



# **Police and Crime Commissioner and Chief Constable for Lancashire**

Auditor's Annual Report  
Year ending 31 March 2025

18 December 2025



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

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# 01 Introduction and context

# Introduction

This report brings together a summary of all the work we have undertaken for Police and Crime Commissioner for Lancashire and Chief Constable of Lancashire Constabulary 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 and Crime Commissioner (the PCC) 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 PCC 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 8 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 PCC 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 30<sup>th</sup> 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 PCC’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	G No significant weaknesses identified and no improvement recommendations raised.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendation made.
Governance	A No significant weaknesses identified; improvement recommendation raised in relation to PCC and Chief Constable attendance at Joint Independent Audit Committee	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 PCC's and CC's arrangements in respect of value for money.



## Financial sustainability

The PCC and CC delivered a combined underspend of £0.471m in 2024/25 continuing the track record of sound financial management. This was supported by the continued delivery of savings with the Constabulary achieving its £5.9m savings target for 2024/25. At Quarter 1, no concerns have been identified in relation to delivering the 2025/26 budget including delivery of £7.4m savings.

Financial planning is clearly linked to delivery of priorities articulated in the Police and Crime Plan and Treasury management activity is planned to support delivery of both the revenue budget and capital plans.

A detailed financial model underpins the Medium-Term Financial Strategy identifying future challenges. Work to address these continues to be a key focus for the PCC and CC.



## Governance

Internal Audit's opinion for the PCC and CC 2024/25 was 'substantial' compared to 'moderate in recent years' evidencing ongoing continuous improvement in governance, risk management and internal control arrangements.

Committees such as the Joint Independent Audit Committee (JIAC) and the PCC's Accountability Board provide independent oversight, ensuring compliance with legislation and effective decision-making.

There are arrangements in place to brief the PCC and the CC on pertinent issues following JIAC meetings and plans for them to attend a meeting during 2025/26 if feasible. We have therefore closed our prior year improvement recommendation.



## Improving economy, efficiency and effectiveness

Arrangements are in place to ensure ongoing performance improvement. In addition to addressing its own areas for improvement raised by HMICFRS, wider horizon scanning identifies those raised for other forces for addressing to support continuous improvement.

Partnership working contributes to delivery of the Police and Crime Plan priorities. The impact of this, for example in addressing anti social behaviour, was acknowledged by HMICFRS in its PEEL report published in December 2024.

Procurement savings totalling £5.3m were achieved for Lancashire. This performance was acknowledged nationally reflecting best performance best for cashable, and third best for non cashable savings.

# Executive summary – auditor’s other responsibilities

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

## Auditor’s responsibility

## 2024/25 outcome

### Opinion on the Financial Statements: PCC

We have completed our audit of your financial statements and on 18 December 2025 issued an unqualified audit opinion on the financial statements for the year ended 31 March 2025. Our findings are set out in further detail on pages 10 to 11.

### Opinion on the Financial Statements: CC

We have completed our audit of your financial statements and on 18 December 2025 issued an unqualified audit opinion on the financial statements for the year ended 31 March 2025.

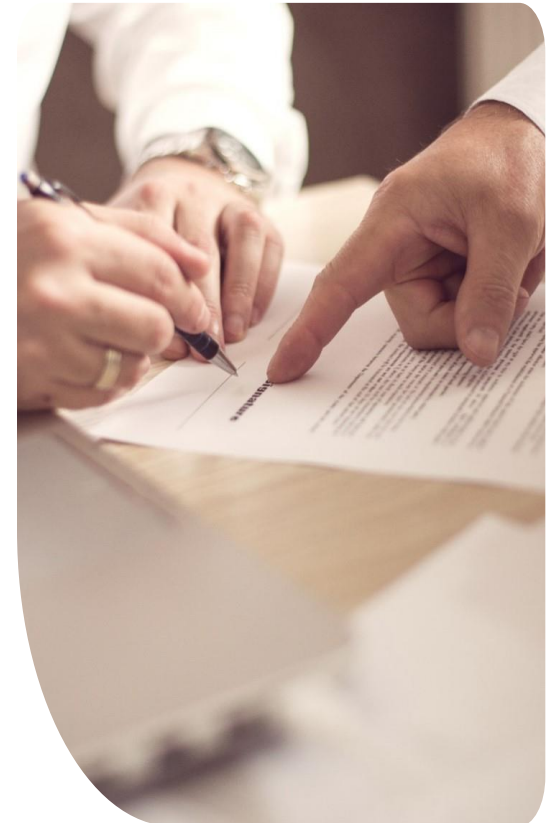
### Use of auditor’s powers

We did not make any written statutory recommendations to the PPC or CC under Schedule 7 of the Local Audit and Accountability Act 2014.

