The Interim Joint Audit Findings (ISA 260) Report for Northamptonshire Police, Fire and Crime Commissioner and Northamptonshire Chief Constable

Year ended 31 March 2025

19 November 2025

Grant Thornton

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Interim Joint Audit Findings for Northamptonshire Police, Fire and Crime Commissioner and Northamptonshire Chief Constable for the year ended 31 March 2025

This Interim 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.

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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.

Laurelin Griffiths

Director
For Grant Thornton UK LLP

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Headlines and status of the audit

Headlines

This table summarises the key findings and other matters arising from the statutory audits of Northamptonshire Police, Fire and Crime Commissioner (the 'PFCC') and Northamptonshire Chief Constable 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 has been completed during August-November. Our findings up to date of writing this report are summarised on pages 34 to 38. So far, we have identified one adjustment to the financial statements of the Chief Constable that has resulted in a net nil adjustment to the Chief Constable's Comprehensive Income and Expenditure Statement. We have identified two adjustments to the financial statements of the PFCC that have resulted in a £0.103m adjustment to the PFCC's Comprehensive Income and Expenditure Statement. These adjustments resulted in a £0.103m adjustment to the group Comprehensive Income and Expenditure Statement. Audit adjustments are detailed in Appendix D.

Our follow up of recommendations from the prior year's audit is detailed on page 41.

The status of the audit, with areas still to be completed is set out on page 13.

As communicated in our progress report presented at the JIAC on 1 October 2025, we have agreed with management to perform additional procedures to enable us to regain assurance over the balances which continue to be impacted by the previously backstopped audit opinions. We have completed our risk assessment and planning for this work, and we have agreed with management to complete the substantive testing in December 2025. We intend to issue our final Audit Findings, and our opinions, in advance of the 27 February 2026 backstop date.

If we are able to complete the planned additional work, we anticipate that our financial statements audit report opinions will be qualified. Despite the additional planned procedures, we will not have assurance over balances at 31 March 2023 and, as a result, the opening position for the 2023/24 in-year movements.

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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 planned VFM work, summarised on page 44.

Our detailed commentary is set out in the separate Joint Auditor's Annual Report, which is presented alongside this report.

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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 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 (Whole of Government Accounts) 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

At this point, we have not encountered any significant difficulties or identify any significant matters arising during our audit.

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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.

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National context – local audit recovery

In the audit report for the year ended 31 March 2024, a disclaimer of opinion was issued due to the backstop legislation.

As a result, at the start of the 2024/25 audit, and communicated in our Audit Plan:

- we have limited assurance over the opening balances for 2024/25 due to the prior year disclaimer of opinion over the in-year movements, and therefore closing balances, specifically in relation to Property, Plant and Equipment and the Pension Liabilities.
- we have limited assurance over the closing reserves balance also due to the uncertainty over their opening amount.

As communicated in our progress report presented at the JIAC on 1 October 2025, on 5 June 2025 the National Audit Office (NAO) published its "Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06" for auditors which sets out special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions. The key messages outlined within this guidance include rebuilding assurance through:

- tailored risk assessment procedures for individual audit entities, including assessments over risk of material misstatements of opening balance figures and reserves;
- designing and performing specific substantive procedures, such as proof-in-total approach;
- special considerations for fraudulent reporting, property, plant & equipment, and pension related balances.

We have agreed with management to perform additional procedures to enable us to regain assurance over the balances which continue to be impacted by the previously backstopped audit opinions. We have completed our risk assessment and planning for this work, and we have agreed with management to complete the substantive testing in December 2025.

We intend to issue our final Audit Findings, and our opinions, in advance of the 27 February 2026 backstop date.

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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

In common with the majority of police bodies, property assets reside with the PFCC, although they are used operationally by the staff of the Chief Constable. Management's judgement is that these arrangements do not constitute a lease, even under the expanded public sector definition. We do not consider that this judgement is unreasonable. Had an alternative judgment been made then this would have a material impact on the CC and PFCC accounts, hence we consider that this is a critical judgement and should be included as such in the financial statements.

