



Auditor's Annual Report for The Police & Crime Commissioner for Hertfordshire and the Chief Constable of Hertfordshire Constabulary

Year-ended 31 March 2025

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Our audit report will be made solely to the members of The Police & Crime Commissioner for Hertfordshire and the Chief Constable of Hertfordshire Constabulary (the PCC and CC), as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the PCC and CC, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PCC and CC and the members of the PCC and CC, as a body, for our audit work, for our auditor's report, for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the PCC's and CC's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

01

Executive Summary



Executive Summary





Purpose of the Auditor’s Annual Report


This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2024-25 audit of the Police & Crime Commissioner for Hertfordshire and the Chief Constable of Hertfordshire Constabulary (the “PCC and CC”). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the ‘Code of Audit Practice’) and is required to be published by the PCC and CC alongside the annual report and accounts.


Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) (‘ISAs (UK)’) include the following:

- 

Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the PCC and CC and of their income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024/25 (‘the CIPFA Code’).
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Other information (such as the narrative report) - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the PCC and CC.
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Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the PCC and CC to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.
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Other powers - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Financial statements	<p>We will issue a disclaimer of opinion on the PCC and CC’s financial statements in February 2026. This is because we have been unable to obtain sufficient appropriate audit evidence over the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the accounts ahead of the statutory backstop date on 27 February 2026. Further details are set out on page 7.</p> <p>We have provided further details of the key risks we identified and our response on page 8 and 9</p>
Other information	<p>Whilst in our opinion the content of the other information is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.</p>
Value for money	<p>We identified no significant weakness in respect of the arrangements the PCC and CC has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 11.</p>
Whole of Government Accounts	<p>We are required to perform procedures and report to the National Audit Office in respect of the PCC’s and CC’s consolidation return to HM Treasury in order to prepare the Whole of Government Accounts.</p> <p>As the National Audit Office has not yet informed us that we are not required to perform any further procedures, we are unable to confirm that we have concluded our work in this area.</p>
Other powers	<p>See overleaf.</p>

Executive Summary



There are several actions we can take as part of our wider powers under the Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the PCC and CC are required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the PCC and CC are taking. We may also apply to the courts for a declaration that an item of expenditure the PCC and CC have incurred is unlawful.

We have not applied to the courts this year

Recommendations

We can make recommendations to the PCC and CC. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the PCC and CC must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the PCC and CC do not need to take any action, however should the PCC and CC provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Local Audit and Accountability Act

We have not raised any other recommendations

Advisory notice

We may issue an advisory notice if we believe that the PCC and CC have, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the PCC and CC are required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the PCC and CC. Where we raise observations we report these to management and the Joint Audit Committee. The PCC and CC are not required to take any action to these, however it is good practice to do so and we have included any responses that the PCC and CC have given us.

02

Audit of the financial statements



Audit of the financial statements



Our responsibility is to conduct an audit of the financial statements in accordance with the Local Audit and Accountability Act 2014, Code of Audit Practice and ISAs (UK) and to issue an auditor's report.

However, due to the significance of the matters described below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the PCC's and CC's financial statements. We have fulfilled our ethical responsibilities under, and are independent of the council in accordance with, UK ethical requirements including the FRC Ethical Standard.

Our disclaimer of opinion on the PCC's and CC's financial statements

We will issue a disclaimer of opinion on the PCC's and CC's financial statements on 27/02/2026. We therefore do not express an opinion on the financial statements. The reason for our disclaimer of opinion is as follows:

Police & Crime Commissioner for Hertfordshire and the Police & Crime Commissioner for Hertfordshire Group

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date.

