

The Joint Audit Findings Report for the Office of the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire

Year ended 31 March 2025

Final version issued 25 February 2026



**Police and Crime Commissioner for Derbyshire
Chief Constable for Derbyshire**

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February 2026

Dear Police and Crime Commissioner and Chief Constable

Joint Audit Findings for Office of the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire for year ended 31 March 2025

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

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 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2024-.pdf).

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.

Richard Anderson

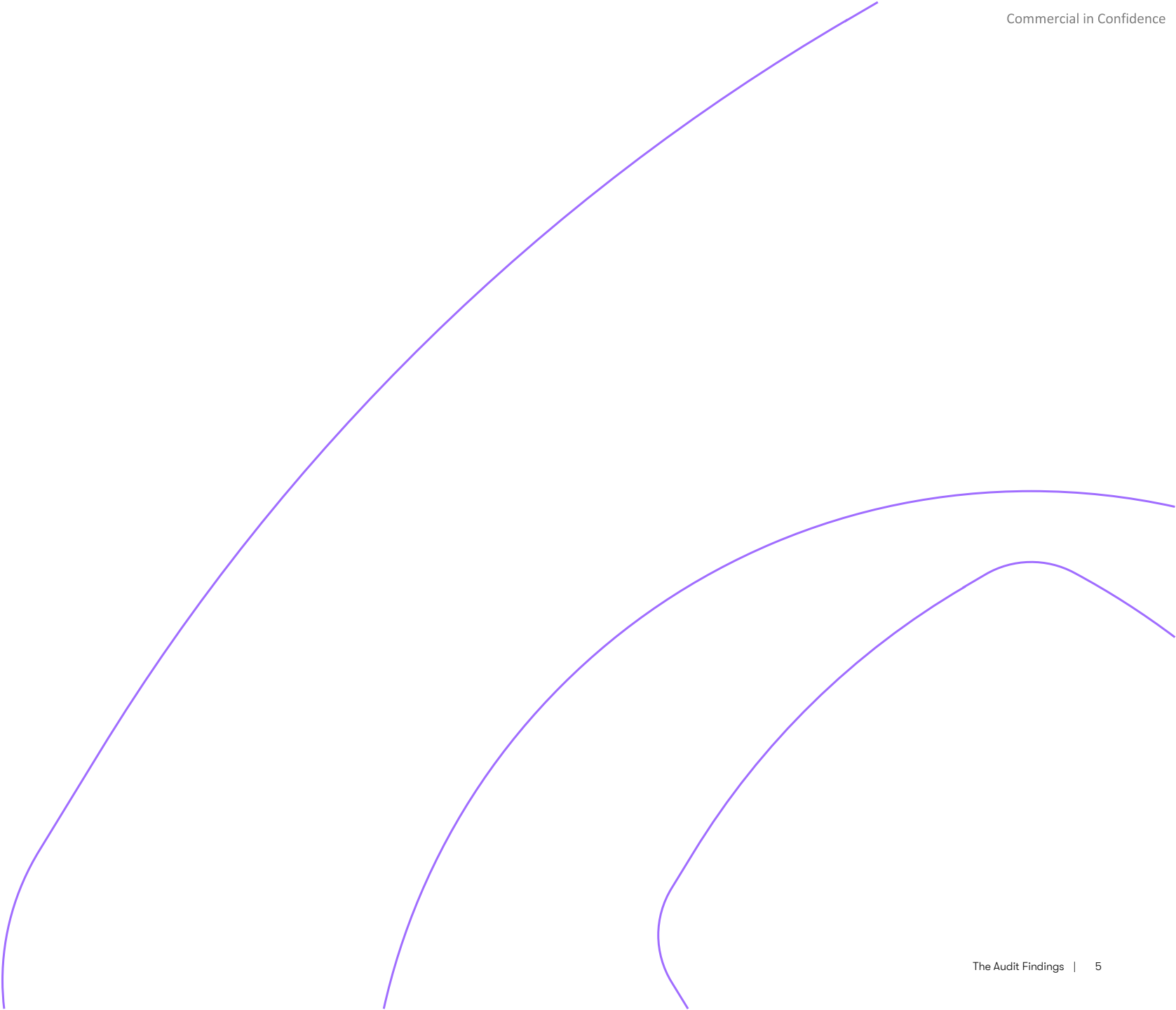
Director
For Grant Thornton UK LLP

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Headlines



Headlines

This table summarises the key findings and other matters arising from the statutory audits of Office of the Police and Crime Commissioner for Derbyshire (the ‘PCC’) and the Chief Constable for Derbyshire, and the preparation of the PCC’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 PCC, 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 2024/25 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.

We have now concluded our audit work, detailing the findings in the body of this report.

Management has identified one adjustment to the financial statements of the PCC and group that results in a £1.8m adjustment to the Comprehensive Income and Expenditure Statements of the PCC and group. No adjustments have been made to the Comprehensive Income and Expenditure Statement of the Chief Constable. All audit adjustments are detailed from page 43. During the course of our work, we have also raised 10 recommendations for management, which are set out from page 49, with follow up of our prior year’s audit recommendations detailed from page 55.

Owing to the challenges of undertaking an audit where the previous years’ audits were subject to backstop-related disclaimed audit reports, we have been unable to undertake sufficient work to support an unmodified audit opinion in advance of the backstop date of 27 February 2026. The limitations imposed by not having assurance on opening balances mean that we are unable to form an opinion on the financial statements. Our financial statements audit reports are disclaimed.

Key areas on which we have been unable to conclude include opening balances; property, plant and equipment; and the split of the Local Government Pension Scheme net liability between the PCC and Chief Constable.

Our audit reports are provided at Appendix C. Because of the significance of the matters described in the basis for disclaimer of opinion section of our reports, we have been unable to consider whether the Annual Governance Statement is misleading or inconsistent with the information of which we are aware from our audit.

Headlines

Value for money (VFM) arrangements

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

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

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

We have completed our VFM work, which is summarised on page 63, and our detailed commentary is set out in the separate Joint Auditor's Annual Report, which was presented to the Joint Audit and Assurance Committee in December 2025 (with a final version issued on 25 February 2026). We are satisfied that the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

Headlines

Statutory duties

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

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

We have not exercised any of our additional statutory powers or duties.

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 Comptroller & Auditor General, and that 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

Management has been unable to provide a clear reconciliation between the fixed assets register and the PPE note within the financial statements, with our work indicating a material reconciling difference of £7.593m. A number of reconciliations were provided by management, leading to an adjustment being made to the PCC and group financial statements, however we have been unable to conclude on the sufficiency and appropriateness of the final reconciliation and adjustment. This issue has impacted our ability to complete work in this area in advance of the backstop date. We also encountered significant difficulties in obtaining supporting information from the Police Pension Scheme administrator, which led to significant delays in completing our audit work.

Headlines

National context – audit backlog

Government proposals around the backstop

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

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

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

Headlines

National context – local audit recovery

In the audit reports for the year ended 31 March 2024, a disclaimer of opinion was issued due to the backstop. As a result for 2024/25:

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

Our aim for the 2024/25 audit has been to continue with rebuilding assurance, therefore our focus has been on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances.

On 5 June 2025 the National Audit Office (NAO) published its ‘Local Audit Reset and Recovery Implementation Guidance (LARRIG 6)’ for auditors which sets out special considerations for rebuilding assurance for specific 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.

