,660)	30	(2,260)	(7,726)	Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure					1,660	(54)	(92,610)	(7,160)	(24,470)	(122,634)
4,579	800	35,640	1,770	10,920	53,709	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement					3,868	(19)	(48,810)	(5,400)	(10,400)	(60,761)
						Movement in Reserves Statement										
(3,181)	(34)	(43,300)	(1,740)	(13,180)	(61,435)	• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post- employment benefits in accordance with the Code.					(2,208)	(35)	(43,800)	(1,760)	(14,070)	(61,873)
						Actual amount charged against the General Fund Balance for pensions in the year										
4,579	67	0	0	0	4,646	• Employers' contributions payable to the scheme					4,230	69	0	0	0	4,299
0	0	41,310	170	(6,760)	34,720	• Retirements benefits payable to pensioners					0	0	44,290	510	(7,120)	37,680
4,579	67	41,310	170	(6,760)	39,366	Total amount charged against the Police Fund Balance for pensions in the year					4,230	69	44,290	510	(7,120)	41,979

Annex B – Technical Annex – Pensions Disclosures

The following transactions have been made in the PFCC Single Entity Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

LGPS Funded 2023/24 £000s	PFCC LGPS Unfunded 2023/24 £000s	Total All Scheme 2023/24 £000s	Pension Transactions in MiRS and CI&ES	LGPS Funded 2024/25 £000s	PFCC LGPS Unfunded 2024/25 £000s	Total All Schemes 2024/25 £000s
			Comprehensive Income and Expenditure Statement			
			<i>Cost of Services</i>			
			<i>Service cost comprising:</i>			
149	0	149	• Current service cost	143	0	143
86	0	86	• (Gain)/loss from settlements/curtailments	0	0	0
			<i>Financing and Investment Income and Expenditure</i>			
(27)	0	(27)	• Net interest expense	(43)	1	(42)
208	0	208	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	100	1	101
			Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement			
			<i>Remeasurement of the net defined benefit liability comprising:</i>			
(161)	0	(161)	• Return on plan assets (excluding the amount included in the net interest expense)	154	0	154
(62)	0	(62)	• Actuarial (gains) and losses arising on changes in demographic assumptions	(15)	0	(15)
(180)	0	(180)	• Actuarial (gains) and losses arising on changes in financial assumptions	(834)	(1)	(835)
37	0	37	• Experience (gains) and losses on liabilities	(2)	0	(2)
7	0	7	• Administration expenses	7	0	7
392	15	407	• Impact of Asset Ceiling	731	0	731
33	15	48	Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure	41	(1)	40
241	15	256	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	141	0	141
			<i>Movement in Reserves Statement</i>			
(208)	0	(208)	• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(100)	(1)	(101)
			<i>Actual amount charged against the General Fund Balance for pensions in the year</i>			
241	1	242	• Employers' contributions payable to the scheme	152	1	153
241	1	242	Total amount charged against the Police Fund Balance for pensions in the year	152	1	153

Annex B – Technical Annex – Pensions Disclosures

B2 Pensions Assets and Liabilities Recognised in the Balance Sheet

Under IAS 19, the financial statements should reflect at [fair value](#) the assets and liabilities arising from an employer's obligation to pay retirement benefits and the funding provided.

The underlying assets and liabilities for retirement benefits attributable to the Group at 31 March 2025 are as follows:

Group					Pension Scheme Assets & Liabilities	Group					
LGPS		1987 2006 2015	Police 2006 2023/24	2015 2023/24		LGPS		1987 2006 2015	Police Scheme		
Funded 2023/24	Unfunded 2023/24					Funded 2024/25	Unfunded 2024/25		2024/25	2006 2024/25	2015 2024/25
£000s	£000s					£000s	£000s		£000s	£000s	£000s
(172,220)	(733)	(935,150)	(37,320)	(106,820)	Present value of the defined benefit obligation	(150,785)	(645)	(842,050)	(31,410)	(103,540)	
207,926	0	0	0	0	Fair value of plan assets	211,646	0	0	0	0	
(35,706)	0	0	0	0	Impact of Asset Ceiling	(60,861)	0	0	0	0	
0	(733)	(935,150)	(37,320)	(106,820)	Net liability arising from defined benefit obligation	0	(645)	(842,050)	(31,410)	(103,540)	

The liabilities in the above table show the underlying commitments that the Commissioner has, in the long run, to pay retirement benefits. The total group liability of £978b (£1.080b at 31 March 2024) has a substantial impact on the net worth of the Commissioner as recorded in the group balance sheet, resulting in a negative overall balance of £893b (£998b at 31 March 2024). The reduction in overall liability has arisen as a result in a change in actuarial assumptions.

However, statutory arrangements for funding the deficit mean that the financial position of the group remains healthy, since:

- the deficit on the local government scheme will be made good by increased contributions and changes to benefits over the remaining working life of employees, as assessed by the scheme actuary
- finance is only required to be raised to cover police pensions when the pensions are actually paid.

LGPS – Asset Ceiling

Following the pensions valuation by the Commissioner's actuary, Mercer Ltd, the Commissioner determined that the fair value of its pension plan assets outweighed the present value of the plan obligations as 31st March 2025 resulting in a pension plan asset. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil for the funded benefits.

This change applied to the Group Accounts above and the PFCC single entity statements below.

Annex B – Technical Annex – Pensions Disclosures

The underlying assets and liabilities for retirement benefits attributable to the PFCC Single Entity at 31 March 2025 are as follows:

PFCC LGPS		Pension Scheme Assets & Liabilities	PFCC LGPS	
Funded 2023/24 £000s	Unfunded 2023/24 £000s		Funded 2024/25 £000s	Unfunded 2024/25 £000s
(5,129)	(14)	Present value of the defined benefit obligation	(4,603)	(13)
5,955	0	Fair value of plan assets	6,160	0
(826)	0	Impact of Asset Ceiling	(1,557)	0
0	(14)	Net liability arising from defined benefit obligation	0	(13)

Reconciliation of present value of scheme liabilities for the group:

Group					Reconciliation of Scheme Liabilities	Group				
LGPS		1987	Police	2015		LGPS		1987	Police	2015
Funded	Unfunded					Funded	Unfunded			
2023/24	2023/24	2023/24	2023/24	2023/24		2024/25	2024/25	2024/25	2024/25	2024/25
£000s	£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s	£000s
(170,076)	(781)	(940,820)	(35,720)	(89,140)	Balance at Start of Year	(172,220)	(733)	(935,150)	(37,320)	(106,820)
(4,236)	0	(490)	(80)	(8,680)	Current service cost	(4,041)	0	(410)	0	(8,630)
(8,092)	(34)	(42,810)	(1,660)	(4,500)	Interest cost	(8,323)	(35)	(43,390)	(1,760)	(5,440)
(1,535)	0	0	0	(7,190)	Contributions by Scheme Participants	(1,576)	0	(20)	0	(7,610)
					Remeasurement gains and (losses):					
2,060	11	0	0	0	- Arising from changes in demographic assumptions	468	2	1,160	90	490
6,404	11	17,990	820	3,940	- Arising from changes in financial assumptions	28,527	52	91,670	7,270	23,810
(1,167)	(7)	(10,330)	(850)	(1,680)	- Experience gains/(losses)	53	0	(220)	(200)	170
0	0	0	0	0	Past service cost	(2)	0		0	0
(86)	0	0	0	0	Gains/(losses) on curtailment	0	0		0	0
4,508	67	41,310	170	430	Benefits Paid/Transfers	6,329	69	44,310	510	490
(172,220)	(733)	(935,150)	(37,320)	(106,820)	Balance at End of Year	(150,785)	(645)	(842,050)	(31,410)	(103,540)

The liabilities under the LGPS and Police Pension Schemes have reduced during 2024/25. The principal reason for these changes is in financial assumptions.

Annex B – Technical Annex – Pensions Disclosures

Reconciliation of present value of scheme liabilities for the PFCC Single Entity:

PFCC LGPS		Reconciliation of Scheme Liabilities	PFCC LGPS	
Funded 2023/24 £000s	Unfunded 2023/24 £000s		Funded 2024/25 £000s	Unfunded 2024/25 £000s
(4,902)	(15)	Balance at Start of Year	(5,129)	(14)
(149)	0	Current service cost	(143)	0
(234)	0	Interest cost	(250)	(1)
(63)	0	Contributions by Scheme Participants	(65)	0
		Remeasurement gains and (losses):		
62	0	- Arising from changes in demographic assumptions	15	0
180	0	- Arising from changes in financial assumptions	834	1
(37)	0	- Experience gains/(losses)	2	0
(86)	0	Gains/(losses) on curtailment	0	0
100	1	Benefits Paid/Transfers	133	1
(5,129)	(14)	Balance at End of Year	(4,603)	(13)

The PFCC single entity liabilities under the LGPS and Police Pension Schemes have reduced during 2024/25. The principal reason for these changes is in financial assumptions.