These areas were for both the Group and the Police and Crime Commissioner

- the Police Pension Scheme Fund Accounts and the disclosures of Senior Officers' Remuneration, Officers Emoluments, Exit Packages, and the balance of, and movements in, usable and unusable reserves for the years ended 31 March 2024 and 31 March 2025.*
- the employee benefit expenses, which are spread across a number of lines in the Comprehensive Income and Expenditure Statement for the year ended 31 March 2025.*
- Right of use assets, short-term and long-term lease liabilities as at 1 April 2024 and 31 March 2025 (due to adoption of IFRS 16 in the year).*
- the disclosed comparative figure for Provisions for Accumulated Absences for the year ended 31 March 2024.*
- the net assets as at 1 April 2023, and therefore whether there were any consequential effects on the disclosed comparative income and expenditure for the year ended 31 March 2024.*

Any adjustments from the above matters would have a consequential effect on the Group and OPCC's net assets and the split between usable reserves and unusable reserves as at 31 March 2025 and 31 March 2024, and on their income and expenditure and cash flows for the years then ended.

Chief Constable of Hertfordshire police

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date.

These areas were for both the Group and the Police and Crime Commissioner

- the Police Pension Scheme Fund Accounts and the disclosures of Senior Officers' Remuneration, Officers Emoluments, Exit Packages, and the balance of, and movements in, usable and unusable reserves for the years ended 31 March 2024 and 31 March 2025.*
- the employee benefit expenses, which are spread across a number of lines in the Comprehensive Income and Expenditure Statement for the year ended 31 March 2025.*
- Right of use assets, short-term and long-term lease liabilities as at 1 April 2024 and 31 March 2025 (due to adoption of IFRS 16 in the year).*
- the disclosed comparative figure for Provisions for Accumulated Absences for the year ended 31 March 2024.*
- the net assets as at 1 April 2023, and therefore whether there were any consequential effects on the disclosed comparative income and expenditure for the year ended 31 March 2024.*

Any adjustments from the above matters would have a consequential effect on the Group and OPCC's net assets and the split between usable reserves and unusable reserves as at 31 March 2025 and 31 March 2024, and on their income and expenditure and cash flows for the years then ended.

Further information on our audit of the PCC and CC financial statements is set out overleaf.

Audit of the financial statements:



The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Management override of control

Fraud risk related to unpredictable way management override of controls may occur

Our procedures

Our audit methodology incorporates the risk of management override as a default significant risk.

- We evaluated accounting estimates and have not identified any indicators of management bias in these, nor did we identify any significant unusual transactions that impacted both our assessed response to this area or significant risk.
- We assessed the selection and application of accounting policies.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the Groups normal course of business, or are otherwise unusual.
- We analysed all journals through the year and focus our testing on those with a higher risk, such as journals posted to unusual accounts in combination with cash.

Our findings

Whilst we are disclaiming our audit opinion on the financial statements, we are still required to identify our audit findings based on the work performed. Based on work performed to date, we did not identify any material misstatements relating to this risk.

Audit of the financial statements:



The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation (risk not applicable for PCC)

Our procedures

We have performed the following procedures :

- Understood the processes the Entity has in place to set the assumptions used in the valuation;
- Evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluated the design and implementation of controls in place for the Entity to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirmed that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;
- Considered the adequacy of the Entity's disclosures in respect of the sensitivity to these assumptions; and
- Where applicable, assessed the level of surplus or minimum funding that should be recognised by the entity

Our findings

Whilst we are disclaiming our audit opinion on the financial statements, we are still required to identify our audit findings based on the work performed. Based on work performed to date, we did not identify any material misstatements relating to this risk.

03

Value for Money



Value for money

Introduction

We are required to be satisfied that the PCC and CC have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the PCC and CC for the following criteria, as defined by the Code of Audit Practice:



Financial sustainability: How the PCC and CC plan and manage their resources to ensure it can continue to deliver its services.



Governance: How the PCC and CC ensure that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the PCC and CC use information about their costs and performance to improve the way they manage and deliver their services

We do not act as a substitute for the PCC’s and CC’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the PCC’s and CC’s arrangements are operating effectively, or whether the PCC and CC have achieved value for money during the year.

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the PCC and CC.