In our September 2025 sector update, we provided more detail on this approach to regaining assurance over opening balances.

It has not been possible to complete this work in advance of the 2024/25 backstop date, which is 27 February 2026. However, we are working closely with management to agree timescales to complete this work alongside our planning and interim procedures for the 2025/26 accounts audit.

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 IAS 17 where operating leases were charged to expenditure. 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.

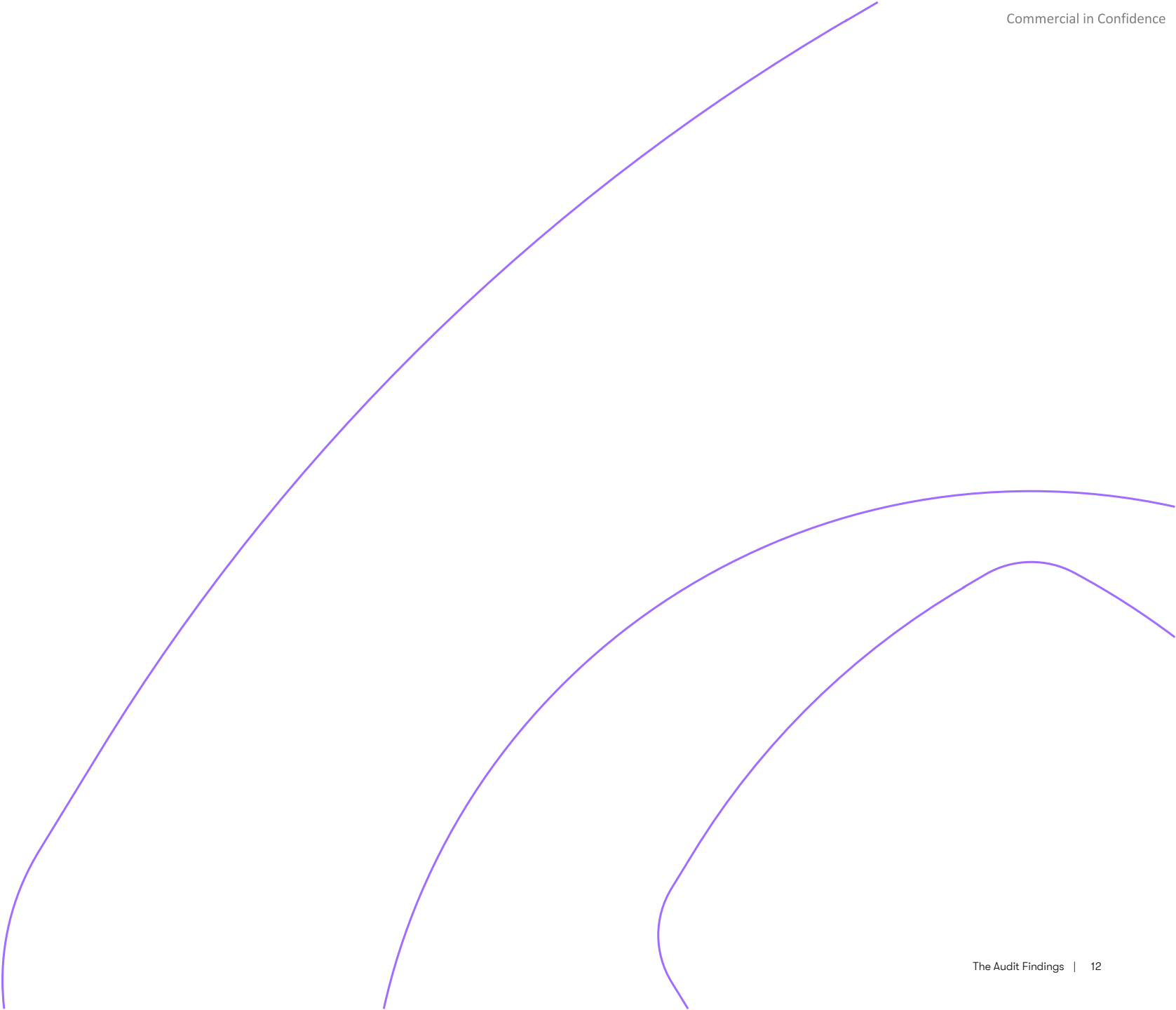
Impact on the PCC, Chief Constable, and group

Management concluded that the impact of IFRS 16 on the 2024/25 financial statements was immaterial. The value of right of use assets as at 31 March 2025 is £4.8m, the majority of which are presented within the PCC financial statements.

More detail is included on page 24, but from our work in this area we have identified two control recommendations relating to the completeness and valuation of the right of use assets balance and the impact of IFRS 16 on the PFI liabilities which can be found on pages 52 and 53.

In common with the majority of police bodies, property assets reside with the PCC, 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 PCC accounts, hence we consider that this is a critical judgement and management should include it as such in the financial statements.

Materiality



Our approach to materiality

As communicated in our Audit Plan dated April 2025, we determined materiality at the planning stage based on approximately 2% of prior year gross expenditure for each of the group, PCC, and Chief Constable. At year-end, we have reconsidered planning materiality based on the draft financial statements and current year gross expenditure, which has not resulted in any changes to the materiality thresholds.

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 PCC 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 £5m (PY £3.8m), which equates to approximately 2% of the Chief Constable's gross expenditure for the prior year.

Performance materiality

We have determined component performance materialities to be set at between £3.250m and £3.640m. For our audit testing we have applied the lowest of these, which is £3.250m, which equates to 65% of the Chief Constable's financial statements materiality.

Specific materiality

A lower separate materiality was identified for the senior officer remuneration disclosures. This is due to the public interest in such disclosures. We have applied heightened auditor focus to the completeness and clarity of disclosures in this area.

Reporting threshold

We will report to you all misstatements identified in excess of £250k, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our determination of materiality is set out below.

	Group (£)	PCC (£)	Chief Constable (£)
Materiality for the financial statements	5,200k	5,600k	5,000k
Performance materiality	3,380k	3,640k	3,250k
Reporting threshold	260k	280k	250k
Specific materiality for:			
senior officer remuneration disclosures	N/A	28,430	23,509

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
Management override of controls	PCC/CC/group	Significant	↔	✓	Low
The revenue cycle includes fraudulent transactions			Not considered to be a risk		
The expenditure cycle includes fraudulent transactions			Not considered to be a risk		
Valuation of land and buildings	PCC/group	Significant	↔	✘	High
Valuation of the pension fund net liabilities	PCC/CC/group	Significant	↔	✘	High
IFRS 16	PCC/CC/group	Other	↔	✘	Low

