Cheshire Constabulary

Dan Price
Cheshire
Police & Crime
Commissioner

MINUTES OF THE JOINT AUDIT ADVISORY COMMITTEE HELD ON 26 NOVEMBER 2025 IN CONFERENCE ROOM 9, CHESHIRE CONSTABULARY HQ, CLEMONDS HEY, OAKMERE ROAD, WINSFORD, CW7 2UA

Present:

Joint Audit Advisory Committee
S Bleckly (Chair)
E Smith
P Birtles
D Sibbet

Office of the Police & Crime Commissioner
G Southern, Deputy Police and Crime Commissioner
D Taylor, Chief Executive
A Murphy, Governance Officer

Cheshire Constabulary
M Roberts, Chief Constable
B Malloy, Chief Finance Officer (Constabulary)
P Woods, Head of Planning and Performance
B Jones, Chief Accountant

Internal Audit
C Black, Delivery Manager (MIAA)
A-M Harrop, Regional Assurance Lead (MIAA)

External Audit
A Walling, Public Sector Audit Director (Bishop Fleming)

Apologies:

Joint Audit Advisory Committee
Dr V Karthikeyan

Office of the Police & Crime Commissioner
C Hodgson, Chief Finance Officer

No members of the public observed Part 1 of the meeting.

Part 1 - Public items

1. Minutes of the Joint Audit Advisory Committee

1.1. The Part 1 minutes of the meeting held on 24 September 2025 were approved.

2. Action Log

2.1. The Joint Audit Advisory Committee Part 1 Action Log was noted. Actions 2025/06, 2025/07 and 2025/09 to remain open until February JAAC meeting. Remaining actions closed.

3. Police & Crime Commissioner and Chief Constable Update

3.1. The Deputy Police and Crime Commissioner provided an update to the Committee in respect of;

- Police and Crime Commissioner role change in 2028 due to devolution
- 'Business as usual' in the Office of the Police and crime Commissioner
- Early budget conversations have started
- PCSO consultation – no confirmation of numbers affected or final decision until final budget confirmed

3.2. The Chair raised a query around devolution and lack of co-terminosity with police boundaries which was answered by the Chief Executive of the OPCC. He advised that a White Paper is expected soon which should clarify the future for Cheshire.

3.3. The Chief Constable updated the Committee in relation to;

- The important of transitional arrangements following changes in police governance
- The pressures on policing budget in particular officer and staff pay
- The financially punitive system in police uplift around the maintenance of officers
- Neighbourhood policing targets – met in Cheshire through increasing officer numbers
- Every line in budget has been reviewed – police staff numbers offer only budget flexibility
- Increasingly the public wants enforcement which requires warranted powers
- The Constabulary is committed to neighbourhood policing – reductions in PCSO numbers will be replaced in neighbourhood teams with police officers
- General performance is good with outcomes good relative to other forces
- Increase in policing demand expected towards the festive period

3.4. DS raised a query around public statements in the press around force consolidation, and the debate around the optimum size of a police force. The Chair asked about recruitment of police officers. These queries were answered by the Chief Constable.

4. Statement of Accounts

4.1. The Chief Finance Officer (Constabulary) provided an overview of the draft accounts and Annual Governance Statement. He advised on adjustments made to the accounts as a result of the audit including a new section on financial sustainability and impact on future service provision.

4.2. PB asked for consideration to be given by the author to replace the word 'ransomware' on page 123 to a generic term for cyber threats.

4.3. The External Auditor reflected on how easy it had been working with the Constabulary finance team and expressed her thanks.

4.4. The Committee recommend that, subject to the completion of External Audit work (there remain a small number of outstanding issues), the Commissioner and the Chief Constable should sign the Statement of Accounts 2024/25.

Action:	Term 'ransomware' to be amended to reflect overarching cyber threats

5. External Audit Completion Report and Letters of Representation

5.1. The External Auditor presented the completion report and advised on work outstanding in the areas of IFRS16, pension employer contributions, and follow up queries. She advised that the report is nearly finalised and well on track with no causes for concern currently identified. She added that the relationship between the external auditors and the finance team is positive and mature with challenge, and staff have made themselves available throughout the process.

5.2. PB asked for clarity on the figure in Section 5 on Audit Adjustments at Note 33 on Employee Benefits (page 141). He said that the commentary implies that the figures have been adjusted from 35,410k to 31,540k, but £35k remains the total.

5.3. The Committee noted that the auditors were awaiting management comment in response to the External Audit recommendations for: i) Supporting evidence for asset valuations; and ii) Nil Net Book Value Assets. The Chief Accountant confirmed that the Constabulary agreed with the recommendations, a management comment would be provided accordingly and that there would be no impact upon the accounts.

5.4. The Chair asked the External Auditor about the audit fee. The External Auditor explained that there will be no additional fees except around IFRS16 as this is a new financial reporting standard incurring additional workload. The Chair asked if the fees structure would include this additional work in future years.