The PFCC and Chief Constable's draft financial statements did not include an adjustment for the impact of IFRS 16 as the work being undertaken by management was ongoing.

We have subsequently been provided with workings to support proposed adjustments to the accounts. This work is still in progress.

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Status of the audit

At this stage, the following audit areas are outstanding on the in-year transactions, closing balances and disclosures:

- **Valuation of PPE** – work in progress in reviewing the evidence to support the valuer's assumptions and agreeing key inputs to supporting evidence.
- **Pensions liability (LGPS)** – we are awaiting the response from the Pension Fund auditor which informs our conclusions on the IAS19 calculation.
- **Completeness of expenditure** – we have identified instances of invoices received after year end and payments made after year end not being appropriately accrued for. We have extended our testing in this area accordingly. This is reflected in follow up of prior year recommendations on page 45.
- **Financial instruments** – work in progress.
- **IFRS 16 implementation** – we have obtained management's initial assessment and follow up queries have been raised.
- **Cash equivalents** – work in progress.
- **Other disclosures** – work in progress on: the Expenditure and Funding Analysis, Joint operations, and Related party Transactions.
- **Final tasks, including:**
  - Quality reviews by the Manager and Engagement Lead
  - Review of events up occurring after the balance sheet date
  - Receipt of management representation letters
  - Review of the final sets of financial statements

Status:

- Significant elements outstanding – high risk of material adjustment or significant change to disclosures
- Some elements outstanding – moderate risk of material adjustment or significant change to disclosures
- Not considered likely to lead to material adjustment or significant change to disclosures

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Materiality

Our approach to materiality

As communicated in our Audit Plan dated 29 April 2025, we determined materiality at the planning stage as PFCC £4.1m, Chief Constable £5.1m, and Group £5.6m, based on 2.25% of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the draft consolidated financial statements, and we have assessed that the materiality level set at planning is appropriate.

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 £4.1m (PY £3m), which equates to 2.25% of the PFCC's prior year gross expenditure for the year.
- Materiality levels remain the same as reported in our audit plan on 29 April 2025.

Performance materiality

We have determined component performance materialities to be set at between £3.92m and £2.87m. For our audit testing we have applied the lowest of these, which is £2.87m, which equates to 70% of the PFCC's financial statements materiality.

Specific materiality

Due to the public interest in senior officer remuneration disclosures, we design our procedures to detect errors in specific accounts at a lower level of precision, which we have determined to be applicable for senior officer remuneration disclosures. We will apply materiality of £40,000 to the total senior officer remuneration, and this will be applied at an individual officer level.

Reporting threshold

We will report to you all misstatements identified in excess of £0.205m, in addition to any matters considered to be qualitatively material.

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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	All	Significant	↔	✓	Low	●
Valuation of land and buildings	PFCC (& Group)	Significant	↔	×	High	●
Valuation of net pension liability for Local Government and Police Pension Schemes	CC (& Group)	Significant	↔	×	High	●
IFRS 16	All	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

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Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
Management override of controls Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.	PFCC, CC & Group	We have: • reviewed the accounting estimates, judgements and decisions made by management; • evaluated the design and implementation of management override of controls over journals; • identified and tested unusual journals recorded during the year and after the draft accounts production stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness with regard to corroborative evidence; and • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.	In our testing of unusual journals, we have identified journals that have been approved by senior personnel. Therefore, we have rolled forward our recommendation from the prior year (page 42) that management look to improve processes to ensure senior personnel are not influencing the journals being posted. Our audit work has not identified any other issues in respect of management override of controls. We have noted no material adjustments or findings in relation to override of controls. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

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Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
Valuation of land and buildings This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£98.103 million as at 31 March 2025 draft accounts) and the sensitivity of the estimate to changes in key assumptions. The valuation also depends on the completeness and accuracy of source data such as floor areas and subjective inputs such as obsolescence factors. We therefore have identified that the accuracy of the key inputs and assumptions driving the valuation of land and buildings, and surplus assets, as a significant risk.	PFCC & Group	We have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuer, and the scope of their work; • evaluated the design and implementation of relevant controls; • 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; • tested, on a sample basis, revaluations made during the year, agreeing key source data used such as floor areas and build costs to suitable independent evidence and confirming that the valuation methodology has been correctly applied; and • tested revaluations made during the year to see if they had been input correctly into the asset register. Further detail is included in the key judgements and estimates on page 28.	Our audit work is ongoing in this area.