↑ Assessed risk increase since Audit Plan

↔ Assessed risk consistent with Audit Plan

↓ Assessed risk decrease since Audit Plan

Significant risks

Risk identified	Relates to Audit procedures performed	Key observations
<p>Management override of controls</p> <p>Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p>	<p>PCC/CC/ We have: group</p> <ul style="list-style-type: none"> • evaluated the design and implementation of management’s controls over journals • analysed the journals listing and determined the criteria for selecting high risk unusual journals • identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness. 	<p>While our work did not identify any instances of management override of controls, our audit work has identified two new deficiencies related to the risk of management override of controls. These relate to some finance users having administrative access to the system, and lack of approval limits for some journals. We also noted a deficiency relating to approval of journals, which was previously raised during the prior year audit. Further detail is included in the action plan and follow up of prior recommendations sections of this report.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240, there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.</p>	PCC/CC/ group	It was reported in our joint audit plan that we had determined there was no significant risk of material misstatement relating to revenue recognition. We consider our rebuttal of the presumed revenue recognition risk to remain appropriate.	Our audit work has not identified any issues in respect of revenue recognition for the PCC, Chief Constable or group.
<p>The expenditure cycle includes fraudulent transactions</p> <p>Practice note 10: Audit of financial statements of Public Sector Bodies in the United Kingdom (PN10) states that the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition for public sector bodies.</p>	PCC/CC/ group	It was reported in our joint audit plan that we had determined there was no significant risk of material misstatement relating to expenditure recognition. We consider our rebuttal of the presumed revenue recognition risk to remain appropriate.	Our sample testing of expenditure transactions identified two errors, which were due to over-recognition of expenditure on subscriptions that crossed the year-end date but were fully recognised in the current year. This was not indicative of fraudulent activity. This has resulted in one reportable unadjusted misstatement on page 45 and a control recommendation on page 54. We are satisfied that these issues do not impact our risk assessment and the rebuttal of the expenditure fraud risk remains appropriate. Our audit work has not identified any other issues in respect of expenditure recognition for the PCC, Chief Constable or group.

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of land and buildings</p> <p>The PCC revalues its land and buildings on a rolling programme basis as at 31 March (from this year) to ensure that the carrying value is not materially different from current value at the financial statements date. This is done via full valuations, or on a desktop basis with a full valuation undertaken at least once every five years in accordance with the requirements of the CIPFA Code. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£35.0 million as at 31 March 2025) 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 identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	PCC and group	<p>We have:</p> <ul style="list-style-type: none"> documented our understanding of the processes and controls put in place by management to ensure that the group's property valuations are not materially misstated and evaluate the design of the associated controls 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 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 	<p>We were advised by management that a full valuation exercise was undertaken in 2024/25. While no issues have been identified in our sample testing of asset valuations undertaken during the year, we have identified a deficiency in the retention of supporting evidence. We have raised a control recommendation on page 54 in this respect.</p> <p>Management has been unable to provide a reconciliation between the fixed asset register, the valuer's report, and the PPE note within the financial statements. We previously raised a control recommendation around the timeliness of such a reconciliation as part of the 2023/24 audit; however, we have now raised a new high priority control recommendation in this area to replace the previous one. This is a control recommendation that affects all PPE balances and is therefore also applicable to the financial statements of the Chief Constable.</p> <p>Following audit challenge, management provided a reconciliation between the PPE note and valuers report and posted several adjustments relating to PPE, leading to a £1,799k decrease in the closing PPE balance in the PCC and group financial statements. There was not sufficient time to audit this adjustment prior to the backstop date. Due to this adjustment being unaudited, there is a possibility that an element of unadjusted misstatement remains. We are therefore unable to obtain assurance over the closing balances of PPE, including land and buildings.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
Valuation of land and buildings (continued)	PCC and group	<ul style="list-style-type: none"> • 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 • tested revaluations made during the year to see if they had been input correctly into the asset register. 	As above.

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of the pension fund net liabilities</p> <p>The group and Chief Constable's pension fund net liability, as reflected in its Balance Sheet as 'other long-term liabilities – pension scheme', represents a significant estimate in the financial statements and is made up of the Local Government Pension Scheme (LGPS) and Police Pension Scheme (PPS).</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£1,557.666m in the group and Chief Constable's Balance Sheets) and the sensitivity of the estimate to changes in key assumptions.</p>	CC and group	<p>We have:</p> <ul style="list-style-type: none"> gained an understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluated the design of the associated controls; evaluated the instructions issued by management to their management experts for this estimate and the scope of the actuaries' work; assessed the competence, capabilities and objectivity of the actuaries who carried out the group's pension fund valuations; assessed the accuracy and completeness of the information provided by the group to the actuaries to estimate the liabilities; obtained LGPS assurances from the auditor of Derbyshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements; 	<p>Similarly to the prior year, management has obtained a combined LGPS IAS 19 report for both the PCC and Chief Constable. The net liability per the report, after application of the asset ceiling, has been included in its entirety within the Chief Constable's financial statements. Our view is that some of the gross assets and gross liabilities that make up the net liability relate to the PCC, and should therefore be accounted for within the PCC financial statements. We consider that the split can only be reliably estimated by an actuary. Whilst this does not impact the group position, there is a risk that the gross assets and gross liabilities are materially misstated for the PCC and Chief Constable. We raised a recommendation in the prior year's audit, and this recommendation remains in place on page 60.</p> <p>We have also experienced significant delays in obtaining appropriate reports to support the membership figures used in the most recent PPS quadrennial valuation, as well as in the provision of listings to be able to test the in-year movements as disclosed within the Police Pension Fund Accounts. This information was provided and reconciled in January 2026, nine months after the initial request. Our work is now complete with no issues identified. We raised a recommendation in the prior year's audit, and this recommendation remains in place on page 61.</p>

Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p data-bbox="109 375 728 444">Valuation of the pension fund net liabilities (continued)</p> <p data-bbox="109 462 792 986">The actuarial assumptions used are the responsibility of the entities but should be set on the advice given by the actuary. 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. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions, we have therefore identified valuation of the group and Chief Constable's pension fund net liability as a significant risk.</p>	CC and group	<ul data-bbox="1001 375 1709 843" style="list-style-type: none"> • assessed the calculations made in relation to the asset ceiling in line with IFRIC 14; • tested the consistency of the pension fund assets and liabilities and disclosures in the notes to the core financial statements with the actuarial reports from the actuaries; and • undertaken 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. 	As above.