Action:	AW to follow up with PB to look into the figure quoted and provide clarity to the committee.

Action:	AW to check on fees structure for future years and provide clarity to the committee.

6. External Auditor's Annual Report (including VFM)

6.1. The Director of Bishop Fleming presented the draft Annual Report setting out the external audit opinion on the Constabulary's value for money. She advised that all the work was carried out under the NEA Code.

6.2. While it was agreed that the traffic light system is not sophisticated, the Director of Bishop Fleming explained that a green rating shows where arrangements are in place and an amber rating demonstrates where improvement recommendations have been given.

6.3. The Director of Bishop Fleming said that it was another good report with no significant weaknesses.

6.4. The Chair noted that there was one recommendation around financial sustainability where arrangements in place could be improved and asked for the Director of Bishop Fleming's view on how the Constabulary and Commissioner are dealing with this aspect.

6.5. The Director of Bishop Fleming said that there used to be benchmarks for reserves, but auditors have moved away from that measurement. She advised that Cheshire Police are in a better position than many other forces nationally. She said that those honest and difficult discussions are happening, and she has no concerns about the position.

6.6. The Chief Accountant advised that the CIPFA Prudential Code for Treasury Management sets out a minimum 3% net budget as general reserves, and that the Constabulary has at least that covered. He added that the Constabulary also has earmarked reserves.

6.7. The Chief Accountant also advised that financial pressures have been significant, but that the Constabulary is operating within prudential reserve limits.

6.8. The Chair agreed that efficiencies have to be delivered hand in hand with managing reserves. He said that he looked forward to final sign off in the near future.

7. JAAC Forward Plan

7.1. The Joint Audit Advisory Committee Forward Plan was noted.

Part 1 – Public Items – For Information

8. Internal Audit

(a) Internal Audit Progress Report

The committee received an update from the Delivery Manager at MIAA showing progress made against the internal audit plan. Progress was shown to be on track.

(b) MIAA Final Report Professional Standards Review

The committee received an update from the Delivery Manager at MIAA. There are two medium priority recommendations both of which have been accepted to be addressed by February 2026.

(c) Rollout of Microsoft 365 Terms of Reference

The Delivery Manager at MIAA presented the terms of reference for an assessment of the effectiveness of the control framework begin exercised over the Office 365 implementation which were noted. A typo was noted on pack page 202 ('pharmacy').

Action: MIAA to amend typo

(d) Key Financial Transactional Processing Review Terms of reference

The Terms of Reference for the Key Financial Transactional Processing Review were noted.

9. Medium Term Financial Strategy 2025-2030: Mid-Year Update

The Chief Finance Officer (Constabulary) provided an overview of the report, which was approved at Joint Management board on 5 November 2025.

9.1. He advised about the budget savings going forward - £6.5 million due this year and £11.8 million in the next three years.

9.2. The emerging risks were also discussed in particular the settlement for next year.

9.3. The Chief Constable said that the Constabulary was impacted by the policing pay increase which was not fully funded for Cheshire as it was based on NRE rather than headcount. He explained that it is the unpredictability of policing which can present financial challenges.

9.4. The Chair asked about examples of demand pressures and was answered by the Chief Constable making reference to the rolling programme of replacement in fleet, the challenge of fleet electrification, as well as increased arrest rates leading to increased resource pressures.

9.5. The Chair of the Committee welcomed the updated report for information.

10. HMICFRS Value for Money Profiles

10.1. The HMICFRS Value for Money Profiles were presented by the Head of Planning and Performance who advised that the report shows how the force compares to other forces and gives contextual information in high level business areas e.g. cost of call handling. He advised that it is a useful tool for the leadership team as they are used to pull together the Force Management Statement.

10.2. PB asked if there is anything in the profiles very high or very low. The Head of Planning and Performance advised that a few years ago the report was showing that Cheshire was an outlier on the Force Control Centres. He said that investment in that area has led to the costs going up in the models, but performance has also gone up, so the force could demonstrate that reorganisation and investment has improved outcomes.

10.3. The Chair asked about IT investment and the Chief Finance Officer (Constabulary) talked to investment in the Force Control Centre, cybersecurity investment, and future considerable investment in AI.

10.4. It was noted that the data relate to force budgets and not expenditure.

10.5. The Chair of the Committee welcomed the report for information.

11. Service Assurance Plan

11.1. The Service Assurance Plan was presented by the Head of Planning and Performance who explained that it covers information on various reviews being undertaken through the year. The Chair said that it would be helpful for the document to be laid out with some sort of RAG rating to support the committee's review of the document.

11.2. The Chair of the Committee welcomed the report for information.

Action: D Gillett to consider RAG rating for the Service Assurance Plan.

12. AOB

12.1 Nothing to report.