Summary of findings

	Financial sustainability		Governance		Improving economy, efficiency and effectiveness	
Commentary page reference	12		14		17	
Identified risks of significant weakness?	x	No	✓	Yes – See page 19	x	No
Actual significant weakness identified?	x	No	x	No	x	No
2023-24 Findings	No significant weakness identified		Yes- One significant weakness identified		No significant weakness identified	
Direction of travel	↔		↔		↔	

Financial Sustainability



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

We have considered the following in our work:

The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;

How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;

Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;

The process for assessing risks to financial sustainability;

Processes in place for managing identified financial sustainability risks; and;

Performance for the year to date against the financial plan.

Financial Planning:

The Group has a statutory duty to breakeven within the budget. The budget setting process involves stakeholders at all levels of management hierarchy and takes place as part of the annual business planning process.

The Group develops a “Medium Term Financial Strategy” (MTFS) which includes the financial implications of known risks and challenges and aims to ensure that goals and objectives are achieved. The MTFS takes into account the financial forecast, encompassing both internal and external resources, over the medium term, and serves as the foundation for compiling the budget over the coming years.

An annual revenue budget is prepared alongside a capital program that are both strategically aligned with the aims and objectives outlined in the MTFS. This process takes into consideration local pressures as well as efficiency savings necessary to achieve the aims and objectives.

The budgets and MTFS undergo review and approval by Strategic Executive Board (SEB), which was replaced by Resource Board since August 2024, and the Police and Crime Panel (PCP). On 8 February 2024, the PCP approved a gross budget of £294.2m for FY2024/25, allocating £287.1m to the Force and £7.1m to the OPCC. For FY2025/26, a budget of £313.2m was approved on 6 February 2025, with £304.6m designated for the Force and £8.6m for the OPCC.

This multi- tiered approval process ensures budgets are thoroughly reviewed by key stakeholders. Meeting reports enable open discussion and agreement on actions, which are then monitored by the Resource Board.

Continued...

Financial Sustainability(cont.)



Monitoring of ongoing financial performance:

Various stakeholders including the budget holders and Resource Board closely monitor and scrutinise the financial position and the funding gaps. Significant variances are subject to review and scrutiny by the Resource Board. Monthly budget monitoring reports are provided and present at monthly performance review meetings, where the budget performance undergoes detailed examination and review.

The approved 2024/25 MTFS identified a £16.5m funding gap for 2024/25 – 2027/28. The Group's general fund reserve remains at 4.3% of the gross budget, despite slightly below the 5% outlined in the reserves policy, it is considered that sufficient reserves are maintained to address future budget gaps.

Each budget manager submits a written report to the Chief Financial Officer, detailing the estimated outturn against the budget on a line-by-line basis. This report also provides explanations for any variations and propose remedial actions to address these variations. The final 2024/25 outturn showed a £3.6m overspend, primarily due to higher police officer pay following increased recruitment to meet the Police Uplift Programme target. This overspend was covered by the base budget support reserve, with no planned use of the Police General Fund reserve.

Additionally, our review of monitoring arrangements identified a lack of formal saving plans. Given the ongoing pressure on identified funding gaps and overspend position, we advise the implementation of a formal savings plan which identifies granular detail of opportunities where cost savings can be made, along with the value of the estimated savings. Savings should be prioritised and monitored to support achievement of future budgets.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with financial sustainability.

Governance



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

We have considered the following in our work:

Processes for the identification, monitoring and management of risk;

The design of the governance structures in place at the Force;

Controls in place to prevent and detect fraud;

The review and approval of the 2024/25 financial plan by the Force, including how financial risks were communicated;

How compliance with laws and regulations is monitored;

Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and

How the Force ensures decisions receive appropriate scrutiny.

Risk management

The OPCC has a risk management process in place, which allows the Group to identify and monitor risks. All identified risks are subject to scrutiny and challenge to ensure an appropriate risk score and mitigations in place. Our review of the risk register found that it is sufficiently detailed to effectively manage key risks. The register includes actions that will enable the Group to mitigate the impact of these risks to an acceptable level. Relevant reporting of current and open risks takes place on a regular basis to Joint Audit Committee.