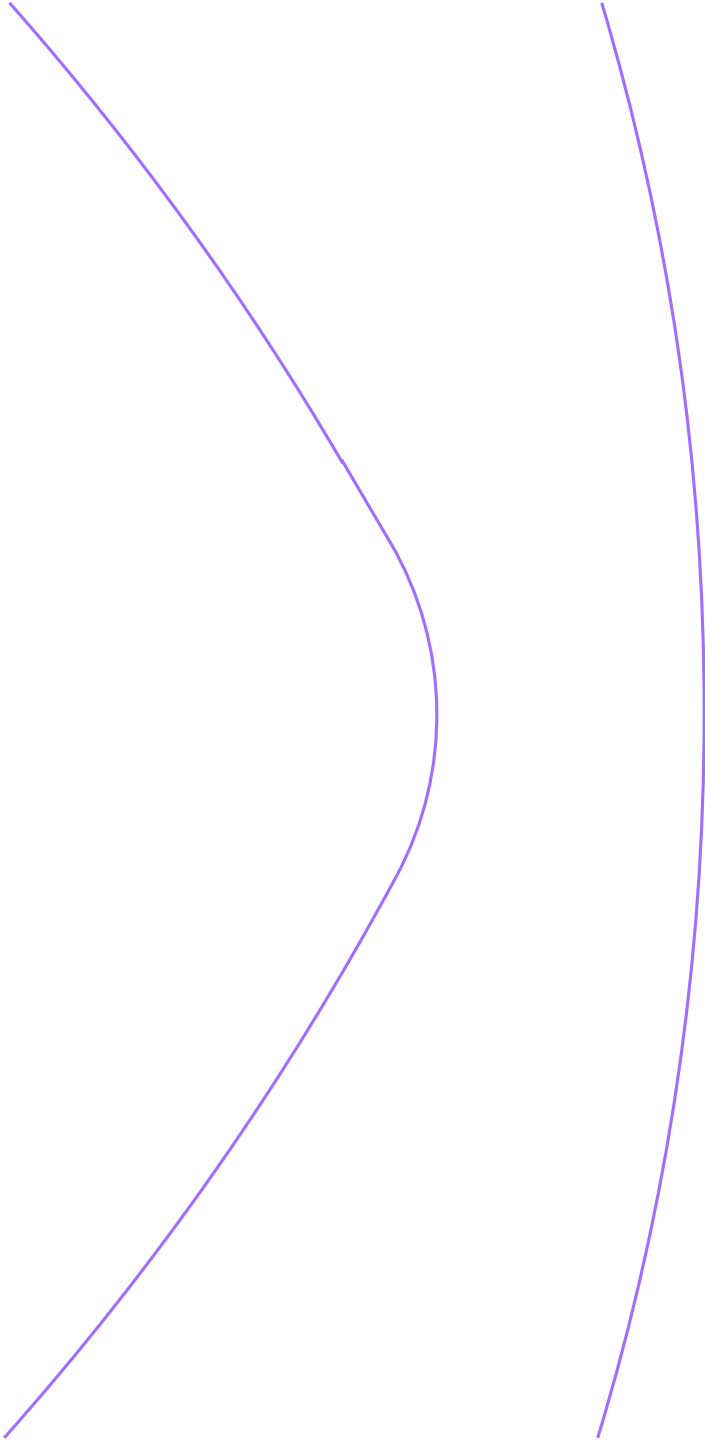
Significant risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>Valuation of the pension fund net liabilities (continued)</p> <p>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). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.</p> <p>The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.</p>	CC and group	As above.	As above.

Other risks

Risk identified	Relates to	Audit procedures performed	Key observations
<p>IFRS 16</p> <p>IFRS 16 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 should be accounted for by recognising a right of use asset on the Balance Sheet, together with a corresponding lease liability for the present value of the lease payments. As this is a new standard this year, we consider that this presents a risk to the financial statements.</p>	<p>PCC/CC/ group</p>	<p>We have considered the approach adopted by management to implement the new standard, including management's processes to ensure the completeness of identified leases that may fall within the scope of the standard (including PFI liabilities), the valuation of those leases and the corresponding right of use assets, and relevant disclosures within the financial statements.</p>	<p>We have determined that there are gaps in management's assessment of IFRS 16 and the subsequent right of use assets and lease liabilities. This is particularly evident when considering peppercorn leases (where the liability is minimal but a right of use asset should exist) and where leased land and building assets require revaluation. A notable example relates to the Joint Headquarters, leased from the group's joint venture DPFP LLP. We have determined that this right of use asset alone could potentially be understated by £1.8m.</p> <p>We have also identified that management has not updated the PFI models to take account of changes to payments for the lease element arising from changes to an index or rate, as required by the standard.</p> <p>We have raised recommendations in these areas on pages 52 and 53.</p>

Group audit



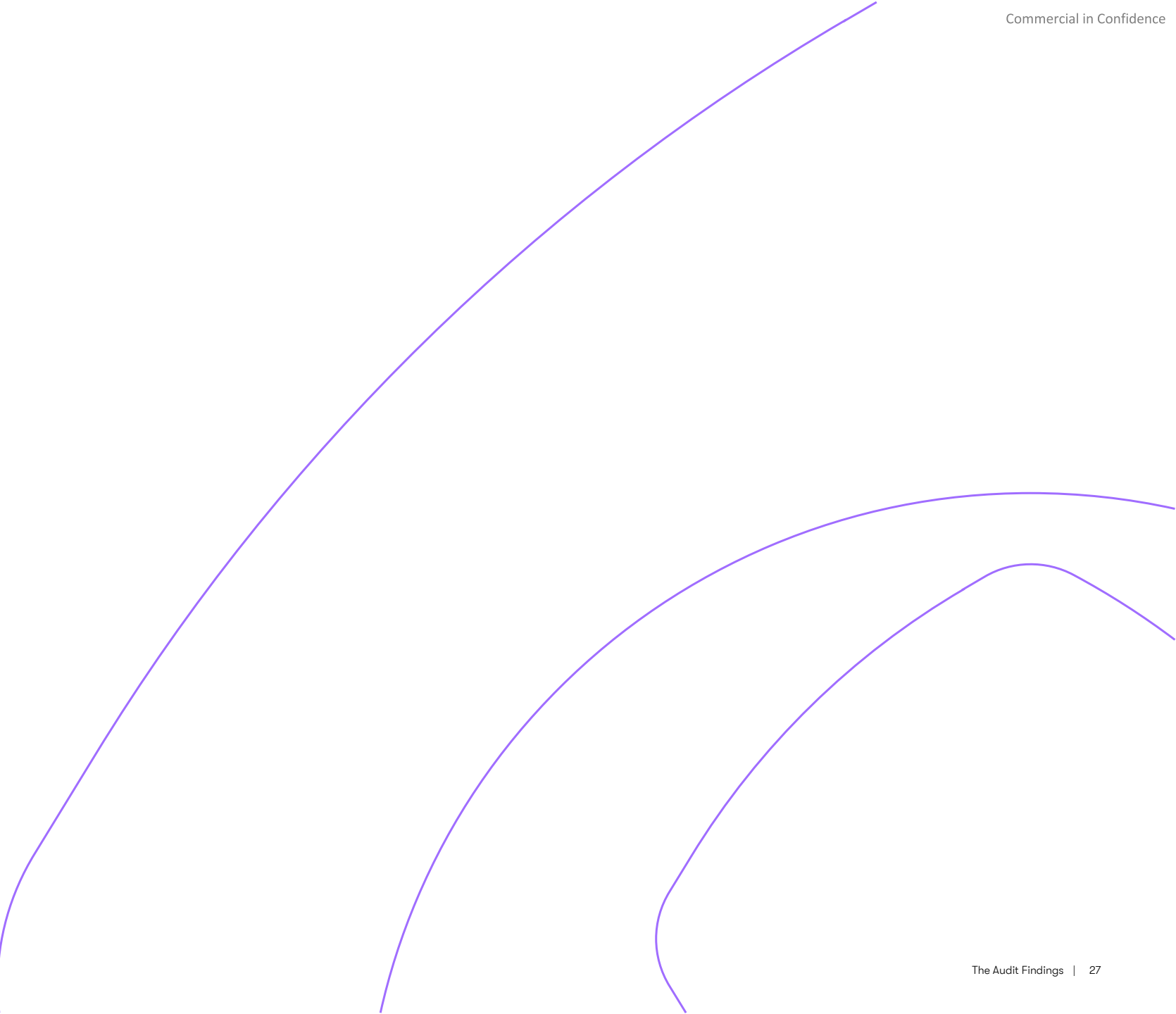
Group audit

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

The table below summarises our final group scoping, as well comments on the work performed for each component.