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Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
Valuation of net pension liability for LGPS and Police Pension Schemes The Chief Constable's net pension liability, made up of both the Local Government Pension Scheme (LGPS) and Police Pension Scheme (PPS), as reflected in its balance sheet, represents a significant estimate in the financial statements. The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). The net pension liability is considered a significant estimate due to the size of the numbers involved (£953,630 million at 31 March 2025 draft accounts) and sensitivity of the estimate to changes in the key assumptions. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. With regard to these assumptions, we have therefore identified the valuation of the net asset/liability as a significant risk.	CC and Group	We have: • updated our understanding of the processes and controls put in place by management to ensure that the pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluated the instructions issued by management to their management experts (the actuaries for the LGPS and PPS) for this estimate and the scope of the actuaries' work; • assessed the competence, capabilities and objectivity of the actuaries who carried out the pension fund valuations; • assessed the accuracy and completeness of the information provided to the actuaries to estimate the liabilities; • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuaries; • undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • sought to obtain assurances from the auditor of the Northamptonshire Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary, and the fund assets valuation in the pension fund's financial statements.	Further detail is included in the key judgements and estimates on pages 31-32. Our audit work is ongoing in this area.

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Other risks

Risk identified	Relates to	Audit procedures performed	Key observations
IFRS 16 implementation 2024/25 is the first year of application of IFRS 16, which was implemented from 1 April 2024. The standard establishes a new accounting model in which all leases for assets for more than 12 months above a de minimis value will be accounted for by recognising a 'right to use' asset on the Balance Sheet, together with a liability for the present value of the lease payments. As this is a new standard this year, we consider that this presents completeness a risk to the accounts.	PFCC, CC & Group	We have reviewed the approach adopted by management to ensure the completeness of lease records and the subsequent balances in the financial statements, as well as the disclosures relating to the new standard in the draft accounts. We have also reperformed the calculations and agreed inputs to supporting evidence to gain assurance over the accuracy, given this is the first year of implementation.	The draft accounts were not updated for the impact of IFRS 16. We have subsequently been provided with workings to support proposed adjustments to the accounts. This work is still in progress. In common with the majority of police bodies, property assets reside with the PFCC, although they are used operationally by the staff of the Chief Constable. Management's judgement is that these arrangements do not constitute a lease, even under the expanded public sector definition. We do not consider that this judgement is unreasonable. Had an alternative judgment been made then this would have a material impact on the CC and PFCC accounts, hence we consider that this is a critical judgement and should be included as such in the financial statements.

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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
PFCC	Yes	Full audit	Full audit		Details of progress included within this report. As noted on page 12, our work in relation to the valuation of the PFCC's property assets remains ongoing.
Chief Constable	Yes	Full audit	Full audit		Details of progress included within this report. As noted on page 12, we have not yet received assurances from the auditor of the Northamptonshire Pension Fund.

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.

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Other findings

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 £98.103m at 31 March 2025 (Draft accounts)	PFCC & Group	Other land and buildings comprises of operational buildings 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 other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The PFCC has engaged Wilks Head & Eve LLP to complete the valuation of properties as at 31 March 2025. All of the assets were revalued during 2024/25. In reporting a valuation for land and buildings, the valuer has considered a range of relevant sources of information. Management maintain regular dialogue with the valuer and review the valuation certificates provided and challenge where required. The total year end valuation of land and buildings was £91.103m, a net decrease of 0.168m from 2023/24 (£98.271m).	Work performed has been outlined on page 23. Work is in progress at the current date.	Work is in progress at the current date.