We did not make an application to the Court or issue any Advisory Notices under Section 29 of the Local Audit and Accountability Act 2014.

We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



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

# Opinion on the financial statements

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

## Audit opinion on the financial statements

We issued an unqualified opinion on the PCC's and CC's financial statements on 18 December 2025.

The full opinion will be included in the PCC's and CC's Annual Report for 2024/25, which can be obtained from the PCC's and Constabulary websites.

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

- give a true and fair view of the financial position of the group and of the PCC and 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 PCC 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 PCC and CC did not provide draft accounts in line with the national deadline of 30 June 2025, with draft accounts being published on 1 August 2025.

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

Our audit work did not identify any significant adjustments to the draft financial statements.

## Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report which was shared with the Police and Crime Commissioner and Chief Constable in advance of issuing our audit opinions. The report has been updated to the date of the audit opinion. Requests for this Audit Findings Report should be directed to the PCC 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 PCC'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. PCC'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 PCC 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 PCC 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 PCC 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 PCC 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 PCC 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 PCC and CC: **Commentary on arrangements:**

Rating

<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The PCC and CC continued their track record of sound financial management in 2024/25, underspending the Group Net Revenue Budget of £371.2m by £0.471m. The CC underspend was £0.401m and PCC £0.07m. An underspend of £0.96m was also achieved in 2023/24. A balanced budget has been set for 2025/26 assuming planned use of £4m earmarked reserves and delivery of £7.4m savings.</p> <p>General Fund balances are planned to be maintained at between 3% and 5% of the revenue budget over the life of the Medium-Term Financial Strategy (MTFS) to 2028/29 to provide resilience against unforeseen events. The Reserves Strategy outlines the planned use of earmarked reserves to 2029/30 (£6.2m), in line with their stated purpose resulting in a planned residual balance of £3.1m.</p> <p>The MTFS is modelled on comprehensive forecasts of revenue, reserves, capital, and anticipated future grant funding which is prudently assumed to remain flat over the period to 2028/29. Council tax precept increases are also prudently assumed to remain flat over the period. This prudence has identified a worse case cumulative budget gap of £37.8m between 2026/27 and 2028/29.</p> <p>Scenario modelling to assess the impact of changes to assumptions is undertaken as evidenced by narrative in the MTFS report illustrating that each 1% increase in pay costs equates to an increased budget requirement of approximately £3m. Narrative in that report also illustrates the impact of additional income compared to assumptions. For example, an increase of £14 in the precept for each of the three years between 2026/27 and 2028/29 would reduce the £37.8m gap to £17.9m. We comment further on arrangements to address funding gaps overleaf.</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.

# Financial sustainability – commentary on arrangements (continued)

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

Rating

plans to bridge its funding gaps and identify achievable savings

The Constabulary has a good track record of delivering savings identified to deliver a balanced budget. This was also acknowledged by HMICFRS in its PEEL 2023-25 report published in December 2024 which also commented on the clear plan for efficiency savings. The savings targets of £7.8m and £5.9m were delivered in 2023/24 and 2024/25 respectively. Procurement savings totalling £5.3m were also achieved in 2024/25. BlueLight Commercial ranked the Constabulary as best performing of all Forces in delivering cashable savings that result in permanent reductions in budget, and third best performance in achieving non-cashable, one off cost avoidance savings.

Delivery of £7.4m savings required for 2025/26 is being tracked and reported in quarterly financial monitoring reports with no concerns noted re delivery at Quarter 1. Commentary in the Quarter 1 report refers to the Constabulary’s ongoing business planning programme to develop proposals for how further savings required during the medium-term can be achieved. As noted on page 14, prudent assumptions made during financial planning indicated a worse case cumulative budget gap of £37.8m between 2026/27 to 2028/29. Pending confirmation of the 2026/27 funding settlement expected in December 2025 that will provide clarity over the indicative budget gap, work is in train across corporate departments to model scenarios to deliver savings and efficiencies. The Constabulary is also engaging with peers in areas such as identifying areas to develop efficiency or productivity gains such as the use of robotic process automation.

Development of longer-term savings plans alongside regular review of assumptions made during financial planning should remain a key area of focus in financial planning arrangements. Our 2025/26 review of arrangements will focus on progress in working up detailed plans to address funding gaps indicated following the announcement of the funding settlement in December 2025.