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Comments
PCC for Derbyshire	Yes	Full audit	Full audit	The audit has been completed, as detailed within the body of this report. We have been unable to gain assurance over opening balances, in-year movements relating to PPE and pension liabilities, closing PPE balances, closing reserves balances, and the split of the closing LGPS pension liability between the PCC and Chief Constable.
Chief Constable for Derbyshire	Yes	Full audit	Full audit	The audit has been completed, as detailed within the body of this report. We have been unable to gain assurance over opening balances, in-year movements relating to PPE and pension liabilities, closing PPE balances, closing reserves balances, and the split of the closing LGPS pension liability between the PCC and Chief Constable.
Derbyshire Police and Fire LLP	Yes	Specific procedures performed by the group auditor	Specific procedures performed by the group auditor	We have completed specific procedures relating to this component's PPE and cash balances. We identified one error relating to the valuation of the Joint Training Centre asset, which was undervalued. As this error understates the value of the LLP's net assets, there is a resulting understatement of the investment in the joint venture on the group's Balance Sheet. This is reported as an unadjusted misstatement on page 45.

Other findings



Other areas impacting the audit

Issue

Commentary

IT control deficiencies

We undertook an assessment of the relevant Information Technology (IT) systems and controls operating over them. This was performed as part of obtaining an understanding of the information systems relevant to financial reporting.

This work has been performed for the first time, following restrictions on auditor access during the 2023/24 audit. This work has identified two significant deficiencies which are provided in more detail within the action plan section of this report.

Other findings – significant matters

Issue	Commentary
Significant events or transactions that occurred during the year	No significant events or transactions occurred during the year.
Business conditions affecting the PCC, group and Chief Constable, and business plans and strategies that may affect the risks of material misstatement	We are aware of the government’s intention to transfer the responsibilities of Police and Crime Commissioners to regional mayors or elected council leaders by 2028, however there is no certainty surrounding this intended decision and therefore we do not consider there to be any impact on the risks of material misstatement for the 2024/25 financial statements audit.
Concerns about management's consultations with other accountants on accounting or auditing matters	We are not aware of any such consultations having been undertaken.
Discussions or correspondence with management in connection with the initial or recurring appointment of the auditor regarding accounting practices, the application of auditing standards, or fees for audit or other services	No such discussions have been required.
Significant matters on which there was disagreement with management, except for initial differences of opinion because of incomplete facts or preliminary information that are later resolved by the auditor obtaining additional relevant facts or information	No such matters were identified.

Other findings – significant matters

Issue

Other matters that are significant to the oversight of the financial reporting process

Commentary

Management has been unable to provide a clear reconciliation between the fixed asset register, the valuer's report, and the PPE note within the financial statements.

We have faced significant delays in the provision of listings to be able to test the membership data and in-year movements relating to the Police Pension Scheme. This information was provided and reconciled in January 2026, nine months after the initial request.

The draft financial statements were not published until 31 July 2025, after the statutory deadline of 30 June 2025.

Prior year adjustments identified

No prior year adjustments were identified.

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
Valuation of land and buildings £35.0m at 31 March 2025	PCC and group	Other land and buildings comprises a small number of specialised assets such as dog centres, 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 PCC has engaged NPS Consultants Ltd to complete a full revaluation of properties as at 31 March 2025.	<p>We have:</p> <ul style="list-style-type: none"> • deepened our risk assessment procedures performed including understanding processes and controls around the identification and determination of the estimate; • no concerns over the competence, capabilities and objectivity of the valuation expert used by management; • considered the movements in the valuations of individual assets and their consistency with national indices; • considered management bias in determining the estimate and evaluated evidence that might contradict management's assessment. <p>No issues were identified in the above procedures.</p> <p>We are unable to conclude on the valuation of land and buildings due to the issue explained on page 19.</p>

Other findings – key judgements and estimates

Key judgement or estimate	Relates to	Summary of management's approach	Auditor commentary																		
<p>LGPS net pension liability £0.194m at 31 March 2025</p> <p>IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the Balance Sheet and whether any additional liabilities are required in respect of onerous funding commitments.</p> <p>IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits' available in the form of refunds from the plan or reductions in future contributions to the plan.</p>	PCC/CC/ group	<p>The Local Government Pension Scheme net pension liability recognised in the Chief Constable's financial statements at 31 March 2025 is £0.194m (PY £nil) comprises Derbyshire Pension Fund Local Government Pension Scheme funded obligations.</p> <p>The PCC and Chief Constable use Hymans Robertson to provide actuarial valuations of the PCC's and Chief Constable's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p>	<p>We have made the following findings from our work on the LGPS:</p> <ul style="list-style-type: none"> we have no concerns from our assessment of management's expert. we have used PwC as auditor's expert to assess the assumptions made by the actuary – see table below for the comparison made. we have performed a review of the movement in the assets and liabilities. <table border="1"> <thead> <tr> <th>LGPS assumption</th> <th>Actuary value</th> <th>PwC range</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>5.80%</td> <td>5.80% – 5.85%</td> </tr> <tr> <td>Pension increase rate</td> <td>2.75%</td> <td>2.70% - 2.80%</td> </tr> <tr> <td>Salary growth</td> <td>3.75%</td> <td>3.25% - 5.25%</td> </tr> <tr> <td>Life expectancy Males currently aged 45 Males currently aged 65</td> <td>21.5 years 20.8 years</td> <td>N/A – no specific ranges provided</td> </tr> <tr> <td>Life expectancy Females currently aged 45 Females currently aged 65</td> <td>25.3 years 23.8 years</td> <td>N/A – no specific ranges provided</td> </tr> </tbody> </table> <p><i>Note that PwC has not provided ranges for the mortality assumptions of Hymans Robertson as the actuary uses individual employer-level life expectancies.</i></p>	LGPS assumption	Actuary value	PwC range	Discount rate	5.80%	5.80% – 5.85%	Pension increase rate	2.75%	2.70% - 2.80%	Salary growth	3.75%	3.25% - 5.25%	Life expectancy Males currently aged 45 Males currently aged 65	21.5 years 20.8 years	N/A – no specific ranges provided	Life expectancy Females currently aged 45 Females currently aged 65	25.3 years 23.8 years	N/A – no specific ranges provided
LGPS assumption	Actuary value	PwC range																			
Discount rate	5.80%	5.80% – 5.85%																			
Pension increase rate	2.75%	2.70% - 2.80%																			
Salary growth	3.75%	3.25% - 5.25%																			
Life expectancy Males currently aged 45 Males currently aged 65	21.5 years 20.8 years	N/A – no specific ranges provided																			
Life expectancy Females currently aged 45 Females currently aged 65	25.3 years 23.8 years	N/A – no specific ranges provided																			

Other findings – key judgements and estimates

Key judgement or estimate	Relates to	Summary of management's approach	Auditor commentary
LGPS net pension liability (continued)	PCC/CC/ group	<p>The latest full actuarial valuation was completed for the year ended 31 March 2022. Given the significant value of the gross pension fund liabilities and assets, small changes in assumptions can result in significant valuation movements.</p> <p>Management obtained one report for both the PCC and Chief Constable, recognising the whole balance within the Chief Constable's accounts.</p>	<p>We recommended in the prior year that management obtain separate IAS 19 reports for both the PCC and the Chief Constable, as minor changes in assumptions can materially change the individual balances in the financial statements. This recommendation remains for 2024/25.</p>