Assessment

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

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Other findings – key judgements and estimates

Key judgement or estimate	Relates to	Summary of management's approach	Auditor commentary	Assessment
LGPS net pension liability/asset £0m at 31 March 2025 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. 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.	PFCC, CC & Group	The PFCC and Chief Constable's Local Government Pension Scheme net pension liability (/asset) at 31 March 2025 is £0m (PY £0m) comprising the Northamptonshire Local Government Pension Scheme obligations. The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability (/asset), small changes in assumptions can result in significant valuation movements. There has been a £35.720m net actuarial gain during 2024/25. The PFCC and Chief Constable uses Hymans Robertson 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.	We have no concerns over the competence, capabilities and objectivity of the actuary used by the group. No issues were noted with the completeness and accuracy of the underlying information used to determine the estimate. We have reviewed management's assumptions around the decision to limit the surplus recognised on the balance sheet, and we are satisfied the treatment is in line with IFRIC 14 and CIPFA Bulletin 15. We have used the work of PwC, as auditors' expert, to assess the actuary and assumptions made by the actuary. See below for consideration of key assumptions in the Northamptonshire Pension Fund valuation as it applies to Northamptonshire Chief Constable.	Our work has not identified any issues at the time of writing this report.

Assumption	Actuary value	PwC range	Assessment
Discount rate	5.85%	5.8% - 5.85%	Reasonable
Pension increase rate	2.7%	2.7% - 2.8%	Reasonable
Salary growth	3.2%	3.2% - 5.2%	Reasonable
Life expectancy – Males currently aged 45/65	23.0 / 21.3 years	22.7 - 23.1 / 20.9 - 21.6 years	Reasonable
Life expectancy – Females currently aged 45/65	25.7 / 24.0 years	25.5 – 25.8 / 23.6 – 24.2 years	Reasonable

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Other findings – key judgements and estimates

Key judgement or estimate	Relates to	Summary of management's approach	Auditor commentary	Assessment
Police Pension Scheme liability £953,630m at 31 March 2025	CC & Group	The Chief Constable's Police Pension Scheme liability at 31 March 2025 is £953,630m (PY £1,055,020m). The Chief Constable operates three pension schemes for police officers, these are the 1987,2006 and 2015 Police Pension Schemes. The Chief Constable uses GAD to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years. Whist the last full actuarial valuation was completed in 2020, the estimate of the pension liability at 31 March 2025 is based on up-to-date membership data and assumptions. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £122,600m net actuarial gain during 2024/25.	We have no concerns over the competence, capabilities and objectivity of the actuary used by the Chief Constable. Our work has not identified any issues. No issues were noted with the completeness and accuracy of the underlying information used to determine the estimate. We have used the work of PwC, as auditors' expert, to assess the actuary and assumptions made by the actuary. See below for consideration of key assumptions in the Pension Fund valuation as it applies to Northamptonshire Chief Constable.	Our work has not identified any issues.

Assumption	Actuary value	PwC range	Assessment
Discount rate	5.65%	5.65%	Reasonable
Pension increase rate	2.70%	2.70%	Reasonable
Salary growth	3.45%	2.75% - 5.2%	Reasonable
Life expectancy – Males currently aged 45/65	23.3 / 21.9 years	23.3 / 21.9 years	Reasonable
Life expectancy – Females currently aged 45/65	25.2 / 23.9 years	25.2 / 23.9 years	Reasonable

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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.

			ITGC control area rating			
IT application	Level of assessment performed	Overall ITGC rating	Security management	Technology acquisition, development and maintenance	Technology infrastructure	Related significant risks/other risks
Unit 4 Agresso	ITGC assessment (design effectiveness and implementation only)	Green	Green	Green	Green	Management override of control

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

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Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Police and Crime Commissioner and 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	Our work on Related party transactions is in progress at the time of writing this report. At this stage we are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	We are aware that on 11 November 2025, the Chief Constable was found guilty of contempt of court. We have not yet had sufficient time to fully consider this ruling, including the potential impact that it might have on our audit. We will consider this in detail ahead of the finalisation of this report in 2026. You have not made us aware of any other significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation will be requested from both the PFCC and Chief Constable upon completion of our work.
Confirmation requests from third parties	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.
Disclosures	Our review found no material omissions in the financial statements at the time of writing this report.
Audit evidence and explanations	All information and explanations requested from management has been provided in a timely manner, at the time of writing this report.
Significant difficulties	No significant difficulties have been noted at the time of writing this report.