G

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

# Financial sustainability – commentary on arrangements (continued)

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

Rating

<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The budget and MTFs are planned to support delivery of the PCC’s Police and Crime Plan. For example, the 2025/26 budget includes investment in the Constabulary’s Professional Standards Department to support achievement of the Police and Crime Plan priority to rebuild public trust and confidence.</p>	<p>G</p>
<p>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</p>	<p>The PCC’s and CC’s financial planning and resulting investment decisions align to the Police and Crime Plan and other relevant plans and strategies, including the Accommodation Strategy and workforce plans. Bids for new capital investment are based on bidding process which includes consideration of affordability and alignment with strategic priorities. The Treasury Management Strategy sets out how treasury management activity is planned to support delivery of financial plans to deliver the Police and Crime Plan.</p>	<p>G</p>
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The PCC and CC actively address financial risks and have a well structured MTFs model that articulates the impact of assumptions made and indicative funding gaps in the medium term. Scenario planning indicates the £m impact of a 1% change to assumptions made, for example on pay. Monthly reporting on the revenue and capital position articulates action being taken to address risks to financial delivery. The PCC’s and CC’s risk registers each contain a specific risk related to financial sustainability and detail of controls in place and actions being taken to mitigate these. The risk registers are presented to JIAC to provide assurance of ongoing management of these.</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.

# Governance – commentary on arrangements

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

Rating

<p>monitors and assesses risk and how the PCC and CC gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The PCC and CC each have a comprehensive risk management strategy which is embedded in the respective governance structures with risk registers regularly reported to JIAC for scrutiny and oversight. The PCC’s risk register and wider risk management arrangements are currently being revised in response to Internal Audit’s recommendations reported to JIAC in September 2025. The PCC’s and CC’s Annual Governance Statements (AGS) effectively summarises key governance risks and issues.</p> <p>The Internal Audit annual plan is regularly reviewed by JIAC including the monitoring of actions agreed. The Head of Internal Audit gave a ‘Substantial’ annual opinion for 2024/25, meaning that the PCC’s and CC’s frameworks of control are adequately designed and/or effectively operated overall. We note this is an improvement on the ‘Moderate’ annual opinion provided in previous years. The PCC’s and CC’s draft AGS’s will be updated to reflect the updated opinions. The PCC’s Accountability Board receives reports from the Constabulary Professional Standards Department providing assurance and opportunity to scrutinise work in train to address any issues that could indicate significant breaches of internal control.</p>	<p>G</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The annual budget is developed in parallel with update of the MTFs each year; rolling forward the previous year’s budgets and updating these for fresh assumptions related to cost pressures, inflation, growth and savings. Training and overtime budgets are zero based on assumed requirements for the coming period. The budget setting process includes consultation with PCC and Constabulary officers, the public and the Police and Crime Panel. The PCC approves the final budget following the approval of the proposed precept funding of it by the Police and Crime Panel.</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.

# Governance – commentary on arrangements (continued)

## We considered how the PCC and CC: Commentary on arrangements:

## Rating

<p>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</p>	<p>Budget monitoring is carried out monthly at budget holder level with the Finance team liaising with budget holders. The overall position is reported quarterly to the PCC with the report being published on the PCC's website. Reporting provides clear summaries of the revenue and capital in year position with forecasting for the year end. Reasons for variances are provided facilitating understanding of reasons for cost pressures and mitigating actions to be taken. Reporting also covers the Treasury Management position covering investments, borrowing, cash and commentary on the Capital Financing Requirement as well as the position with savings delivery and the adequacy of reserves.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The PCC's and CC's Joint Code of Corporate Governance sets out the Governance and Decision Making Framework. This provides the principles and guidance for how decisions will be taken and to ensure that decision making is informed, transparent and subject to scrutiny and risk management arrangements. Reports to JIAC, the PCC's Accountability Board and the Police and Crime Panel are sufficiently detailed, providing transparency and information to facilitate challenge.</p> <p>In 2023/24 we raised an improvement recommendation relating to the presence of the PCC and the CC at JIAC meetings during the year. We have assurance that the PCC and the CC are appropriately briefed on pertinent issues following JIAC meetings and note plans for them to attend a meeting during 2025/26 and have therefore closed this recommendation.</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.