Annex B – Technical Annex – Pensions Disclosures

Reconciliation of fair value of the scheme assets for the group:

Group LGPS		Reconciliation of Scheme Assets	Group LGPS	
Funded 2023/24 £000s	Unfunded 2023/24 £000s		Funded 2024/25 £000s	Unfunded 2024/25 £000s
191,556	0	Balance at Start of Year	207,926	0
0	0	Adjustment to Opening Balance #	(362)	0
191,556	0	Adjusted Balance at Start of Year	207,564	0
9,233	0	Interest Income	10,158	0
5,721	0	Remeasurements - Gains and (Losses)	(5,358)	0
(190)	0	Administration Expenses	(195)	0
4,579	67	Employer Contributions	4,230	69
1,535	0	Contributions by Scheme Participants	1,576	0
(4,508)	(67)	Benefits Paid	(6,329)	(69)
207,926	0	Balance at End of Year	211,646	0

Reconciliation of fair value of the scheme assets for the PFCC single entity:

PFCC LGPS		Reconciliation of Scheme Assets	PFCC LGPS	
Funded 2023/24 £000s	Unfunded 2023/24 £000s		Funded 2024/25 £000s	Unfunded 2024/25 £000s
5,336	0	Balance at Start of Year	5,955	0
0	0	Adjustment to Opening Balance #	(11)	0
5,336	0	Adjusted Balance at Start of Year	5,944	0
261	0	Interest Income	293	0
161	0	Remeasurements - Gains and (Losses)	(154)	0
(7)	0	Administration Expenses	(7)	0
241	1	Employer Contributions	152	1
63	0	Contributions by Scheme Participants	65	0
(100)	(1)	Benefits Paid	(133)	(1)
5,955	0	Balance at End of Year	6,160	0

Annex B – Technical Annex – Pensions Disclosures

The Police Pension Scheme has no assets to cover its liabilities. The Commissioner's share of assets in the Cumbria Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

PFCC 2023/24		Group 2023/24		LGPS Asset Breakdown	Quoted Y/N	PFCC 2024/25		Group 2024/25	
£000s	%	£000s	%			£000s	%	£000s	%
				Equities					
280	4.70%	9,774	4.70%	UK Equity Pooled	Y	117	1.90%	4,021	1.90%
1,628	27.34%	56,832	27.33%	Global Equity Pooled	Y	1,491	24.20%	51,220	24.20%
303	5.09%	10,575	5.09%	Overseas Equity Pooled	Y	524	8.51%	17,990	8.50%
				Bonds					
790	13.27%	27,600	13.27%	UK Government Indexed Pooled	N	893	14.50%	30,688	14.50%
				Property					
296	4.97%	10,347	4.98%	UK	N	6	0.10%	211	0.10%
177	2.97%	6,190	2.98%	Property Funds	N	474	7.69%	16,296	7.70%
				Alternatives					
543	9.12%	18,943	9.11%	Private Equity Funds	N	610	9.90%	20,953	9.90%
829	13.92%	28,956	13.93%	Infrastructure Funds	N	961	15.60%	33,018	15.60%
451	7.57%	15,734	7.57%	Private Debt Funds	N	499	8.10%	17,143	8.10%
111	1.86%	3,887	1.87%	Healthcare Royalties	N	86	1.40%	2,963	1.40%
456	7.66%	15,926	7.66%	Multi Asset Credit	N	407	6.61%	13,969	6.60%
				Cash					
91	1.53%	3,162	1.52%	Cash Accounts	Y	92	1.49%	3,174	1.50%
0	0.00%	0	0.00%	Net Current Assets	N	0	0.00%	0	0.00%
5,955	100.00%	207,926	100.00%			6,160	100.00%	211,646	100.00%

B3 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, which provides an estimate of the pensions that will be payable in future years using assumptions about mortality rates, salary levels, etc. Mercer Ltd an independent firm of actuaries, has carried out the assessment on the Local Government Pension Scheme. These accounts are based on the [actuarial valuation](#) undertaken on 31 March 2025. The Police Scheme estimates have been compiled using a valuation model devised by the Government Actuaries Department.

The principal assumptions used by the actuary have been:

LGPS 2023/24	Police 2023/24	Actuarial Assumptions	LGPS 2024/25	Police 2024/25
		Mortality Assumptions:		
		Longevity at 65 for current pensioners:		
21.5	21.9	- Men	21.5	21.9
23.9	23.6	- Women	24.0	23.9
		Longevity at 65 for future pensioners:		
22.8	23.6	- Men	22.8	23.3
25.7	25.1	- Women	25.7	25.2
2.60%	2.60%	Rate of Inflation (CPI)	2.60%	2.70%
4.10%	3.85%	Rate of increase in salaries	4.10%	3.45%
2.70%	2.60%	Rate of increase in pensions	2.70%	2.70%
2.60%	3.85%	Rate of Revaluation for CARE Pensions	2.60%	3.95%
4.90%	4.75%	Rate for discounting scheme liabilities	5.90%	5.65%

Annex B – Technical Annex – Pensions Disclosures

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis – LGPS Pension Scheme

Sensitivity Analysis - LGPS	PFCC			Group		
	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s
Local Government Pension Scheme						
Longevity (1 Year increase in life expectancy)	90	3	6	2,778	76	172
Rate of Inflation (increase by 0.25%)	182	8	11	6,227	218	369
Rate of Increase in Salaries (increase by 0.25%)	38	0	3	1,372	0	84
Rate for Discounting Scheme Liabilities (increase by 0.1	(344)	(15)	(30)	(11,726)	(401)	(1,062)
Change in investment Returns (increase by 1%)	0	0	(4)	0	0	(125)
Change in investment Returns (reduce by 1%)	0	0	4	0	0	125

Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police Pensions 1987 Scheme £000s	Group Police Pensions 2006 Scheme £000s	Police Pensions 2015 Scheme £000s
Assumption Sensitivity			
Longevity (1 Year increase in life expectancy)	19,000	1,000	2,000
Rate of Increase in Pensions (increase by 0.5%)	52,000	3,000	16,000
Rate of Increase in Salaries (increase by 0.5%)	5,000	2,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(52,000)	(4,000)	(13,000)

The above tables include the impact of an increase in assumptions, a reduction in assumptions will produce approximately an equal and opposite change.

Annex B – Technical Annex – Pensions Disclosures

B4 Impact on the Commissioner's Cash Flows

The objectives of the LGPS scheme are to keep employers' contributions at as constant a rate as possible. The Commissioner has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 10 years. Funding levels are monitored on an annual basis. The most recent triennial valuation took place during 2022/23 with a further review due in 2025/26 based on the position at 31 March 2025. The previous revaluation resulted in an increase in contribution rates from 18.4% to 18.9% for the Constabulary and 18.6% for the PFCC which took effect from 1 April 2023.

The pension schemes will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS and the other main existing public service schemes in England and Wales (which includes the Police Pension schemes) may not provide benefits in relation to service after 31 March 2014 (after 31 March 2015 for other main public service schemes e.g. Police Pension Schemes). This means that the LGPS ceased to be a final salary pension scheme from 31 March 2014 and the Police Pension Scheme ceased to be a final salary pension scheme from 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The total group contributions expected to be made to the Local Government Pension Scheme by the Commissioner in the year to 31 March 2026 are £5.259m (PFCC single entity £346k). Expected contributions for the Police Pension Scheme in the year to 31 March 2026 are £21.516m.

The weighted average duration of the defined benefit obligation for scheme members is shown in the table below:

2023/24 Years	Weighted Average Duration of the Defined benefit Obligation	2024/25 Years
	Pensions Scheme	
20	Local Government Pension Scheme - PFCC	20
21	Local Government Pension Scheme - CC	21
15	Police Pension -1987 Scheme	14
28	Police Pension -2006 Scheme	27
31	Police Pension -2015 Scheme	29



The Police, Fire and Crime Commissioner for Cumbria

&

The Chief Constable of Cumbria Constabulary

Accounting Policies

Annex C - Statement of Accounting Policies

1. General Principles

- 1.1. The Statement of Accounts summarises the financial transactions for the 2024/25 financial year and the financial position at the 31 March 2025. The Police, Fire and Crime Commissioner for Cumbria and The Chief Constable of Cumbria Constabulary are each required to prepare an annual Statement of Accounts (single entity) in accordance with the Accounts and Audit Regulations 2015 which stipulate that the statements be prepared in accordance with proper accounting practices. Those practices primarily comprise the CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003. The Commissioner is responsible for combining the single entity statements to form a set of consolidated group accounts.
- 1.2. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

Historic Cost – the amount the organisation originally paid for an item.

2. Accruals of Income and Expenditure

- 2.1. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:
- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
 - Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories (stock) on the Balance Sheet.
 - Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
 - Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
 - Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
 - An accrual is made in respect of employee benefits payable during employment.

Accrual Example 1

An electricity invoice received at the start of April will usually relate to the previous quarters electricity consumption (January to March) and as such this expenditure should be shown in the financial statements for the previous financial year. The invoice will actually be paid in the new year but the costs are charged to the previous year by way of an accrual.

Accrual Example 2

The PFCC/Constabulary insurance premiums are due on 1 November each year. The premium paid covers five months of the current financial year and seven months of the next. A prepayment is made in the accounts to move the cost of the seven months into the correct year.

Annex C - Statement of Accounting Policies

3. Exceptional Items

- 3.1. When exceptional items of income and expense are *material*, their nature and value is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of financial performance.

Materiality – information is material if omitting it or misstating it could influence decisions that users make on the basis of the financial information about a specific reporting organisation. In other words, materiality is an organisation specific aspect of relevance based on the *nature* or *magnitude* or *both*, of the items to which the information relates in the context of the individual organisations financial statements.

4. Material Estimation Techniques

- 4.1. IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. The only material estimation techniques used is in relation to pensions disclosures as set out in the technical annex, Annex B.

5. Cash & Cash Equivalents

- 5.1. Cash is represented by cash in hand, petty cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents may also include overdrawn balances at the bank where they are an integral part of cash management. Generally, cash and cash equivalents will comprise, cash in hand, bank account balances, overnight deposits and deposits with Money Market Funds which are repayable on demand without penalty or loss of interest.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand or form an integral part of cash management.

In accordance with the Commissioner's framework of governance, with the Chief Constable, the Chief Constable is funded on a cash basis, accordingly all cash and cash equivalent balances are recorded on the balance sheet of the Commissioner.

6. Charges to Revenue for Non-current Assets

- 6.1. Services and support services are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:
- Depreciation attributable to the assets
 - Revaluation and impairment losses on assets used where there are no accumulated gains in the revaluation reserve against which the losses can be written off
 - Amortisation of intangible assets used

Council tax is not required to be raised to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and

Annex C - Statement of Accounting Policies

revaluation and impairment losses are therefore substituted by a revenue contribution in the Police Fund balance, by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

In accordance with the terms of the Commissioner's framework of governance to the Chief Constable, the Commissioner holds all non-current assets. Accordingly, all depreciation, revaluations and impairments are recorded in the Commissioner's single entity statement. However, the Commissioner makes a charge to the Chief Constable in the Comprehensive Income and Expenditure Statement for the use of non-current assets, which is equivalent to his share of depreciation.