Under the Terms of Reference, the Resource Board is responsible for reviewing and monitoring the risk management process, including providing scrutiny and challenge of the Risk Register. However, our review of the minutes indicates that the Risk Registers were not presented to, nor scrutinised by, the Resource Board on a regular basis. We have therefore raised a performance improvement observation with regards to this matter.

Financial Planning/ Monitoring

The Group has established a thorough process for monitoring performance, as detailed on page 13. Management prepares performance monitoring reports on a monthly basis, which are then consolidated by the Chief Finance Officer. These consolidated reports are presented to the Resource Board members for review and consideration on a quarterly basis. Our inspection of the meeting minutes confirms that performance scrutiny and challenge have been effectively conducted.

Framework of control and audit arrangements

The Group has a number of policies and frameworks in place, including the whistleblowing, gifts and hospitality policy. These are regularly updated and ensure compliance with expected behaviours throughout the Group.

Continued...

Governance (cont.)



The Group have in place the role profiles and Bedfordshire, Cambridgeshire and Hertfordshire (BCH) financial regulations, which are aligned to best practice and show clear delegated responsibilities. There are terms of reference for each committee including Resource Board and Joint Audit Committee which are reviewed on regular basis to ensure they remain fit for purposes.

Internal audit services are outsourced by the Group, covering both specific reviews for Hertfordshire and broader assessments at the BCH level. Detailed management responses and action plans are devised to address any deficiencies identified in the audit recommendations

Decision Making

The OPCC operates under the oversight of governance boards responsible for managing and approving critical decisions. The decision-making process is in line with Terms of References for each Committee. The key decisions made by the Resource Board are reported to the PCP. The PCP scrutinise decisions made by the OPCC and the meetings are available for public to attend. We have observed this in respect of the approval process for the 2025/26 revenue budget and council tax setting. Initially, it received approval from the Resource Board, followed by further endorsement from the PCP.

Following the conclusion of FY2024/25, a joint decision was made at the BCH level in May 2025 to cancel the joint training centre program at Monks Wood. The training centre was a significant capital project that was to be developed in partnership with Bedfordshire and Hertfordshire Police. From the inspection of meeting minutes and decision notes, we noted that the cancellation of the project and decision-making process took place post FY2024/25's year end. As such, we do not consider this present a VFM risk in relation to FY2024/25.

In August 2024, the Resource Board took over from the Strategic Executive Board. Although the membership and remit of the Committee is unchanged, new Terms of Reference were agreed that remain appropriate and fit for purpose.

Response to reports from regulators

The latest PEEL inspection report, released in October 2024, highlights inadequacy in the recording of crime data. In response, the Group has developed and maintained an area for improvement action plan, which is documented within the Organisational Learning Tracker and reviewed regularly. During the year, HMICFRS re-inspected the Force and subsequently issued a letter confirming the closure of the cause of concern.

Continued...

Governance (cont.)



Statutory Duties

The finalisation of the 2023/24 audit was slightly delayed and did not meet the statutory deadline. This was due to delays in providing requested information to the external auditors and the late preparation of the Annual Governance Statement (AGS). As a result, the public was unable to access the finalised financial statements, and the Joint Audit Committee's scrutiny and review were delayed. There is a significant risk of weakness that these delays may continue into 2024/25, affecting the timely preparation of the financial statements and the supporting information required for audit completion.

Risk assessment conclusion

Based on the risk assessment procedures performed, we have identified a significant risk associated with governance. See page 19.

Improving economy, efficiency and effectiveness



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

We have considered the following in our work:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Force has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Planning and delivery of efficiency plans

Budget savings are monitored through reports presented at Resource Board meetings, however a formal savings tracker was not maintained during FY2024/25. We recommend that the Group ensures the development and monitoring of its savings and efficiency program to enhance its budget monitoring process, improve the reserve position, and reduce the budget gaps. See page 21.

Planning and delivery of capital plans

As part of the MTFS process, the capital and treasury program for the upcoming year is developed. The capital and treasury strategy undergo review and approval by the Resource Board and the PCP during the MTFS process. The 2024/25 to 2027/28's capital program was approved by the PCP on 8 February 2024, while the 2025/26's capital program 2025-26 to 2028-29 as approved on 6 February 2025.