# Governance – commentary on arrangements (continued)

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

Rating

<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 PCC and CC have clearly defined the roles of their key officers, the Executive and committees within the Joint Code of Corporate Governance with training provided as required. The PCC and CC maintain registers of business interests and of gifts and hospitality. The PCC’s Accountability Board receives reports on gifts and hospitality to facilitate scrutiny.</p> <p>The PCC and CC has arrangements in place to meet legislative and regulatory standards where services are procured or commissioned as articulated in the Contract Standing Orders. Procurement requests are subject to review and approval by the Chief Finance Officers.</p> <p>The Constabulary’s Professional Standards Department monitors compliance with professional standards, complaints and conduct providing regular reports on activity and outcomes to the PCC’s Accountability Board.</p> <p>Vetting helps mitigate the risks associated with employing an unsuitable person in the police service. Vetting arrangements for Lancashire Police are articulated in the Vetting Code of Practice 2025 and the Vetting Authorised Professional Practice 2025. There is no evidence of backlogs in vetting for serving officers as at 31 March 2025.</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.

# Improving economy, efficiency and effectiveness – commentary on arrangements

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

Rating

<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The PCC’s Accountability Board receives performance reports from the Constabulary to facilitate scrutiny of Force Performance. Performance reporting is aligned to national priorities as well as the PCC’s priorities included in his Police and Crime Plan. Financial reporting is provided to the same meeting so a full understanding of performance is provided. Trends in performance indicators as well as headline performance narrative is reported to highlight those areas requiring improvement. Outcomes of Crime Data Integrity audits are also included in the reports both to provide assurance as well as highlighting where improvement is required to ensure accuracy in the underlying data. Benchmarking of areas for improvement and promising practice identified in other Forces’ HMICFRS PEEL reports is undertaken to identify areas where there also may be scope to further improve performance. Action being taken in this area is also reported to the Accountability Board.</p> <p>The PCC reports activities undertaken by himself and his office to the Police and Crime Panel to provide assurance of work being undertaken to deliver the priorities in the Police and Crime Plan as well as holding the Chief Constable to account for performance. The PCC’s performance against the priorities in the Police and Crime Plan is reported in his Annual Report. This reflects any areas where further work is needed to improve performance.</p>	<p>G</p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>HMICFRS’s PEEL inspection report published on 5 December 2024 noted that the Constabulary was performing adequately or well in all categories. The Constabulary is addressing the eight areas for improvement identified.</p> <p>A Joint Targeted Area Inspection was undertaken in Blackpool. The report published in January 2025 found arrangements to be broadly positive, although five areas for improvement were identified. These include how well partnership performance information and quality assurance are used to support effective multi-agency working as well as operational improvements to better safeguard children who go missing or are excluded from school. Progress and ongoing action is reported to the Accountability Board.</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 (continued)

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

Rating

<p>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>	<p>The Police and Crime Plan for 2024-29 specifically refers to partnership working and collaboration naming the key partners with whom the PCC and CC work with to deliver the Plan. The work of partnerships and the impact is reported through the governance and delivery structure. For example, the impact of partnership working as part of delivery of the priorities in the Plan is reported to the Police and Crime Panel as part of the PCC’s update reports and via the PCC’s Annual Report. HMICFRS noted examples of impactful partnership working by the Constabulary in its PEEL inspection report published in December 2024. For example, the impact of partnership working in addressing anti-social behaviour.</p> <p>The PCC undertook extensive consultation with the people of Lancashire when refreshing the Plan for 2024-29 to ensure priorities expressed by consultees were reflected in it. HMICFRS commented in its PEEL report how the Constabulary communicates with the public via ‘Lancashire Talking’ using surveys to understand concerns using responses to shape its policing priorities.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>Arrangements are in place to monitor procurement and commissioning activity, with a central procurement team supporting services in doing this. Reporting on the procurement activity for the year including numbers of contracts raised, volume of contracts awarded via collaborative arrangements and value of savings achieved via procurement (£3.8m cashable and £1.5m non cashable for 2024/25) are provided to the PCC and CC to assure them of procurement performance and service delivery. We note that Lancashire Police was reported as performing best of the 43 forces for achievement of cashable savings and 3<sup>rd</sup> best out of 43 forces for non cashable/cost avoidance procurement savings. Regular contract monitoring is undertaken for key suppliers with KPIs being used to assess performance indicating where improvement is required.</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.

# 07 Appendices

# Appendix A: Responsibilities of the Police and Crime Commissioner (PCC) 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 PCC'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 PCC and Chief Constable will no longer be provided.

The PCC 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 PCC'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 PCC'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 PCC 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 PCC and CC where significant weaknesses are identified within arrangements.