7. Council Tax

7.1. Council Tax is collected from local taxpayers by the billing authorities (unitary councils). The billing authorities in England are required by statute to maintain a separate fund, known as the Collection Fund, for the collection and distribution of amounts due in respect of Council Tax. The fund's key features relevant to accounting for Council Tax in the core financial statements of the billing authorities are:

- In its capacity as a billing authority the council acts as agent; it collects and distributes Council Tax income on behalf of the major preceptors (Police, Fire and Crime Commissioner for Cumbria and Cumbria Commissioner Fire and Rescue Authority) and itself.
- While the Council Tax income for the year credited to the collection fund is accrued income for the year, regulations determine when it should be released from the collection fund and transferred to the general fund of the billing authority or paid out of the collection fund to major preceptors.
- Up to 2008/09 the SORP required the Council Tax income included in the Comprehensive Income and Expenditure Statement to be that which under regulation was required to be transferred from the collection Fund to the general fund of the billing authority. The Major precepting bodies were simply required to show the precept received from the billing authority during the year.
- From the year commencing 1 April 2009, the Council Tax income included in the Comprehensive Income and Expenditure Statement for the year shall be the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the collection fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since the collection of Council Tax is, in substance, an agency arrangement, cash collected by the billing authority from Council Tax debtors belongs proportionately to the billing authority and the major preceptors. There will be therefore a debtor/creditor position between the billing authorities and each major preceptor to be recognised since the net cash paid to each major preceptor in the year will not be its share of cash collected from Council Taxpayers.

The Comprehensive Income and Expenditure Statement shows the share of cash collected in relation to Council Tax for the year. A transfer has been made to the collection fund adjustment account to record the amount due to/from the unitary councils (billing authorities) as at the year end. The debtors and creditors contained within the balance sheet now shows the share of Council Tax debtors (less an adjustment for bad and doubtful debts), Council Tax creditors, prepayments and a recognition of the amounts owed to or from the billing authorities.

Annex C - Statement of Accounting Policies

Council Tax income is recorded purely in the financial statements of the Police, Fire and Crime Commissioner, it does not feature in the single entity statement of the Chief Constable of Cumbria Constabulary.

8. Employee Benefits

8.1. Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for functions in the year in which employees render service. An accrual is made for the cost of holiday entitlements, time off in lieu, flexi leave and rest days in lieu earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the balance sheet date. The employee accrual is then reversed out through the movement in reserves statement so that it is not charged against council tax.

8.2. Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an individual's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged (on an accruals basis) to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the organisation can no longer withdraw the offer of those benefits or when the organisation recognises the costs for restructuring.

Where termination benefits involve enhancement of pensions, statutory provisions require the Police Fund balance be charged with the amount payable to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and any such amounts payable but unpaid at the year-end.

8.3. Post-Employment Benefits – CIES Entries/Charges to the Police Fund

All accounting entries relating to the Comprehensive Income and Expenditure Statement and the subsequent liability for Police Officer pensions are wholly recorded in the single entity statements of the Chief Constable. For Police Staff all Comprehensive Income and Expenditure Statement entries and subsequent balance sheet liabilities in relation to pensions are apportioned between the Commissioner and the Chief Constable single entity statements by the scheme actuary. All accounting entries for Police Officer pensions and Police Staff pensions are consolidated in the group statements.

As outlined above, the single entity statements of the Commissioner do not include any accounting entries in relation to the Police Officer Pensions funds as these are wholly recognised by the Chief Constable. The group accounts however include all relevant accounting entries in relation to Police Pension Funds.

In relation to retirement benefits, statutory provisions require the Police Fund to be charged with the amount payable to the pension funds in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby

Annex C - Statement of Accounting Policies

measures the beneficial impact to the Police Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service costs – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- Net interest on the net defined pension benefit liability (asset) – i.e. the net interest expense for the organisation – the change during the period in the net defined pension benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined pension benefit obligation at the beginning of the period to the net defined pension benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined pension benefit liability (assets) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- Return on plan assets-excluding amounts included in the net interest on the net defined pension liability (asset) – charged to the pensions reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions (demographic and financial) made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the pension fund
- Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

8.4. Measurement of Liabilities

The liabilities of each of the pension funds are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate (see assumptions set out in Annex B, B3).

Actuarial valuations of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities.

8.5. Measurement of Assets

The assets of the LGPS pension fund are included in the Balance Sheet at their fair value:

Annex C - Statement of Accounting Policies

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

8.6. Pensions Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. For pensions, the material estimation techniques used are as follows:

Where the projected unit method of valuation has been applied and which is consistent with the required methodology in IAS 19. This is a valuation method in which the scheme liabilities make an allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits pensioners and deferred pensioners (i.e. individuals who have ceased as active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested or not.

9. Events after the Reporting Period

9.1. Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date the Statement of Accounts is authorised for issue which have an impact on the financial statements and are treated as follows. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and their estimated financial effect.

Events taking place after the authorised for issue date are not reflected in the statement of accounts.

10. Financial Instruments

10.1. Financial Liabilities

Financial Liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For borrowings this means that the amount presented on the Balance Sheet is the outstanding amount of principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement. Borrowing is undertaken and accounted for in accordance with the Treasury Management Strategy. Where a payable (i.e. creditor) has a maturity of less than 12 months the fair value is taken to be the principal outstanding, or the billed/invoiced

Annex C - Statement of Accounting Policies

amount. In accordance with the governance framework between the Commissioner and the Chief Constable, all financial instrument liabilities, including borrowing and trade creditors are held by the Commissioner.

10.2. Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Commissioner holds financial assets measured at amortised costs (investments, cash and cash equivalent and debtors).

Financial Assets are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Where a debtor has a maturity of less than 12 months, the fair value is taken to be the principal outstanding or the billed/invoiced amount. Investments are shown in the balance sheet at cost. Where investments are fixed term deposits, accrued interest owing at the balance sheet date is included in the Comprehensive Income and Expenditure Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. An example of such a charge would be the adjustment made to the debtors balance as an impairment allowance for doubtful debts.

Investments are undertaken and accounted for in accordance with the Treasury Management Strategy. **Treasury Management** is defined as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

The **Treasury Management Strategy** is produced on an annual basis and is approved by the Commissioner in February each year. The strategy contains an investment strategy which provides details of approved counterparties with whom investments can be placed and approved limits and durations for investment. The strategy also includes a borrowing strategy should this be needed and approved practices and procedures to be adopted by staff carrying out investment and borrowing activities.

In accordance with the Commissioner’s governance framework with the Chief Constable all financial instrument assets including investments and trade debtors are held by the Commissioner.

11. Government Grants and Contributions

11.1. Whether paid on account, by installments or in arrears, government grants and third party contributions and donations are recognised as due when there is reasonable assurance of:

- compliance with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired

Annex C - Statement of Accounting Policies

using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the body making the grant or contribution.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried on the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant function line (attributable revenue grants and contributions) or Taxation and Non-Specific Grants Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Police Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

In accordance with the statutory responsibility of the Commissioner to maintain the Police Fund contained within the Police Reform and Social Responsibility Act 2011, all grants are recognised in the accounts of the Commissioner.

12. Intangible Assets

- 12.1. Intangible assets are initially measured at cost amounts and are only revalued where the fair value of the asset can be determined by an active market. The depreciable amount of an intangible asset is amortised over its useful life (usually 5 years) to the relevant function(s) in the Comprehensive Income and Expenditure Statement. Once intangible assets have been fully amortised, at the end of their useful lives, the gross book value and accumulated amortisation for those assets will be written out of the asset register. There will be no impact on the core financial statements (balance sheet) as a result of this as the net book value will already be nil.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Police Fund Balance. The amortisation, impairment and gains and losses on disposal are therefore reversed out of the Police Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds over £10,000) the Capital Receipts Reserve. An asset is tested for impairment, whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

In accordance with the terms of the Commissioner's governance framework with the Chief Constable, all intangible assets are held by the Commissioner.

13. Inventories

- 13.1. Inventories (stocks) are included in the balance sheet at historic cost. This is a departure from IAS2 which requires inventories to be valued at the lower of cost or net realisable value. However, for many stock items, particularly uniforms, net realisable value would be minimal and would not accurately reflect the value of holding these assets. As inventories predominantly relate to operational stocks (uniform and consumables) these are reported in the single entity statements of the Chief Constable and as such are consolidated into the Commissioner's group accounts.

Annex C - Statement of Accounting Policies

14. Investment Property

- 14.1. Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Police Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Police Fund balance. The gains and losses are therefore reversed out of the police fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Investment assets are not generally held, however, in some circumstances where a surplus property no longer meets the strict criteria to be classified as "held for sale", it must be classified as an investment property.

15. Leases

- 15.1. A new Leases policy, IFRS16, has been adopted, with effect from 1 April 2024. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to all former operating leases.
- 15.2. Leases are classified where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time, and to obtain substantially all of the economic benefits or service potential from that asset and to direct its use. This includes non-commercial leases.

Where a lease covers both land and buildings, the land and building elements are considered separately for classification. Agreements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfillment of the arrangement is dependent on the use of specific assets.

15.3. Finance leases (as Lessee)

Right of use property, plant and equipment held as a lease are recognised on the Balance Sheet, initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. For non-commercial leases the fair value of the leased asset will be obtained through valuation.

The asset recognised is matched by a liability for the obligation to pay the lessor. The lease liability is

Annex C - Statement of Accounting Policies

measured at the commencement of the lease, at the present value of the lease payments, discounted by the rate implicit in the lease, or if that cannot be readily determined, the incremental borrowing rate is used, specific to the term and start date of the lease (i.e. the rate required to borrow funds over a similar term, with a similar security, to acquire an asset of similar value, in a comparable economic environment), PWLB rates will be used.

The lease liability is subsequently remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation.

The right of use asset is tested for impairment if there are any indicators of impairment.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Exemptions are applied for leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less and they are expensed to the Comprehensive Income and Expenditure Statement.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under IFRS16 leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer at the end of the lease period).

Council tax is not required to be raised to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Police Fund balance, by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

15.4. Leases (as Lessor)

There are currently no finance leases as a lessor.

15.5. The Chief Constable does not hold any leases (either as lessee or lessor).

Annex C - Statement of Accounting Policies

16. Overheads and Support Services

- 16.1. The costs of overheads and support services are incorporated within the cost of Policing and Crime Services line of the comprehensive income and expenditure statement in accordance with the principles of the CIPFA Code of practice on Local Authority Accounting, which requires costs to shown on the same basis as used for resource management.

Under the Commissioner's governance framework to the Chief Constable premises costs (except where they are directly attributable to the Chief Constable) are initially recorded in the accounts of the Commissioner and a recharge is made to the Chief Constable in the single entity comprehensive income and expenditure statements on an appropriate basis.