Other findings – key judgements and estimates

Key judgement or estimate	Relates to	Summary of management’s approach	Auditor commentary
<p>Police Pension Scheme liability</p> <p>£1,557.472m at 31 March 2025</p>	CC and group	<p>The Chief Constable’s Police Pension Scheme liability at 31 March 2025 is £1,557.472m (PY £1,723.332m). The Chief Constable operates three pension schemes for police officers, these are the 1987, 2006 and 2015 Police Pension Schemes.</p> <p>The Chief Constable uses GAD to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years.</p> <p>Whilst the last full actuarial valuation was completed for year ended 31 March 2020, the estimate of the pension liability at 31 March 2025 is based on up-to-date membership data and assumptions.</p> <p>Given the significant value of the pension fund liability, small changes in assumptions can result in significant valuation movements.</p>	<p>We have made the following findings from our work on the PPS:</p> <ul style="list-style-type: none"> • we have no concerns from our assessment of management’s expert. • we have used PwC as auditor’s expert to assess the assumptions made by the actuary – see table below for the comparison made. • we have tested a sample of membership data used in the last quadrennial valuation. • we have performed a review of the movement in the liability. • we have tested a sample of benefits and contributions during the year. <p>We raised a recommendation in the prior year audit around delays in supporting information from the Force’s service organisation, and this recommendation remains for 2024/25.</p>

PPS assumption	Actuary value	PwC range
Discount rate	5.65%	5.65%
Pension increase rate	2.70%	2.70%
Salary growth	3.45%	3.45%
Life expectancy		
Males currently aged 45	23.3 years	23.3 years
Males currently aged 65	21.9 years	21.9 years
Life expectancy		
Females currently aged 45	25.2 years	25.2 years
Females currently aged 65	23.9 years	23.9 years

Other findings – Information Technology

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

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating				Related significant risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	IT operations	
Unit 4	Detailed ITGC assessment (design and implementation effectiveness)	●	●	●	●	●	Management override of controls
Active Directory	Detailed ITGC assessment (design and implementation effectiveness)	●	●	●	●	●	Management override of controls

We have identified significant deficiencies in relation to inadequate control over privileged accounts within Unit 4 and inappropriate segregation of duties as developers have access to the production environment. We have raised recommendations in response to these issues on pages 50 and 51. We have addressed the increased risk presented by these significant deficiencies by enhancing our journals testing procedures.

Assessment:

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

Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Police and Crime Commissioner and Chief Constable and Joint Audit and Risk Assurance 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	From our procedures, we identified undisclosed transactions with one related party. Management has now included a disclosure for this entity. This has been included in the disclosure misstatements section of this report on page 47.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	Letters of representation were requested and received from both the PCC and the Chief Constable, the content of which were presented at the JARAC meeting in January 2026.

Other communication requirements

Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the PCC's banking and treasury partners. This permission was granted and the requests were sent. These were returned with positive confirmation.
Disclosures	Our review found no material omissions in the financial statements.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	Management has been unable to provide a clear reconciliation between the fixed assets register, valuation report and the PPE note within the financial statements, with our work indicating a material reconciling difference. A number of reconciliations were provided by management, leading to an adjustment being made to the PCC and group financial statements, however we have been unable to conclude on the sufficiency and appropriateness of the final reconciliation and adjustment. We also encountered significant difficulties in obtaining supporting information from the Police Pension Scheme administrator. These issues impacted our ability to complete work in these areas.
Other matters	No other matters were identified.

Other responsibilities

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> • 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 PCC and Chief Constable’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>(continued)</p>

Other responsibilities

Issue	Commentary
Going concern	<p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the PCC and Chief Constable meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> • the nature of the PCC and Chief Constable and the environment in which they operates • the PCC and Chief Constable’s financial reporting framework • the PCC and Chief Constable’s system of internal control for identifying events or conditions relevant to going concern • management’s going concern assessment. <p>However, as this year’s audit will be disclaimed, we have not been able to obtain sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> • a material uncertainty related to going concern has not been identified • management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Narrative Reports and Annual Governance Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>Because of the significance of the matters described in the basis for disclaimer of opinion section of our reports, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>

Other responsibilities

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the PCC/group/Chief Constable do not exceed the threshold for which this work is needed.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2024/25 audits of the PCC and Chief Constable in the audit reports. We cannot formally conclude the audit and issue an audit certificate until confirmation has been received from the NAO that the group audit (Whole of Government Accounts) has been certified by the Comptroller & Auditor General, and that no further work is required to be undertaken in order to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code.</p>

Audit adjustments



Audit adjustments

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

Management has actioned the following adjustments in the final versions of the financial statements. These adjustments have not been subject to audit.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on general fund £'000
Adjustments made to PPE	1,799	(1,799)	Nil
Management has actioned several adjustments relating to PPE, leading to a £1,799k decrease in the closing PPE balance in the PCC and group financial statements. Due to this adjustment being unaudited, there is a possibility that an element of unadjusted misstatement remains, however we are unable to quantify this amount. Our audit report includes a disclaimer of opinion relating to the closing balances of PPE in the PCC, Chief Constable and group financial statements.			
Overall impact	1,799	(1,799)	Nil

Impact of prior year unadjusted misstatements

There were no unadjusted misstatements identified during the course of the 2023/24 financial statements audit, so no consideration of the potential impact on the 2024/25 financial statements is required.

Audit adjustments

Impact of unadjusted misstatements

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

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on general fund £'000	Reason for not adjusting
<p>a. Overstatement of subscription expenditure</p> <p>During our sample testing of expenditure transactions, we identified an item that spanned both 2024/25 and 2025/26, but was fully recognised in 2024/25, resulting in a £291k error. The element relating to 2025/26 should have been recognised as a prepayment in debtors.</p>	(291)	291	291	Immaterial
<p>b. Recognised share of net assets relating to DPFLLP</p> <p>We identified an understatement in the valuation of the Joint Training Centre held by the LLP. This issue results in an understatement of the investment in the joint venture per the group financial statements.</p>	(2,501)	2,501	(2,501)	Immaterial

Audit adjustments

Impact of unadjusted misstatements

Per the table above, the unadjusted misstatements have the following impacts on the financial statements:

Police and Crime Commissioner

Unadjusted misstatement (a) impacts the PCC's financial statements. Misstatement (a) would decrease intragroup funding expenditure and increase prepayments by £291k. The total impact on both the CIES and Balance Sheet would be £291k, which is immaterial.

Chief Constable

Unadjusted misstatement (a) impacts the Chief Constable's financial statements. Misstatement (a) would decrease expenditure and decrease intragroup funding from the PCC by £291k. Therefore nil effect on the CIES and Balance Sheet.

Group

Unadjusted misstatements (a) and (b) impact the group's financial statements. Misstatement (a) would decrease expenditure and increase prepayments by £291k and misstatement (b) would increase other comprehensive income from the joint venture and increase the investment balance by £2,501k. The total impact on both the CIES and Balance Sheet would be £2,792k, which is immaterial.