Performance reporting

Performance is benchmarked to identify and drive improvements across all aspects of the Group. Internal and external sources are used depending on the type of activity, including utilising VFM profile reports, HMICFRS reports, and outlier reports provided by CIPFA. For example, an action performance improvement plan has been developed to address the findings from the HMICFRS reports.

Performance of services at the PCC is considered at a wider range of meetings and sub-committees, with actions inherently considered as part of discussions at different levels.

Response to reports from regulators

The most recent HMICFRS PEEL Assessment was released in March 2024. The report highlighted the recording of crime data as 'Inadequate'. This was subsequently closed as an issue by HMICFRS as a result of swift action from the Group on the issue highlighted.

Continued...

Improving economy, efficiency and effectiveness



Collaborating with partners

The Force has maintained collaborative efforts with regional partners, specifically Cambridgeshire and Hertfordshire, to enhance service efficiency. Shared services such as payroll and procurement are overseen by a joint board representing Bedfordshire, Cambridgeshire and Hertfordshire. During the year, the Forces have also worked together to develop a joint training centre; however, we understand that this initiative has been discontinued.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with improving, economy, efficiency and effectiveness.

Significant Value for Money Risk



1 Accounts and AGS preparation

Risk that value for money arrangements may contain a significant weakness linked to Governance

Significant Value for Money Risk

The 2023/24 published draft accounts were incomplete, with no Annual Governance Statement prepared, and contained a number of arithmetical errors. These issues were not resolved and finalisation of the 2023/24 audit was delayed significantly, missing the statutory deadline of 28th February 2025.

This delay prevented the public from accessing the full finalised financial statements and delayed the JAC scrutiny and review process.

There is a risk that delays experienced in relation to the 2023/24 process roll forward and have an impact on the timeliness of preparation of the financial statements, and supporting information required to complete the audit, in 2024/25.

Our response

We performed the following procedures:

- Reviewed the published draft financial statements, including the AGS, to ensure they were made available online with sufficient detail for public inspection
- Conducted thorough casting checks and completed checklists for the AGS to verify the completeness and accuracy of the financial statements.
- Engaged with management to reflect on the lessons learnt from the FY2023/24 audit and to enhance the audit delivery process

Our findings

Findings

We observed an improvement in the accounts preparation process, resulting in the timely publication of the financial statements, including the AGS. The annual accounts for PCC and CC including AGS were published on 30th June 2025, which was in line with the statutory deadline.

Although we have experienced improvements in relation to the completeness and accuracy of financial statements production process, we have experienced delays in the provision of information to support the financial statements and Value for Money work. These have caused delays that and overruns and have meant that progress has been limited in relation to the audit of some key areas of the financial statements.

Conclusion

Based on work performed above we have not identified any significant weaknesses in arrangements. We have however raised a recommendation around the quality and timeliness of documentation to support the audit within our audit completion memorandum.

Value for Money: Performance improvement observations



The performance improvement observations raised as a result of our work in respect of identified or potential significant value for money risks in the current year are as follows:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	We observed that there is no savings and efficiency plan in place for FY24/25. To enhance budget monitoring and address the issue of overspending, we recommend that management develop and implement such a plan for future years to support achievement of budgets and to minimise the requirement to draw on reserves.	Savings plans were developed for 2025/26 and management are in the process of completing the detailed savings plan for 2026/27. This will be completed by the end of February 2026.
2	Although Resource Board is responsible under its Terms of Reference for reviewing the risk management process and scrutinising the Risk Registers, our review of the minutes show that the Risk Registers were not presented regularly. We recommend that management ensure the Risk Registers are routinely presented to and overseen by Resource Board.	Management acknowledges the finding and recommendation. The Risk Register is now presented to Resource Board as a standing agenda item and is routinely reviewed in line with the Board's Terms of Reference. This will continue to ensure regular oversight of risk management arrangements and to avoid a re-occurrence of this issue.



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