Under the Commissioner's governance framework to the Chief Constable transport, supplies and services costs and those for police staff supporting both the Commissioner and Chief Constable (except where they are directly attributable to the Commissioner) are initially recorded in the accounts of the Chief Constable and a recharge is made to the Commissioner in the single entity comprehensive income and expenditure statements on an appropriate basis.

17. Property Plant and Equipment

- 17.1. Assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Under the terms of the Commissioner's governance framework with the Chief Constable all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, impairment, depreciation and sale of such assets are recorded in the single entity accounts of the Commissioner. As noted in policy 6 above, the Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

The cost of services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant services.
- Revaluation and impairment losses on assets used by the services where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of non-current assets attributable to the services.

Council Tax is not required to be raised to fund depreciation, revaluation and impairment losses or amortisations. However, an annual contribution from revenue is required towards the reduction in the overall borrowing requirement equal to an amount calculated on a prudent basis and determined in accordance with statutory guidance. This contribution is known as MRP (Minimum Revenue Provision). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Police Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

17.2. Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits (i.e. repairs and maintenance) is charged to revenue as an expense through the Comprehensive Income

Annex C - Statement of Accounting Policies

and Expenditure Statement when it is incurred.

De-minimis levels have been set for capital projects at £25,000. No de-minimis level is set for individual items within capital projects.

17.3. Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Borrowing costs incurred are not capitalised whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement basis:

Category	Basis of Valuation
Land and Buildings (Specialised)	Depreciated Replacement Cost
Land and Buildings (Non Specialised)	Existing Use Value
Vehicles, Plant, Furniture and Equipment	Depreciated Historic Cost (as a proxy for current value)
Assets Under Construction	Historic Cost

Assets included in the Balance Sheet at current value (i.e. not valued at historic cost) are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are to be credited to the relevant function line(s) in the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a function up to the amount of the original loss, adjusted for depreciation (if material) that would have been charged if the loss had not been recognised.

17.4. Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Property - straight-line allocation over the useful life of the property as estimated by the valuer up to a maximum of 50 years
- Vehicles – straight line allocation over the estimated useful life (3 to 10 years)
- IT Equipment – straight line allocation over the estimated useful life (5 to 8 10 years)

No depreciation charge is made however in the year of acquisition but a full year charge is made in the year of disposal. A full year's depreciation charge is made in the year of revaluation of any asset.

Depreciation also has to be calculated on revaluation gains and is represented by the difference

Annex C - Statement of Accounting Policies

between depreciation calculated at current cost and depreciation calculated at historic cost. The difference between the two values is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately (see component accounting section below).

Once ICT equipment assets have been fully depreciated, at the end of their useful lives, the gross book value and accumulated depreciation for those assets will be written out of the asset register. There will be no impact on the core financial statements (balance sheet) as a result of this as the net book value will already be nil.

17.5. Component Accounting

Under the IFRS based code, separate recognition, depreciation and de-recognition of parts of assets is required. This is often referred to as componentisation. Componentisation is a change that has to be applied prospectively which means that it only needs to be considered for any non-current assets, acquired, improved or revalued after 1 April 2010. A componentisation policy has been established whereby all land and building assets with a value in excess of £1m will be assessed to see if they contain a significant component. A significant component is defined in the policy as one which exceeds £200k in value and has a different life to the remainder of the asset. Where a component of a non-current asset is replaced or restored, the carrying amount of the old component shall be derecognised and the new component reflected in the carrying amount. Each significant component of an item of property, plant or equipment is depreciated separately. Depreciation is calculated on the balance brought forward at the start of each year. Depreciation on the componentised assets will therefore only become effective in the year following revaluation and subsequent split for componentisation.

Under the terms of the Commissioner's funding arrangement to the Chief Constable all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, impairment, depreciation and sale of such assets are recorded in the single entity accounts of the Commissioner. The Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

17.6. Valuations

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant function lines(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal inception. Gains arising before that date have been consolidated into the Capital Adjustment Account. Revaluation gains and losses are not permitted to have an impact on the Police Fund. The gains and losses are therefore reversed out of the Police Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Annex C - Statement of Accounting Policies

17.7. Valuations Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. For property valuations the only material estimation techniques used is as follows:

All operational buildings are revalued on a rolling two-year programme and the estimation techniques used are based on the “open market value in existing use” or in the case of specialised operational police properties “depreciated replacement cost” which is consistent with proper accounting practice.

17.8. Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant function line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently by a revaluation gain, the reversal is credited to the relevant function line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation (if material) that would have been charged if the loss had not been recognised.

Impairment losses are not a charge against Council Tax. The balance on the Comprehensive Income and Expenditure Statement arising from an impairment loss is appropriated to the Capital Adjustment Account through the Movement in Reserves Statement.

17.9. Capital Receipts

Amounts received for a disposal in excess of £10,000 are categorised as Capital Receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the Police Fund Balance in the Movement in Reserves Statement.

17.10. Disposal and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less cost to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised

Annex C - Statement of Accounting Policies

in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of:

- their carrying amount before they were classified as held for sale. In this case the carrying amount is adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.
- their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Disposal costs are shown in other operating expenditure in the Comprehensive Income and Expenditure Statement. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). In line with Statutory Instrument 2010 No 454, disposal costs of up to 4% of the sale proceeds are financed from capital receipts. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Police Fund Balance in the Movement in Reserves Statement.

18. Private Finance Initiatives (PFI) and Similar Contracts

- 18.1. PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are re-valued and depreciated in the same way as property, plant and equipment.

In accordance with accounting practice, lifecycle replacement costs are now recognised when they are actually incurred. The Commissioner receives specific government funding from MHCLG as a contribution to the costs of financing the scheme.

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

There is currently one PFI scheme and this relates to the Cumberland BCU Deployment Centre at Workington. Under the terms of the Commissioner's governance framework with the Chief Constable,

Annex C - Statement of Accounting Policies

the Commissioner controls all property and accordingly the PFI building is recorded on the balance sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the comprehensive income and expenditure statement for the Constabulary's use of the building and the services provided.

19. Provisions, Contingent Liabilities and Contingent Assets

19.1. Provisions

Provisions are made when an event has taken place that gives a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, involvement in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate function line in the Comprehensive Income and Expenditure Statement in the year that awareness of the obligation arises, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will subsequently be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant function.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

19.2. Contingent Liability

A contingent liability arises where an event has taken place that gives rise to a possible obligation which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

19.3. Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

20. Reserves

- 20.1. Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Police Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate function in that year to score against the Surplus or Deficit on the Provision of Services in

Annex C - Statement of Accounting Policies

the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Police Fund balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Reserves are classified in the Balance Sheet and the Movement in Reserves Statement as either 'usable' (those that can be applied to fund expenditure or reduce local taxation) and 'unusable' (those held for technical accounting purposes). Under the Commissioner's governance framework with the Chief Constable all usable reserves are controlled by the Commissioner and recorded in the balance sheet of the Commissioner. However, the Chief Constable does hold certain unusable reserves in relation to pensions and accumulated employee absences, which arise from Constabulary activities and are not covered by the funding arrangement and are shown on the Chief Constable's balance sheet.

21. VAT

- 21.1. VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

Annex D – Annual Governance Statement



Police and Crime Commissioner for Cumbria Annual Governance Statement 2024/25



Police, Fire and Crime Commissioner for Cumbria

Annual Governance Statement – Good Governance Principles 2024-25

Introduction and Scope of Responsibilities

The Police, Fire and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at www.cumbria-pcc.gov.uk

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2024-25 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2024-25 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner's governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.

- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Head of Internal Audit, as set out in his annual report.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance on Audit Committees for Police.

The following Annual Governance Statement demonstrates how the Commissioner has complied with the governance framework set out within the Code, to meet each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

Progress has been made on addressing the issues raised in the Annual Governance Statement for 2023-24. During 2024/25 we will continue to monitor the implementation of any outstanding or newly identified actions.

In relation to the 2024-25 identified actions.

Timescales for the work regarding the Serious Violence Duty for Cumbria have been amended to match the national requirement and expectation. A Serious Violence Strategy was published in 2024 and is currently being reviewed with the revised strategy being published in January 2025 with full delivery by March 2025 when national funding will cease.

The new Procurement Act 2023 will change the way public procurement is regulated in the UK with the Act due to go live in October 2024. Work to be carried out to update the Grant Regulations in line with the new Procurement Act regulations.

The annual review of these governance arrangements has enabled the OPFCC to gain a high level of assurance that the arrangements continue to be fit for purpose in accordance with our governance framework. Whilst the review has not identified any significant governance issues in 2024-25, we recognise the importance of continuously improving practices to enable the OPFCC to achieve its objectives.