Audit adjustments – Disclosures

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 sets of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
PCC/CC Critical judgements in applying accounting policies	In common with the majority of police bodies, property assets reside with the PCC, 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 PCC accounts, hence we consider that this is a critical judgement and management should include it as such in the financial statements.	X
CC Note 5 Officers' remuneration	The prior year figures were incorrectly rolled forward for the Deputy Chief Constable. These have been updated to be consistent with the correct figures disclosed in the PCC/group financial statements.	✓
PCC Note 6 Grant income	The grant income disclosures are unclear when showing the allocation of total grant income between those grants credited to services and those grants credited to taxation and non-specific grant income. Management should make this clearer.	X
PCC Note 8 CC Note 9 Related party transactions	From our procedures, we identified undisclosed transactions with one related party, the Derbyshire Constabulary Sports Club. Management has now included a disclosure for this entity.	✓

Audit adjustments – Disclosures

Disclosure	Misclassification or change identified	Adjusted?
PCC Note 10	This note contained some errors within the table for the PPS unfunded liabilities, so has been updated.	✓
CC Note 11	Similarly to previous years, management has accounted for all gross assets and gross liabilities of the LGPS within the Chief Constable's financial statements. We would expect an element of the gross assets and gross liabilities of the LGPS to relate to the PCC. We cannot quantify the error as we consider that only an actuary could determine this split.	X
Assets and liabilities in relation to post-employment benefits	The auditor of Derbyshire Pension Fund identified a net overstatement in the value of LGPS gross pension assets at the pension fund. Applying the CC's share of assets to this variance results in a non-trivial overstatement of the LGPS gross assets of £458k. This is a disclosure error in the pensions note only, as there will be no impact on primary statements due to the corresponding IFRIC 14 adjustment which nullifies the impact on both the CIES and Balance Sheet.	X
PCC Note 15 Capital expenditure and capital financing statement	We have identified some consistency issues between the capital expenditure and capital financing statement and the other disclosures within the financial statements.	X
PCC Note 22 Financial instruments	The disclosed fair value of PWLB borrowings had been mistakenly taken from the incorrect section of the source report. This has now been updated.	✓
PCC Annual Governance Statement	The Annual Governance Statement has been updated to reflect issues arising during the previous financial year.	✓
CC and PCC throughout	A number of typographical errors have been identified throughout the financial statements.	✓
CC and PCC 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.	✓

Action plan

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

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Unable to reconcile fixed asset register</p> <p>We have been unable to obtain a fixed asset register that reconciles to the financial statements and valuation report.</p> <p>This is a significant deficiency and there is a risk that the PPE balance within the financial statements could be materially misstated.</p>	<p>We recommend that management improve the quality of the fixed asset register. The fixed asset register should be updated and fully reconciled to the valuer's report, trial balance and financial statements as part of close down and prior to the commencement of the final accounts audit.</p> <p>Management response</p> <p>A CIPFA compliant asset management software is being implemented for the 2025/26 accounts. The software includes an asset register and a compliant and robust methodology of calculating the capital accounting entries. The system will provide an asset register that will agree to the ledger and financial statements. A reconciliation of the fixed asset register to the valuer's report, trial balance and financial statements will be completed as part of the closedown.</p>
<p>● High</p>	<p>Lack of approval limits for some journals</p> <p>Journal users can post and authorise standard in-year journals. Although there are some controls in place that minimise risks associated with this, there are no approval limits and no other preventative controls for these journals.</p> <p>There is a risk that fraudulent postings could be made.</p>	<p>We recommend that authorisation and approval limited are applied and enforced.</p> <p>Management response</p> <p>There are other controls in place that would identify a fraudulent posting, all control and suspense accounts and other balance sheet code are reconciled, and journal entries to revenue codes would be picked up in the budget monitoring. All year end journals and 25% of in year journals are reviewed by a senior member of Strategic Finance. We will increase this to all journals being reviewed by a senior member of Strategic Finance.</p>

Key

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

Action plan

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Inadequate control over privileged accounts within Unit 4</p> <p>We identified that privileged access rights in Unit 4 are linked to the security profile SYSADMIN, which had been assigned to 5 finance users. Although security logging is enabled for login activity, there are no proactive controls in place to monitor the activities of these privileged accounts.</p> <p>Granting SYSADMIN-level access to finance users significantly increases the risk of unauthorised or inappropriate system changes, as these accounts can override application controls. Without active monitoring, malicious or accidental actions – such as altering system configurations, creating or deleting user accounts, or disabling audit logs – may go undetected. This could compromise system integrity, disrupt operations and weaken the overall control environment.</p>	<p>We recommend that management:</p> <ul style="list-style-type: none"> Review all users with SYSADMIN or equivalent privileged access and validate business justification. Remove privileged access from finance users unless absolutely necessary; assign least privilege roles instead. Where privileged access is required, implement compensating controls, such as logging and regular independent review of privileged activity. Use password vaults and session monitoring for privileged accounts. Establish a formal policy for privileged access management, including periodic reviews and approval workflows. <p>Management response</p> <p>Going forward in order to reduce any risk associated with SYSTEM access we will create a new “Agresso Admin” role, which will allow access to Create/Update/Delete certain fixed registers but remove access to the high-risk areas e.g. Accounts Payable and Accounts Receivable. Two of the Senior System Administrators will retain full SYSTEM access this is considered the minimum number of staff necessary to ensure appropriate cover. In addition, a series of automated alerts have been put in place to identify when amendments to fixed registers have been made. These will pick up amendments performed by Agresso Admin and Senior System Administrators and are forwarded to the Senior System Administrators for review. The two Senior System Administrators will receive and review the changes made by each other. Agresso is accessed through Single Sign On through the users force network login. All of the above processes allow for monitoring and review by the senior roles of the activities performed by Agresso Admin. Access to these roles will remain limited and any amendments performed on a one in one out basis and approved by the Senior System Administrators.</p>

Action plan

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Inappropriate segregation of duties as developers have access to the production environment</p> <p>As above, we identified that 5 finance users had been granted SYSADMIN access, allowing them to both develop and implement changes into the production environment. We understand that due to operational constraints, segregation of these roles has not been implemented, and independent monitoring of changes made by these users is not performed.</p> <p>The ability for the same user to develop and deploy changes in the production environment bypasses standard change management controls, increasing the risk of:</p> <ul style="list-style-type: none"> • Unauthorised or untested changes being introduced into production. • System instability or data integrity issues due to lack of independent review. • Fraud or malicious activity going undetected, as there is no segregation or monitoring. 	<p>We recommend that management should:</p> <ul style="list-style-type: none"> • Remove production access from developers and enforce segregation of duties between development and deployment. Where full segregation is not feasible, implement compensating controls, such as independent review of transport logs and change activity. • Document approval of all changes prior to deployment. • Retain evidence for audit purposes. <p>Management response</p> <p>One of the Senior System Administrators is responsible for system development alongside their Strategic Finance role, therefore removal of production access would not be feasible. All developments operate via a project implementation process chaired by the system owner with additional attendance by senior users and representatives from user departments together with the Senior System Administrator – Systems Accountant. All decisions are brought to the group and documented. Any changes made for system development purposes will be captured by the new amendment logging alerts and received and reviewed by the second System Administrator role to ensure the changes made have been authorised through the project process. The project development work is initially scoped and tested in the User Acceptance Testing system by the System Accountant and external consultant in certain cases. Once the new functionality has been built and end user testing signed off, a combination of consultancy and System Accountant then build the changes in the live system. Standard Operating Procedures are then issued and the Systems Accountant then monitors that the new functionality is operating without issue. If / when everything is operating as it should, we then transition to business as usual, with the Systems Accountant moving away from the process.</p>