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Other responsibilities

Issue	Commentary
Going concern	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. • 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. 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: • 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. We have reviewed management's assessment on going concern. However, our conclusion on the going concern basis of accounting is intrinsically linked to our rebuilding assurance work and our ability to provide assurance over the financial statements as a whole. Therefore, our work on going concern remains ongoing at the time of writing this report.

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Other responsibilities

Issue	Commentary
Other information	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. Our work is ongoing in this area.
Matters on which we report by exception	We are required to report on a number of matters by exception in a number of areas: • 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. We have nothing to report on these matters at the time of writing this report.

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Other responsibilities

Issue	Commentary
Specified procedures for Whole of Government Accounts	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. Note that work is not required as the PFCC and Chief Constable do not exceed the threshold, however the NAO is taking the option to ask additional questions for a sample of audits after our opinion is issued. We are satisfied that this work would not have a material effect on the financial statements for the year ended 31 March 2025.
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2024/25 audit in the audit report, until confirmation has been received from the NAO that the group audit (Whole of Government Accounts) 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.

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Audit adjustments

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

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on general fund £'000
We identified mis-postings to collection fund debtors and creditors, based on the confirmation from West Northamptonshire Council at year end. A charge that should have been recorded under debtors, was recorded in creditors, and vice versa. This has resulted in an overstatement of £1.087m in creditors, and a £1.087m understatement in debtors.		Creditors 1,087 Debtors -1,087	

Continued overleaf..

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Audit adjustments – PFCC

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on general fund £'000
We have challenged management that the accounting treatment of income and expenditure in the CIES from Joint operations is not in line with the Code and IFRS 11. Management have agreed to reverse the recognition of the share of income and expenditure from Joint operations (Note 39) as this does not represent actual income and expenditure. The actual income and expenditure attributable to the financial performance of the PFCC and Group remains in the CIES. We have raised a separate disclosure misstatement that this should be disclosed in Note 39 (see page 40).	Income 8,462 Expenditure -8,357		103
Overall impact	£103k		£103k

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Audit adjustments – PFCC

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?
Accounting policies	The draft financial statements do not include an accounting policy regarding intra company transactions, which are material.	TBC
Note 18 – Property, Plant and equipment	To meet the requirements of the Code, the following shall be disclosed: a) the effective date of the revaluation b) whether an in-house or external valuer was involved, and c) the methods and significant assumptions applied in estimating the items' current values'	TBC
Note 17 – Revaluation Reserve	Revaluation increase of £1.251m has been incorrectly disclosed as a downward revaluation of assets. This should be presented as an upward revaluation of assets.	TBC
Note 39 - Joint Operations & Associate Entities	Cash and Cash Equivalents disclosed in the Joint Operations – Balance Sheet is overstated by £12k. To meet the requirement of IFRS 12, management should disclose sufficient information for users to understand the effect on the Group's financial performance.	TBC
Throughout	A number of typographical errors and formatting have been identified throughout the financial statements.	TBC
Throughout	A number of immaterial accounting policies and disclosures have been included in the financial statements. These should be removed to avoid obscuring material information within the financial statements.	TBC

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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

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on general fund £'000
In our testing of fees and charges income, we sampled a recharge to capital that was incorrectly processed within income. As this related to a recharge of staff costs from revenue expenditure to capital expenditure, the correct accounting treatment would be to credit staff costs expenditure, instead of income. Through further investigation we were able to identify entries made of a similar nature (pertaining to staff cost recharges to income) whereby no income was associated and so should have been captured within expenditure. The aggregate sum of the transactions amounted to £0.896m.	Income 896 Expenditure -896		
Overall impact	0	0	0