The RAG ratings in the table below illustrate the level of compliance of each requirement for 2024-25 and updates are provided on outstanding work since last reported.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
A1: Behaving with Integrity and demonstrating strong commitment to ethical values.				
We ensure that members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation		<ul style="list-style-type: none"> All staff sign up to a Code of Conduct. This is included in any staff induction pack and all staff are required to read and sign up to it. Members of the Community Scrutiny Panel, the Joint Audit Committee and volunteers all sign a Code of Conduct as part of their appointment and induction process. The OPFCC has a Performance Development Review (PDR) process for all staff. Included within the four monthly reviews is an integrity element which must be completed. 		
We take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)		<ul style="list-style-type: none"> The Chief Executive as Monitoring Officer has the lead responsibility for setting the organisations culture and standards. 		
We lead by example and use standard operating principles or values as a framework for decision making and other actions.		<ul style="list-style-type: none"> The OPFCC has a robust decision-making process for itself, the Constabulary and the Fire Authority. PFCC and Staff registers of interests are referred to when making decisions or declarations of interest. Meetings are conducted utilising the Nolan Principles. The Community Scrutiny Panel carry out the role of a 'standards committee' across all three organisations. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> Compliance with the Scheme of Delegation and codes of conduct are a fundamental part of decision making. 		
	We demonstrate how we communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<ul style="list-style-type: none"> Anti-Fraud & Corruption arrangements were last reviewed in 2023. They include mechanisms for confidential reporting and whistleblowing. The updated arrangements were presented to the Joint Audit Committee who concluded that the arrangements were effective. The OPFCC reports on the effectiveness of these arrangements on an annual basis to the Joint Audit Committee. All staff annually complete a register of interests. The PFCC and Exec Team's interests are published on the OPFCC website. The PFCC and staff complete a monthly gifts and hospitality register which is published on the OPFCC website. A Confidential Reporting (Whistleblowing) Policy is published on the OPFCC website and is reviewed on a three-year cyclical basis. The OPFCC website has information on how members of the public can make complaints regarding different staff, officers, members and volunteers. Any complaints relating to the PFCC are referred to the Police, Fire and Crime Panel and information published on our website. Minutes of meetings are published which illustrate where any declarations of interest have been made. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
A2: Demonstrating strong commitment to ethical values				
Seeking to establish, monitor and maintain the organisation's ethical standards and performance		<ul style="list-style-type: none"> ▪ The Community Scrutiny Panel promotes ethical values within the OPFCC, Constabulary and Fire Service. In respect of the arrangements for standards, ethics and integrity, no complaints have been received against the Commissioner or members of his office. ▪ During 2024-25 the Panel have carried out dip sample processes and thematic inspections for a number of different areas of business within policing and fire including, adherence with the Code of Ethics and Code of Conduct, public complaints, police misconduct and staff misconduct cases, grievances, civil claims, VAWG; incidents of Stop & Search, Use of Force and Custody Detention all of which were found to support high standards of ethics and integrity. In relation to Fire they reviewed misconduct and workforce complaints, employee absences, DBS checks and safe and well being visits. ▪ From 1 February 2020 the OPFCC has been responsible for reviews of public complaints. It appointed an independent reviewing officer to carry out the reviews assessing the complaint handling and whether the outcome provided was reasonable and proportionate, thereby providing an openness and transparency to the process. During 2023 the OPFCC received 49 requests for a review with 22% being upheld. ▪ The Community Scrutiny Panel continues to monitor and reports on some specific areas of activity, such as complaint handling, misconduct cases, grievances 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		stop and search, custody detention in relation to ethical issues.		
Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	<ul style="list-style-type: none"> As part of the OPFCC's extended team meeting programme, integrity is discussed on a six-monthly basis Ethical awareness is included within induction training for staff, members and volunteers. 			
Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	<ul style="list-style-type: none"> As part of the staff PDR process, there is a section relating to integrity which included ethical values. Staff recruitment is carried out in line with a recruitment and selection policy which includes ethical principles and values. The OPFCC has a Procurement Policy and procedures. 			
Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	<ul style="list-style-type: none"> The process of commissioning services and awarding of grants present a potentially high risk with regards to integrity. Grant Regulations are in place to ensure that grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money. The Grant Regulations were reviewed in 2023 and the conclusions were reported to the Joint Audit Committee in November 2023. The Procurement Act 2023 was implemented on 24th February 2025 and introduced significant changes to public procurement rules. Key features of the Act include reforming existing procurement rules to create a simpler more flexible system focused on value for money, competition, and objective criteria in decision making; and aiming to 	<p>Update: The Procurement Act 2023 was launched in February 2025. Work to review the Commissioning Strategy was carried out in 2024 and will remain under review in line with new publication and guidance.</p>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		improve and streamline the procurement process for public bodies.		
A3	Respecting the rule of law			
We ensure staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations		<ul style="list-style-type: none"> The Commissioner provides funding to the Constabulary's Legal Services Department, who then deliver legal support to the OPFCC on legal matters. 		
We create conditions to ensure that statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.		<ul style="list-style-type: none"> During the year formal reviews have been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) and the Joint Audit Committee against the respective CIPFA statements, which concluded there was full compliance. Compliance with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government is reported through the annual governance statement which accompanies the annual statement of accounts. Officers within the OPFCC receive updates on changes in legislation through their professional bodies, APACCE, PACTS, CIPFA the APCC and from the government. 		
We strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholder		<ul style="list-style-type: none"> Legal advice is provided to the OPFCC by the Constabulary's Legal Services Department. If necessary legal advice can be sought from other legal bodies. Legal considerations are included in all reports. 		
We deal with breaches of legal and regulatory provisions effectively.		<ul style="list-style-type: none"> The Chief Executive performs the role of Monitoring Officer. They ensure that the Commissioner and OPFCC carry out their roles in line with legislation. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We ensure corruption and misuse of power are dealt with effectively.		<ul style="list-style-type: none"> ▪ Anti-Fraud & Corruption arrangements were last reviewed in 2023 and presented to the Joint Audit Committee who concluded that the arrangements were effective. ▪ Annually the OPFCC reports to the committee on the effectiveness of the arrangements. 		
Ensuring corruption and misuse of power are dealt with effectively		<ul style="list-style-type: none"> ▪ Anti-Fraud & Corruption and a Confidential Reporting are included in regular training provided to both officers and the Joint Audit Committee. ▪ Internal Audit deliver a review of anti-fraud arrangements against best practice. 		

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
B1	Openness			
We ensure there is an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness	<ul style="list-style-type: none">▪ The OPFCC publishes information on it’s website in line with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and 2018 and guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures all aspects of key information are made public.▪ Examples of information published are –<ul style="list-style-type: none">○ agendas and reports of public meetings,○ guidance on the Commissioner’s funds,○ freedom of information requests,○ financial information and details of key decisions.▪ The OPFCC produces an Annual Report of the Commissioner’s activities and achievements in the previous 12 months.▪ The OPFCC has an established process for receiving and responding to Freedom of Information Requests in line with specified timescales. An approved publication scheme is maintained on the OPFCC website.			
We make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.	<ul style="list-style-type: none">▪ The OPFCC has a robust decision-making policy and it publishes key decisions. These can be viewed on the OPFCC website.▪ To promote openness and transparency, all Public Accountability Conferences are advertised to allow			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		members of the press and public to attend with all minutes arising from them being published subsequently.		
	We provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders.	<ul style="list-style-type: none"> A pro-forma decision template has been developed for the OPFCC to use. There is a requirement to include all information, rationales, risks and legal issues. Minutes from meetings illustrate discussions and rationales for decisions made. There are agreed timescales for the publication of information (including minutes and decisions). 		
	We use formal and informal consultation and engagement to determine the most appropriate and effective interventions or courses of action.	<ul style="list-style-type: none"> Engagement over the last five years has been comprehensive and flexible, developing to meet the changing needs of how people like to communicate and especially the impact of social media. The OPFCC has a three-year Engagement and Communication Strategy (2021/24) which continues to be a living/working document. 	Update: The Communication and Engagement Strategy has been developed to include CFRS and was implemented during 2024.	
B2	Engaging comprehensively with institutional stakeholders			
	Effectively engage with stakeholders to develop formal and informal partnerships to allow recourses to be used efficiently	<ul style="list-style-type: none"> The Commissioner is actively engaged with a wide range of bodies to encourage a multi-agency approach to matters within his remit. For example, he chairs the Safer Cumbria Partnership Board, which is the Criminal Justice Board for Cumbria, the Combating Drugs Partnership, the strategic board for delivery of the Serious Violence Duty and the Contest (Counter Terrorism) Board for the county and he also chairs the Blue Light Executive Board. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> During 2023/24 the Commissioner has continued to lead a range of partnership working initiatives to deliver his Commissioning Strategy and ensure arrangements are in place for victim support services. In the last year he has secured £1.4m of additional funding mainly for Victims Services and Safer Streets. As the conduit for the nationally provided Serious Violence Duty Funding allocation, and in his role as Chair of the Safer Cumbria Partnership, the Commissioner has worked with the Duty Responsible Authorities to an agreed allocation of the funds to meet the specific needs identified for Cumbria. 		
	We develop formal and informal partnerships to allow for resources to be used efficiently and outcomes achieved more effectively.	<ul style="list-style-type: none"> The Policing Protocol Order highlights the accountability of the Police, Fire and Crime Commissioner to local people. This responsibility is delivered through the OPFCC to ensure a wide range of engagement approaches so that the Commissioner actively listens, considered and effectively uses the view of the people of Cumbria to influence decisions. Commissioning undertaken with third sector partners and other public sector partners to achieve the statutory objectives of the Commissioner. 		
	We ensure that partnerships are based on trust, shared commitment to change, a culture that promotes and accepts challenge and the added value of partnership working is explicit.	<ul style="list-style-type: none"> The OPFCC Commissioning Strategy sets out the principles & framework used to commission services & achieve the objectives within the police & crime plan. The Commissioner sets strategic direction of policing & reflects the community safety priorities for Cumbria. The Commissioner enhances delivery of criminal justice via the LCJB & provides support services to 	<p>Update: The Procurement Act 2023 was launched in February 2025. Work to review the Commissioning Strategy was carried out in 2024 and will remain under review in line with new publication and guidance.</p>	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>help victims to cope & recover from the consequences of crime.</p> <ul style="list-style-type: none"> The Police, Fire and Crime Plan is informed by members of the public together with the views of partner organisations to ensure we work together in delivery of shared priorities. 	The Police, Fire and Crime Plan was launched on 8 January 2025.	
B3	Engaging stakeholders effectively including citizens and service users			
	<p>We are clear on the types of issues we will consult with or involve stakeholders or service users to ensure service provision is contributing towards the achievement of intended outcomes.</p>	<ul style="list-style-type: none"> The PFCC leads the Safer Cumbria model which provides strategic input into key strategies and plans that support the joint delivery of priority outcomes critical to Cumbria. The OPFCC publishes the outcomes of public consultation on its website. During 2023-2024 engagement included 4 ICV custody visits, 9 visits to Commissioned Victims Services, 15 meetings with public groups and large events, 18 Property Fund visits, 4 Newsletters, attended 3 Pride events, joined the Force on 9 Days of Action/Operations, went on 11 patrols with CBOs, 5 Road policing 8 Rural Crime and 4 Cyber Crime operations, visited 12 Fire Stations and attended 5 On-Call Appreciation events. The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept for 2024/25 by 17p a week for a Band A property. 60% of the respondents (427) agreed with raising council tax. The Commissioner also launched public consultation on the proposal to increase the fire part of the council tax precept for 2024/25 by 3p a week for a Band A property. 74% of the respondents (125) agreed with raising council tax. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ▪ The OPFCC logs all quality-of-service issues that are raised with the Commissioner, these are tracked and escalated with the Chief Constable where appropriate. This feedback is also used by the Constabulary to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. ▪ The Commissioner launched a public consultation survey on 25th July 2024 to obtain the views of residents, stakeholders, partners and employees on policing and fire in Cumbria. The survey ran for six weeks and the findings informed the priorities in his Police, Fire & Crime Plan 2025-2029 		
We ensure that communication methods are effective and that we are clear about our roles with regard to community engagement.		<ul style="list-style-type: none"> ▪ The OPFCC has a Communication and Engagement Strategy, which is due to be reviewed during 2024. 	Update: The Communication and Engagement Strategy has been developed to include CFRS and implemented during 2024.	
We collect and evaluate the views and experiences of communities, service users and organisations		<ul style="list-style-type: none"> ▪ The OPFCC logs all quality-of-service issues that are raised with the Commissioner, these are tracked and escalated with the Chief Constable or the Chief Fire Officer where appropriate. ▪ This feedback is also used by the Constabulary or Fire Service to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. ▪ The Commissioner seeks assurance from the Chief Constable and Chief Fire Officer that their respective organisations are dealing with the concerns raised via all quality of service issues through his internal Executive Boards for Policing and Fire. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> Reports to the Community Scrutiny Panel and the Executive Boards which enables the Commissioner and Executive Team to have oversight and scrutiny. 		
	We implement effective feedback mechanisms to demonstrate how views have been taken into account, whilst balancing competing demands.	<ul style="list-style-type: none"> All correspondence sent to the Commissioner receives an individual and tailored response. This feedback is also used by the Constabulary or Fire Service to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. The Commissioner then monitors progress through his internal Executive Boards for Policing and Fire. 		
	We take into account the interests of future generations of taxpayers and service users.	<ul style="list-style-type: none"> Information is published on the OPFCC website and engagement takes place during the year to seek the views of different communities. A six-monthly report is presented to the Community Scrutiny Panel on the difference that has been made due to public correspondence. A 5-year Medium Term Financial Forecast is produced along with a longer-term Capital investment strategy to account for and consider future events that would impact on taxpayers and service users. Budget consultation is undertaken annually and is open to all interested parties to respond to. The PFCC holds the Chief Constable and Chief Fire Officer to account at his monthly Executive Board meetings and during his quarterly Public Accountability Conferences to ensure value for money from service provision. 		