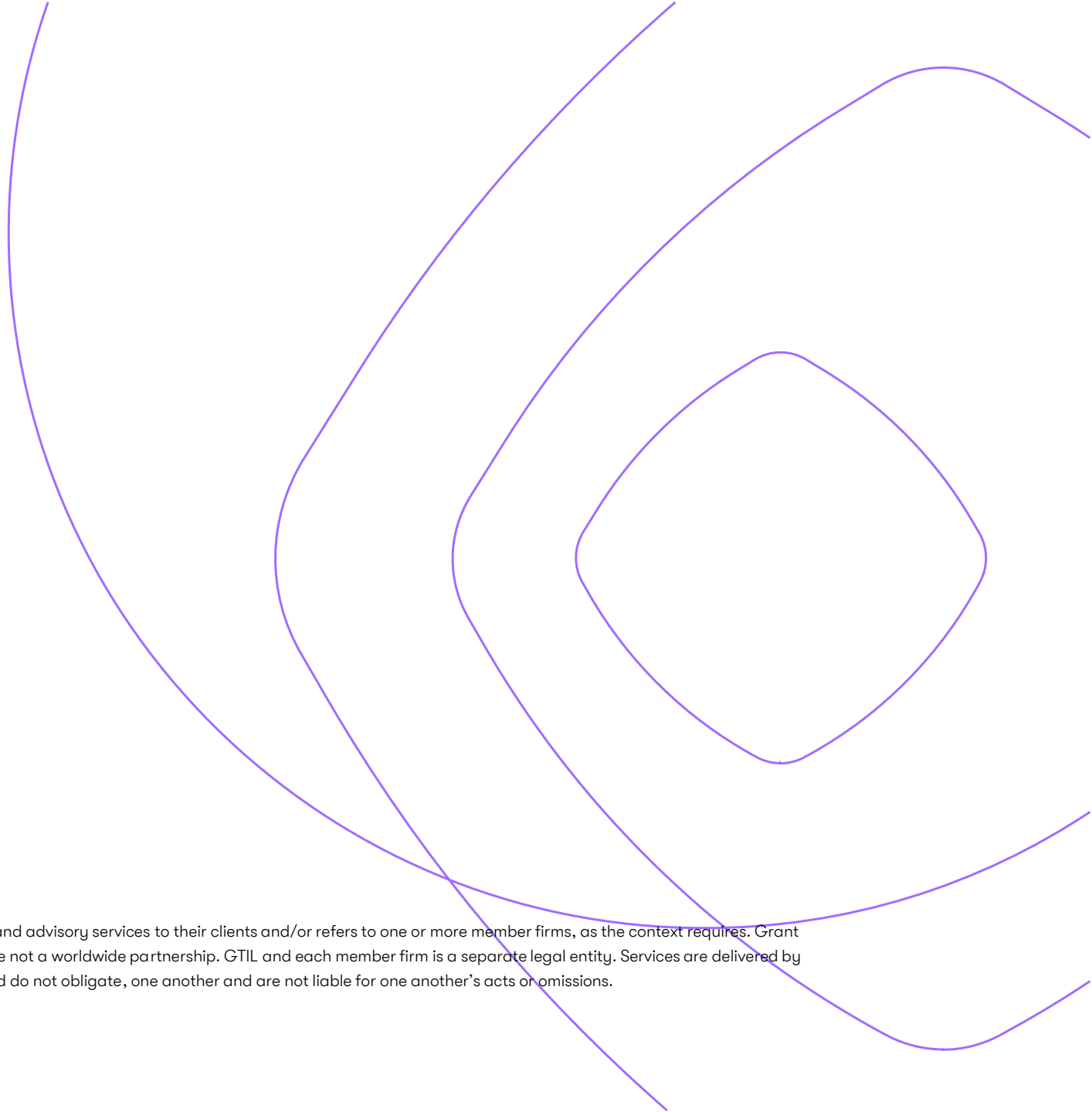
**Improvement recommendations** – actions which are not a result of us identifying significant weaknesses in the PCC's and CC's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

## 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	PCC and CC to attend Joint Independent Audit committee when key items are presented for example when the annual accounts are presented.	2023/24	<p>We note that both the PCC and the Chief Constable are briefed on pertinent issues discussed at Joint Independent Audit Committee meetings by their Chief Finance Officers, the PCC's Monitoring Officer and the Constabulary's Chief Monitoring Officer. There are arrangements in place to brief the PCC and CC on the outcome of the accounts audit. We have noted similar arrangements with other police bodies and consider these arrangements reasonable.</p> <p>We also note that following its self-assessment, the Joint Independent Audit Committee identified an action for the PCC and the Chief Constable to attend a Committee meeting during 2025/26.</p>	Implemented and Closed	No



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