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Audit adjustments – Chief Constable

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?
Accounting policies	The draft financial statements do not include an accounting policy regarding intra company transactions, which are material.	TBC
Note 4 - Employee Remuneration	We identified 3 individuals who are recorded in the incorrect banding.	TBC
Throughout	A number of typographical errors and formatting have been identified throughout the financial statements.	TBC
Throughout	A number of immaterial accounting policies and disclosures have been included in the financial statements. These should be removed to avoid obscuring material information within the financial statements.	TBC

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Follow up of prior year recommendations

Assessment

✓ Action completed

X Not yet addressed

We identified the following issues in the audit of the Group's 2023/24 financial statements, which resulted in two recommendations being reported in our 2023/24 Audit Findings Report. Both recommendations are still to be fully actioned.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	**Approval process for journals not working correctly** Journals require two separate individuals to approve. However, we identified an instance of a journal not requiring a second approval. We also identified instances of a senior officer approving journals. As a second approval is required, this is not a deficiency, however it could become one if a journal can be posted without a second approval as in the instance identified. We recommended that the Group identify why the journal was able to avoid the usual approval processes and whether this has happened elsewhere.	We have identified journal postings which had been approved by a senior officer. We do not deem it appropriate for senior officers to approve journals given the increased risk of management override of control. We continue to recommend that journal controls are amended to avoid this occurrence.
X	**Understatement of accrual** Within our payments made after year end testing, we identified a number of payments related to 2023/24 which were not accrued for correctly. This resulted in the understatement of accruals at 31 March 2024 and understatement of expenditure for the year ended 31 March 2024. We also identified that finance team members were not aware of there being a de minimis level policy. We recommended that the Group improve their closedown processes to ensure all expenditure items related to the financial statements year are identified and correctly accounted for. Finance officers responsible for accruals should be reminded of their responsibilities in this area. We also recommend that finance staff are reminded of the de minimis policy for accruals.	We have completed testing on payments made after year end, and invoices received after year end, to assess if the items selected for testing have been accrued for appropriately. We have identified further instances of expenditure not accrued for in 2024/25. The work to quantify the impact of this error is ongoing, as noted on page 16. In our testing of in year expenditure, we identified expenditure that related to 25/26, which was recorded in 24/25 inappropriately. This resulted in an overstatement of expenditure within the financial statements. We continue to recommend that the Group improve their closedown processes to ensure all expenditure items related to the financial statements year are identified and correctly accounted for. Finance officers responsible for accruals should be reminded of their responsibilities in this area.

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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.

Our Joint Auditor's Annual Report accompanies this report.

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Independence considerations

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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). In this context, we disclose the following to you:

There are no independence matters that we would like to report to you.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council'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 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 group or investments in the group held by individuals.
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, senior management or staff.

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 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. Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

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Fees and non-audit services

The following tables below sets out the total fees for audit and there were no fees for the provision of non-audit services.

Audit fees	£
Audit of PFCC	£110,770
Audit of Chief Constable	£54,029
Rebuilding assurance work	£38,255 (estimate – see next page)
Total audit fees (excluding VAT)	£203,054

The fees reconcile to the financial statements as follows:

- fees per financial statements - £165k
- rebuilding assurance work - £38k
- total fees per above - £203k

This covers all services provided by us and our network to the group/Authority, its directors and senior management and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

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Additional fee analysis – fee variation for build back work

The following table sets out further information on additional fees in respect of build back. The final fee will be based on the actual time charged which will be subject to review by PSAA who will make a final determination.

At this stage, we anticipate that the hours required will be:

Grade	Rate (Determined by PSAA)	Hours (estimated)	Fee variation for Audit 2024/25
Director	£428	35	£14,980
Senior Manager	£236	50	£11,800
Senior Auditor	£153	75	£11,475
Other staff	£117	0	£0
Total		160	£38,255

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Appendices

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		●

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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.

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