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
C1	Defining outcomes			
We have a clear vision which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions	<ul style="list-style-type: none">Each Commissioner for their term of office must publish a Police, Fire and Crime Plan which draws on the results of public and partner consultation, an understanding of the crime, fire and community safety trends and emerging issues.A new Police, Fire and Crime Plan was launched on 8 January 2025, detailing the new Commissioner’s priorities for his term in office.	Update: Following public consultation and review by the Police, Fire and Crime Panel, the Commissioner launched their new Police, Fire and Crime Plan on 8 January 2025.		
We specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<ul style="list-style-type: none">The OPFCC has an established process for receiving and responding to Freedom of Information Requests in line with specified timescales. An approved publication scheme is maintained on the OPFCC’s website.The OPFCC has published its Police, Fire and Crime Plan and will publish an annual report identifying achievements throughout the year.			
We deliver defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none">The Commissioner has Public Accountability Conferences which illustrate performance and budget progression.The Commissioner has a well established accountability framework, which consists of several internal boards, all of which help drive and monitor the efficiency and effectiveness of the Constabulary and Fire Authority. The			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>overarching Executive Board provides the forum whereby the Commissioner can maintain oversight of the totality of policing in Cumbria. It enables senior officers from the OPFCC and Constabulary to work together to review key issues affecting the Service, identify solutions to any challenges and issues, including how resources can be used.</p> <ul style="list-style-type: none"> During 2024-25 thematic reports provided assurance on the Constabulary's response rural crime, violence against women and girls, domestic abuse, drugs, serious organised crime, firearms licensing, outcomes for victims and police visibility. In addition, reports were also received covering financial monitoring, crime and response, victim satisfaction and call handling data. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspections and thematic reports further support the Commissioner in identifying areas which are working well or which would benefit from improvement. This supports him in holding the Chief Constable to account for performance of the force. All reports are publicly available. Regular news and social media posts inform communities. During 2024-25, the Police, Fire and Crime Panel has continued to facilitate effective scrutiny of delivery of the plan's objectives through quarterly meetings. Thematic reports are presented to the Panel and follow terms of 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		reference agreed in advance with the Panel Chair.		
We identify and manage risks to the achievement of outcomes.		<ul style="list-style-type: none"> Performance is reported through quarterly Public Accountability Conferences and regular internal reporting to Executive Boards. The OPFCC also undertakes a continuous review of its risk management responsibilities by ensuring that it maintains an up-to-date Operation Risk Register and Strategic Risk Register. 		
C2	Sustainable economic, social and environmental benefits			
We consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking service provision decisions		<ul style="list-style-type: none"> Capital Investment Strategy in place, focused on future use, with links to the Medium-Term Financial Forecast and compliant with the Prudential Code. This has been revised to ensure compliance with the new requirements linking capital investment decisions with the Prudential Code and TM investment decisions). Equality Impact Assessments are carried out on all policies and procedures. Risk management processes are in place and reviewed regularly. 		
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended		<ul style="list-style-type: none"> Scheme of Delegation provides the basis for decision-making. The OPFCC publishes on its website: <ul style="list-style-type: none"> Committee/Panel agendas and reports Minutes of meetings OPFCC decisions 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
outcomes and short-term factors such as the political cycle or financial constraints		<ul style="list-style-type: none"> Advice is sought from Finance and Legal Services before any decision is made. 		
Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs		<ul style="list-style-type: none"> The OPFCC has a Communication and Engagement Strategy which details the various protocols for consultation. To support procurement and commissioning activity, the OPFCC & Constabulary have in place Joint Procurement Regulations and a Social Value Policy, incorporating a modern slavery statement. Decisions are required to be on a pro-forma to ensure that all issues are identified and risk assessed. 	Update: The Communication and Engagement Strategy has been developed to include CFRS and implemented during 2024.	

We ensure that there is fair access to services	<ul style="list-style-type: none"> ▪ The Partnerships and Commissioning Manager ensures that the services commissioned are consistent with the PFCC's objectives as set out in the Police, Fire & Crime Plan. ▪ Services will be commissioned taking into account Sections 13-14 of the Victims and Prisoners Act 2024 which requires local policing bodies, local authorities and integrated care boards to collaborate when commissioning services for victims of domestic and sexual abuse and serious violence. ▪ A joint needs assessment and local strategy must be developed demonstrating how they will collaborate to deliver and improve relevant victim support services. ▪ During 2024/2025 the Commissioner has committed funding to projects and initiatives aimed at reducing offending and reoffending and supporting victims of crime. A significant proportion of that funding has been committed to supporting victims of domestic abuse and sexual violence during the pandemic. By working with partners the OPFCC ensures that services are available to as many groups as possible. ▪ The OPFCC sits on county wide boards and groups which gives it the ability for it to influence positively. ▪ Equality Impact Assessments where required are completed and published alongside consultation exercises 	<p><u>Update:</u> Services continue to be commissioned to support victims in line with the new Police, Fire and Crime Plan.</p>	
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Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
D1	Determining interventions			
We ensure that decision makers receive objective and rigorous analysis, including achieved & intended outcomes and their associated risks.		<ul style="list-style-type: none"> ▪ Scheme of Delegation and Corporate Governance Framework provide the basis for decision making. ▪ All reports and decisions records have consideration of legal, financial, HR, equality, risk and procurement issues. 		
We consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required to prioritise competing demands.		<ul style="list-style-type: none"> ▪ The OPFCC has a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to the priorities (mid-year review of MTFP will take into account any revisions to priorities). ▪ There is an annual budget consultation involving the public, local businesses, staff and the Trade Unions. Further stakeholder engagement with the public is achieved through social media messaging and promotion of specific consultations and surveys. The OPFCC also engages with its institutional stakeholders. 		
D2:	Planning interventions			
We establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets. Ensuring that they are flexible and agile to adapt delivery outputs and changing circumstances.		<ul style="list-style-type: none"> ▪ Funding arrangement and Corporate Governance Framework including Scheme of Delegation provide the basis for decision making. ▪ The OPFCC administers internal Executive Boards for both Police and Fire, and Executive Team Gold 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		Meetings are chaired by the Commissioner to make decisions.		
We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.		<p>During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police, Fire & Crime. Projects have included:</p> <ul style="list-style-type: none"> ▪ Development of assertive outreach in known hot spot areas working with Remedi & The Well Communities to address issues of ASB and the impact upon individuals and communities. ▪ The commissioner has provided funding towards the Rural Crime Team, Op' Lantern to increase capacity, awareness and sharing best practice through multi-agency working. ▪ The commissioner funded Get Safe Online to raise awareness and reduce vulnerability towards online crime and fraud. ▪ New projects were developed in support of victims of DA in partnership with the constabulary & Cumbria Gateway Ltd to provide supported accommodation to perpetrators of DA for a short period of 28 days to remove the threat of violence from the family home while ensuring a support plan is in place. ▪ Works closely with the new Community Safety Partnerships in each of the new Local Authority areas, Cumberland Council and Westmorland and Furness Council. ▪ The OPFCC works closely with the new Community Safety Partnerships in each of the new Local Authority areas, Cumberland Council and Westmorland & Furness Council. 	<p>Update: Partnership working continues to address priorities identified within the Police, Fire and Crime Plan</p>	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ■ The Partnership and Commissioning Manager attends the Cumberland, W&F CSP DA/SV Groups, the Cumberland W&F DHLUC subgroup of the CSP DA groups in relation to supported accommodation & extended partnership working. Also attending the Drug Harms Prevention Group a sub group of the combatting Drugs Partnership. ■ They are also a member of both Cumberland, W&F Youth Justice Boards, Deputy Chair of the Female Justice Partnership. 		
We consider and monitor risks facing each partner when working collaboratively including shared risks.		<ul style="list-style-type: none"> ■ The OPFCC identifies risks with partners, through contract management and project management processes. There is an escalation process to the operational and strategic risks registers which are monitored by the OPFCC Executive Team. 		
We have established performance indicators to identify how the performance of services and projects is to be measured.		<ul style="list-style-type: none"> ■ The Commissioner has embedded internal accountability boards to help drive and monitor the efficiency and effectiveness of the Constabulary. They provide the forum whereby the Commissioner can maintain oversight of the totality of policing in Cumbria. It enables senior officers from the OPFCC and Constabulary to work together to review key issues affecting the Service, identify solutions to any challenges or issues, including how resources can be used. To support this, the Commissioner has a performance framework which measures a suite of key performance indicators (KPI) on a bi-monthly basis. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> During the course of 2024-25 the Commissioner continued to hold the Chief Constable to account through his Public Accountability Conferences. Through this forum, the Commissioner received assurance from the Chief Constable against many areas of policing. In the February meeting, the Commissioner approved the budget for Cumbria Constabulary The Commissioner has held regular one-to-one meetings with the Chief Constable and Chief Fire Officer. These internal meetings allow the Commissioner, Chief Constable and Chief Fire Officer to discuss strategic issues, focus on finance, national considerations, HMICFRS and anything else that is relevant to the successful delivery of policing in Cumbria. This forum allows for full and frank conversations in a confidential environment. 		
We inform medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.		<ul style="list-style-type: none"> There is a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to the priorities (annual review of MTFP will take into account any revised corporate priorities). There is an annual budget consultation involving the public, local businesses, staff and the trade Unions. Further stakeholder engagement with the public is achieved through social media messaging and promotion of specific consultations and surveys. The OPFCC also engages with its institutional stakeholders through the strategic partnerships with local authorities, health, fire, police, public agencies and the business sector. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ▪ The budget for 2024-25 has been balanced, however savings will be required from 2025/26 onwards. ▪ Against this background, modelling of a range of financial scenarios through the Medium-Term Financial Planning process, undertaken jointly by the OPFCC and Constabulary, have continued to inform wider business planning and develop savings proposals, as a means of balancing the budget over the medium term. ▪ The Commissioning Strategy sets out the processes by which the Commissioner will identify and fund services to support his priorities. For each service commissioned, whether through the giving of a grant or a contractual relationship, specific outcomes and measurable indicators are included which define how the impact can be assessed. 	<p>Update: Following the launch of the new Police, Fire and Crime Plan on 8 January 2025 work was carried out to review and update the Commissioning Strategy and include the requirements of the Procurement Act 2023. This was approved and published in December 2024. It remains under review following guidance and understanding of the new Procurement Act 2023 and publication of national templates.</p>	
D3	Optimising Achievement of Intended Outcomes			
We ensure that the services we commission achieve social value		<ul style="list-style-type: none"> ▪ The Violence Against Women and Girls Scrutiny Panel was set up as part of a local and national strategy to reduce violence against women and girls. Whilst commissioned by the Office of the Police, Fire and Crime Commissioner, it is fully supported by Cumbria Constabulary and set within the context of their work to transform the way they deal with violence against women and girls. The Panel is chaired and attended by the volunteer members of Cumbria Victims Charitable Trust with 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>attendance by members of Cumbria Constabulary and the Office of the Police, Fire and Crime Commissioner.</p> <ul style="list-style-type: none"> ▪ The panel scrutinises various subject areas which centre around how the constabulary deals with cases of violence against women and girls. All feedback from the meeting is submitted to the Central Repository for Scrutiny within the Constabulary so to guide Officers on good or bad working practices and to improve on the service provided. ▪ The panel works to ensure the voice of the victim is heard and provides challenge where it appears not to have been considered. ▪ The meetings are held quarterly at headquarters and feature a Subject Matter Expert presentation at each meeting to assist in creating better awareness around the subject for the panel. ▪ The key issues identified through the Scrutiny Panel are feedback to the Commissioner through his internal Executive Board for Policing on a quarterly basis. This enables the Commissioner to hold the Chief Officers to account for any recommendations / areas for improvement identified by the Scrutiny Panel. 		
		<ul style="list-style-type: none"> ▪ Safer Cumbria's Quality Assessment Framework (QAF) has been developed to ensure victims and witnesses of crime get the services, support and help they need from the Criminal Justice System (CJS). This also provides evidence of the compliance of the code for those agencies who have a statutory responsibility. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> A key part of this goal is increasing compliance with the Victims Code which outlines the statutory rights for victims and witnesses. If these are fully implemented this would ensure victims and witnesses are treated fairly and with respect, as well as being kept informed. It will also enable them to be able to access any special measures and support services they are entitled to and support them to be heard in the Criminal Justice Process. This assessment is conducted on an annual basis by the Office of Police Fire and Crime Commissioner with involvement by all agencies within the CJS. The report once completed is presented to the Safer Cumbria Board and any learning from the report will then be actioned and measured moving forward. 		
We ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is <i>"the additional benefit to the communityover and above the direct purchasing of goods, services and outcomes"</i> .		<ul style="list-style-type: none"> The OPFCC has a Procurement and Commissioning Strategy that ensures best value is achieved (supported by the financial regulations and contract standing orders) whilst ensuring obligations to stakeholders are achieved through the setting out of clear social, economic and environmental responsibilities. As part of the procurement process there is consideration of the wider social, economic and environmental benefits. Public Services (Social Value) Act serves as a tool to aide Commissioners get more value for money from procurement, speak to local providers to design and develop better services and encourage innovation. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We ensure the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	<ul style="list-style-type: none"> The OPFCC has a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to organisational priorities. 		

Core Principle E: Develop the capacity and capability of OPFCC Staff to be effective and to deliver services effectively

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
E1: Developing the OPFCC’s capacity				
We review our operations, performance and use of assets on a regular basis to ensure their continued effectiveness.	<ul style="list-style-type: none">▪ The Executive Team and Executive Team Gold meetings review OPFCC activities and accountability of both Cumbria Constabulary and Cumbria Fire and Rescue Service.▪ Performance against the Police, Fire and Crime Plan is reported through Public Accountability Conferences.▪ The Police, Fire and Crime Panel hold the Commissioner to account at meetings throughout the year.▪ Strategies and policies are regularly reviewed and updated, particularly as part of the budget setting process where Estates, Fleet, DDAT/ICT and Procurement strategies are all updated to inform the process.			
We recognise the benefits of partnership and collaborative working where added value can be achieved.	<ul style="list-style-type: none">▪ The OPFCC carries out partnership working and collaboration across the county and on a regional or national basis through S22 agreements.			
We develop and maintain an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none">▪ The key functions and roles of the Commissioner and the Chief Constable are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA).▪ This also sets out the function and roles of statutory officers, namely the Monitoring Officer (Chief Executive) and the Chief Finance Officer (s.151). The monitoring officer has specific legal, financial and governance duties in addition to			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>a statutory responsibility for the lawfulness of decision making. The functions and roles set out in legislation and guidance are codified in the Commissioner's Scheme of Delegation.</p> <ul style="list-style-type: none"> ▪ The Chief Finance Officer continues to have oversight of the OPFCC, Constabulary and Fire finances. ▪ The Head of Estates enables the realisation and rationalisation of the Commissioners estate in both policing and fire. ▪ The Commissioner's Police, Fire and Crime Plans identifies the objectives to be achieved. ▪ The Corporate Plan provides a focus to the OPFCC on providing the highest level of support and professional advice to the PFCC in delivering their statutory functions. ▪ OPFCC staff training plan identifies new and cyclical training required for all staff. Staff PDRs identify individual training requirements. 		
E2	Developing the capability of OPFCC's leadership			
	We develop the capabilities of senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.	<ul style="list-style-type: none"> ▪ The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE). ▪ The Chief Finance officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service. ▪ The Chief Finance Officer and the wider Finance Team have continued to actively participate in the 'Achieving Financial Excellence in Policing' programme developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> Regular Performance Development Reviews (PDR) reviews are carried out with all OPFCC Staff. 		
	We ensure the Commissioner and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of Commissioners objectives	<ul style="list-style-type: none"> The roles and responsibilities are set out in the Corporate Governance Framework which is published on the OPFCC website. Job descriptions for all staff outline individual roles and responsibilities. 		
E3	Developing the capability of staff within the OPFCC			
	We develop the capability of staff within the OPFCC	<ul style="list-style-type: none"> All new members of staff undergo an induction process and receive support from line managers to develop during their first six months. 		
		<ul style="list-style-type: none"> A comprehensive OPFCC Training Plan has been developed. This sets out the overall training plan for the office and cascades into individual responsibilities. 		
		<ul style="list-style-type: none"> Annual Performance Development Reviews (PDR) for all staff, monitored on a four monthly-basis with 1-2-1 meetings held in between. 		
		<ul style="list-style-type: none"> Weekly team and tasking meetings for the whole OPFCC were introduced in 2024-25 to ensure transparency and communication across the whole team. 		
		<ul style="list-style-type: none"> Monthly extended team meetings are held for all staff. They are planned across the year with focused themes throughout. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We hold staff to account through regular performance reviews which take into account training or develop needs		<ul style="list-style-type: none"> All staff have four-monthly PDRs with their line manager where they discuss performance and training needs, setting any development plans required. Interim 1-2-1 meetings are held to support staff in their PDR achievements. 		
We ensure that there are arrangements to maintain the health and wellbeing of the workforce, both physical and mental wellbeing.		<ul style="list-style-type: none"> The OPFCC has a number of policies and procedures to support members of staff with their health and wellbeing. These include the Fair Passport process and desk station assessments. As part of the PDR process there is a section where health and wellbeing is discussed. Access to the Constabulary's Occupational Health Department and approved services for both staff and members. 		
E4	Developing the capability of members and volunteers appointed by the OPFCC			
We develop the capability of appointed members and volunteers to assist them in performing their roles.		<ul style="list-style-type: none"> Development sessions for the Joint Audit Committee members were held over the year. A formal review of the Committee's effectiveness was carried out and published as part of the meeting papers in September 2024. 	Update: A 360-degree review was carried out in late 2024 with the results being presented to the Joint Audit Committee in February 2025.	
		<ul style="list-style-type: none"> Throughout the year volunteer independent custody visitors received induction training upon appointment, continued ICVA bitesize training; and via attendance at conferences and training events. 		
		<ul style="list-style-type: none"> Throughout the year the Community Scrutiny Panel carrying out a diverse range of thematic sessions. Prior to each of these they are provided with information to assist them 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		understand the business area and officers/staff at the session provide further information. The Panel membership has a diverse range of backgrounds, skills and knowledge which assists with the different business areas.		

Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
F1	Managing Risk			
	We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.	<ul style="list-style-type: none"> ▪ The OPFCC has a Risk Management Strategy which is reviewed on a three-year cyclical basis and was last reviewed in 2023. ▪ This was presented to the Joint Audit who gave their approval. 		
	We implement robust and integrated risk management arrangements ensuring that they are work effectively.	<ul style="list-style-type: none"> ▪ OPFCC Strategic, Operational and Project risks are reviewed by staff on a quarterly basis. Updates are then reported to the Executive Team for oversight and scrutiny. ▪ Each OPFCC funded project has a risk register which is updated on a monthly basis. Any risks which score highly are also placed on the OPFCC risk registers for monitoring purposes. ▪ OPFCC strategic risk management is reported to the Joint Audit Committee on a six-monthly basis 		
	We ensure that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> ▪ Each risk register format has an area to identify the risk holder and the overall risk manager for that area of business. 		
F2	Managing Performance			
	We ensure we monitor service delivery effectively by securing reports (including financial information) on service	<ul style="list-style-type: none"> ▪ The Chief Constable is held to account for delivery of policing objectives through the Commissioner's Public Accountability 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
delivery, plans and progress towards outcome achievement.		<p>Conferences (PACs). The dates for these meetings are agreed 12 months in advance.</p> <ul style="list-style-type: none"> During 2024-25 thematic reports provided assurance on the Constabulary's response to rural crime, violence against women and girls, domestic abuse, drugs, serious organised crime, firearms licensing, outcomes for victims and police visibility. In addition, reports were also received covering financial monitoring, crime and response data, victim satisfaction and call handling. At the Public Accountability Conference in Feb, the Commissioner approved the budget for policing. Regular budget monitoring is reported to Executive Team Gold and Executive Board Police to demonstrate that budgets are being spent correctly. The quarterly reports are also scrutinised by the Police, Fire and Crime Panel. 		
		<ul style="list-style-type: none"> The Commissioner has established a number of internal accountability boards to help drive and monitor the efficiency and effectiveness of the Constabulary and the Fire Authority. 		
		<ul style="list-style-type: none"> Relevant HMICFRS inspections (local, regional and national) and other regulatory reports are reviewed and monitored through new internal accountability boards. 		
		<ul style="list-style-type: none"> The Commissioner holds regular one-to-one meetings with the Chief Constable and the Chief Fire Officer. 		
F2	Robust Internal Control			
We evaluate and monitor the Corporate Governance Framework, risk		<ul style="list-style-type: none"> A number of areas of the corporate governance framework have been subject to cyclical review and update. This 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
management and internal control on a regular basis		<p>process is supported by the professional advice of the Joint Audit Committee.</p> <ul style="list-style-type: none"> The Committee has considered and provided scrutiny of the Commissioner's Code of Corporate Governance, the Internal Audit Charter, the PFCC Scheme of Delegation, the PFCC's Arrangements for Anti-Fraud and Corruption activities, the Treasury Management Strategy, Statement of Accounts and Annual Governance Statement. 		
We ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.		<ul style="list-style-type: none"> Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan. Seventeen audits were completed in 2024/25 with One deferred to 2025/26. This has allowed the Head of Internal audit to provide 'Reasonable Assurance' on the PFCC's arrangements for risk management, governance and internal control. Overall, of the seventeen audits completed in 2024/25 covering the activities of the OPFCC and Constabulary, 100% provided either substantial or reasonable assurance. Management have put in place to address all audit recommendations. 		
We ensure effective counter fraud and anti-corruption arrangements are in place.		<ul style="list-style-type: none"> Robust arrangements for Anti-Fraud and Corruption are in place. These were presented to the Joint Audit Committee and approved. The OPFCC provides an annual report to the Joint Audit Committee on the effectiveness of these arrangements. The Constabulary on behalf of the OPFCC participates in the annual National Fraud initiative, completing a fraud risk assessment each financial year. 		
F3	Managing Data			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We ensure there are effective arrangements for the safe collection, storage, use and sharing of data.		<ul style="list-style-type: none"> We have a Data Protection policy and guidance to support staff in receipting, storing and deleting data as appropriate. On a six-monthly basis the OPFCC Governance Manager will provide refresher training/information at an Extended Team meeting to support staff. The OPFCC has a joint Data Protection Officer with Cumbria Constabulary. Any identified data breaches notified to, or within, the OPCC are highlighted to the Joint DPO to assess and advise of any course of action to be taken. 		
Where information is shared with other organisations we ensure there are effective arrangements for data sharing in place.		<ul style="list-style-type: none"> The OPFCC has a number of information sharing agreements with partner agencies. For suppliers we have Data Processing Contracts, Confidentiality Agreements and conduct Data Protection Impact Assessments. Members of the Community Scrutiny Panel and our volunteers all sign confidentiality agreements to cover any information they are made aware of as part of their respective roles. 		
F4	Strong Public Financial Management			
Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.		<ul style="list-style-type: none"> The OPFCC has a duty to comply the key principles contained within the revised CIPFA statement of the 'Role of the Chief Financial Officer in Local Government' and the OPFCC continues to comply with 5 key principles of the CIPFA statement. The OPFCC Chief Finance Officer (S151 Officer) is a qualified accountant and is a key member of the Executive Team and as such, has direct access to the Chief Executive. The Chief Finance Officer is supported by a capable and resourced finance team in the Constabulary, who support the proper administration of the OPFCC financial affairs, 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>including leading the promotion and delivery of good financial management to safeguard public money at all times; to ensure the effective, efficient and economic use of resources; and to ensure that the short and long term implications of all material business decisions are fully considered and aligned to the Medium Term Financial Plan.</p> <ul style="list-style-type: none"> The main controls for financial management are set out in the Corporate Governance Framework – these are the Budget and Policy Framework and the Financial Regulations. These cover the arrangements for Financial Management, Financial Planning, Risk Management and Control of Resources, Financial Systems and Procedures and External arrangements. The OPFCC also complies with the Prudential Framework for Local Authority Finance. 		
We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.		<ul style="list-style-type: none"> Financial implications and impact on service delivery is reported monthly through Executive Team Gold and Executive Board Police meetings as well as quarterly to the Police, Fire and Crime Panel. 		
		<ul style="list-style-type: none"> During 2024/25 the finance team have continued to participate in the Achieving Financial Excellence in Policing programme promoted by the Chartered Institute of Public Finance and Accountancy. Work has continued to implement the action plan following a self-assessment of all aspects of financial management. 		
		<ul style="list-style-type: none"> The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken, the Constabulary largely meets the requirements of the code.		

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
G1	Implementing good practice in transparency			
We report at least annually on performance, value for money and the stewardship of its resources.	<ul style="list-style-type: none">▪ The Commissioner is committed to good transparency. Every opportunity is taken to demonstrate the good work that the Commissioner is involved with especially around the support to third-parties and commissioned services. This is further reinforced by publishing information from across the OPFCC using different formats to allow people to access information in range of forms. The Commissioner’s website remains the central place for all information to be accessed.▪ Throughout the year the Commissioner has published regular financial monitoring information in a short and succinct format that aims to increase the transparency and accessibility of financial information. Further to this, the statutory financial statements for 2023-24, published in January 2025, include the Chief Finance Officers’ Narrative Report. The Narrative report incorporates a more accessible summary of the statements and financial and performance information, alongside a business review.▪ An Annual Report is published in the autumn of each year.	<p>Update: The Annual Report was published in September 2024 Financial reporting to the Police, Fire and Crime Panel.</p>		
We ensure robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the	<ul style="list-style-type: none">▪ Annual governance statement prepared annually including opinion by internal audit service on controls in place.			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	<ul style="list-style-type: none"> Annual Governance Statement presented to and approved by Joint Audit committee, which includes (if necessary) an action plan to address any significant control weaknesses. Annual governance statement prepared annually including opinion by internal audit service on controls in place. Annual Governance Statement presented to and approved by the Joint Audit Committee. Formally signed off by the Commissioner, Chief Executive and S151 Officer 		
G2	Implementing good practices in reporting			
	We provide assurance on the work carried out by the Commissioner.	<ul style="list-style-type: none"> The Commissioner's activities, performance and achievements have been published in an annual report, which can be found on the Commissioner's website at www.cumbria-pcc.gov.uk: <ul style="list-style-type: none"> Dedicated funding directed towards many community projects and support services to help them tackle the key priorities in the Police, Fire & Crime Plan and maintain vital services for victims. Setting the policing budget for 2024/2025,. Prioritised and supported work to address the top public concerns raised with him namely, antisocial behaviour, antisocial driving, drugs and rural crime. 		
		<ul style="list-style-type: none"> An updated Code of Corporate Governance has been prepared for 2024/25 in line with the 2016 CIPFA/Solace Good Governance Framework for Local Government. 		
		<ul style="list-style-type: none"> A review of the arrangements for internal audit have confirmed that the service meets the requirements of the 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		Public Sector Internal Audit Standards (PSIAS) during 2024/25		
We report on our performance, value for money and stewardship of our resources.		<ul style="list-style-type: none"> An annual report is published which details the work carried out and achieved by the Commissioner during the year. This is published on the OPFCC website and supports the other elements of performance information also contained on the website. 	<p>The Annual Report will be published in the autumn.</p> <p>Update: the Annual Report was published in September 2024.</p>	
		<ul style="list-style-type: none"> The annual statement of accounts are presented to the Joint Audit Committee for scrutiny and are subsequently published on the OPFCC's website 		
G3	Assurance and effective accountability			
We ensure that recommendations for corrective action made by external audit are acted upon.		<ul style="list-style-type: none"> The Constabulary's unaudited financial statements for 2023/24 were released in June 2024, with the final version published in January 2025. The External Auditor's Annual Report gave an unqualified audit opinion. In relation to value for money in the External Auditor concluded that the Constabulary has appropriate arrangements in place to manage the risks it faces in respect of its financial resilience and that they had not identified any significant weaknesses in the Constabulary's arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. 		
We ensure an effective internal audit service with direct access to members is in place which provides assurance with		<ul style="list-style-type: none"> A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2024-25. 	Action plan to be put in place with internal audit provider to ensure performance and quality of internal audits are the required standard.	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
regard to governance arrangements and recommendations are acted upon.			<p>Confirmation of compliance with PSIAS to be received.</p> <p>Update: A remedial action plan was developed agreed in September 2024 and is being implemented.</p>	
		<ul style="list-style-type: none"> Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS are monitored by the Joint Audit Committee. 		



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