Action plan

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Late publication of financial statements</p> <p>The draft financial statements were not published until 31 July 2025, after the statutory deadline of 30 June 2025.</p> <p>There is a risk that late publication of draft financial statements will lead to delays in the audit, and the deadline for publishing audited accounts may be at risk.</p>	<p>We recommend that management implements and monitors a strict closedown plan for producing and publishing draft financial statements in line with the statutory deadline.</p> <p>Management response</p> <p>A decision was taken to delay the publication of the accounts due to the timing of internal governance processes which meant the outturn report for 2024/25 was to be approved at a meeting of the Finance and Assurance Board on the 14 July 2025. It was deemed inappropriate for the accounts to be published prior to this meeting as the accounts include the narrative statement which includes details of the outturn position. This would have meant the outturn position would be in public domain in advance of the approval of the outturn position by the PCC. The dates for the meeting of Finance and Assurance Board to approve the outturn report for 2025/26 have been reviewed and enable the report to be approved prior to the statutory deadline for the accounts to be published.</p>
<p>● Medium</p>	<p>Impact of IFRS 16 on PFI liabilities</p> <p>We have identified that management has not updated the PFI models to take account of changes to payments for the lease element arising from changes to an index or rate, as required by the standard.</p> <p>There is a risk that the PFI liabilities are misstated.</p>	<p>We recommend that management update the PFI models to incorporate this change.</p> <p>Management response</p> <p>The PFI models will be updated to take account of changes to payments for the lease element arising from changes to an index or rate, as required by IFRS16.</p>

Action plan

Assessment	Issue and risk	Recommendations
<p>● Medium</p>	<p>Completeness and valuation of right of use assets and lease liabilities</p> <p>Through discussion with management, we have determined that there are gaps in management’s assessment of IFRS 16 and the subsequent right of use assets and lease liabilities. We have identified 6 peppercorn leases without corresponding right of use assets (this is where the liability is minimal but a right of use asset should be valued) and a further 18 right of use assets where the leased land and buildings require revaluation.</p>	<p>We recommend that management re-review the lease register to identify all arrangements that fall within the scope of IFRS 16, and fully determine the associated right of use asset and lease liability balances.</p> <p>Management response</p> <p>The lease register will be fully reviewed to identify all arrangements that fall within the scope of IFRS 16. The associated right of use asset and lease liability balances will be determined in accordance with IFRS 16.</p>
<p>● Medium</p>	<p>Consistency and clarity of capital financing requirement (CFR) and minimum revenue provision (MRP)</p> <p>Some consistency issues have been identified between the CFR note and figures disclosed elsewhere in the financial statements. We have also noted that the MRP working paper contains historic hardcoded data that is difficult to support. There is a risk that insufficient reserves are being set aside.</p>	<p>We recommend that management ensure working papers provide as clear an audit trail as possible, including the support of historic data used in MRP calculations as far as practicable. This will help smooth the rebuilding assurance process.</p> <p>Management response</p> <p>The file path for the working to support the hard coded figure in the MRP working paper has been added to provide a clear audit trail.</p>

Action plan

Assessment	Issue and risk	Recommendations
<p>●</p> <p>Medium</p>	<p>Retention of evidence to support asset valuations</p> <p>While no issues have been identified in our sample testing of asset valuations undertaken during the year, we have identified a deficiency in the retention of supporting evidence. We also noted that management did not robustly challenge the assumptions used by the valuer.</p> <p>There is a risk that inappropriate data is used in asset valuation calculations and cannot be supported.</p>	<p>We recommend that management work with the valuer to retain all supporting evidence used in the asset valuation exercise, and that key assumptions are reviewed and challenged where needed.</p> <p>Management response</p> <p>In the future we will include the requirements for the valuer to ensure they have supporting evidence for the asset valuations in the instruction to the valuers. We will provide the valuer with any evidence we need to provide for them to complete the valuations. The assumptions used by the valuers will be reviewed and challenged where needed.</p>
<p>●</p> <p>Medium</p>	<p>Matching expenditure invoices to the appropriate period</p> <p>We identified some instances of expenditure that spanned both 2024/25 and 2025/26, but were fully recognised in 2024/25.</p> <p>There is a risk that expenditure becomes materially overstated if multiple instances of this recognition occur.</p>	<p>We recommend that management implements a process to identify instances of expenditure covering multiple financial years and allocate the expenditure to the appropriate financial period.</p> <p>Management response</p> <p>It was agreed with previous auditors that any new contracts would be split and recognised in the year the costs relate to, but for those contracts that were already in place the costs would continue to be recognised in full in the year the cost was incurred because of the effect this would have on the outturn position of the force. This issue will be addressed in the 2025/26 accounts with the relevant costs written forward into 2026/27. The current process for accruals is sufficient to identify invoices that cover multiple financial years.</p>

Follow up of prior year recommendations

Assessment

- ✓ Action completed
- ✗ Not yet addressed

We identified the following issues in the audit of the 2023/24 financial statements, which resulted in 14 recommendations being reported in our 2023/24 Audit Findings Report. We have set out an update on each of these recommendations below.

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
✗	<p>Journals not subject to review or authorisation</p> <p>We recommended that controls are implemented to ensure all journals are authorised by an appropriate staff member.</p>	<p>We understand from management that all accrual journals and journals posted after year end are now reviewed by a senior member of Strategic Finance, demonstrating that they are starting to address this issue. However, it is still possible for journals to be posted without authorisation. This recommendation will only be fully addressed when all journals are subject to review.</p>
✓	<p>Significant off-ledger adjustments</p> <p>We recommended that off-ledger adjustments are reduced, with off-ledger adjustments being processed as an exception and being subject to enhanced review and authorisation processes.</p>	<p>New account codes have been set up to separate short-term and long-term balances, reducing the need for off-ledger adjustments. We have confirmed this as part of our reconciliation procedures between the trial balance and draft accounts.</p>

Follow up of prior year recommendations

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
✓	<p>Inappropriate user access for journal entries</p> <p>We recommended that user access rights for the Head of Finance and the Chief Finance Officer are reviewed and limited where appropriate.</p>	<p>Access has been rescinded for journal entries for the Head of Finance and Force Chief Finance Officer. We have confirmed that no journals were posted by either user during the 2024/25 financial year and that access has been rescinded within the system.</p>
✓	<p>Retention of supporting documentation for journal entries</p> <p>We recommended that all supporting workings for journals are retained and can be easily accessed for review and audit purposes.</p>	<p>Management have confirmed that instructions for retaining supporting documentation have been incorporated into year end guidance and communicated to staff. We did not identify any issues relating to retention of evidence when performing our testing procedures.</p>

Follow up of prior year recommendations

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
✓	<p>Restrictions on auditor access</p> <p>We recommended that full access is provided to the audit engagement team to enable us to perform our procedures and complete our work.</p>	<p>The IT audit team has been able to perform the required procedures for the 2024/25 audit, and whilst progress on this was delayed due to challenges in obtaining the necessary information and supporting documentation, the work is now complete. Deficiencies were identified from this work and we have raised recommendations in response.</p>
✓	<p>Production of appropriate debtor and creditor listings</p> <p>We recommended that management maintain a 'clean' list of year-end balances for debtors and creditors, without 'in and out' transactions or aggregated opening balances brought forward.</p>	<p>Individual transactional listings for each of the debtor and creditor control codes were provided for the 2024/25 audit, alongside a breakdown of transaction types to enable the audit team to more effectively identify and exclude opening or brought forward balances.</p>

Follow up of prior year recommendations

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
✓	<p>Revaluation programme for property assets</p> <p>We recommended that a comprehensive valuation exercise is undertaken in the year ended 31 March 2025 and that the valuation date be moved to coincide with the balance sheet date, i.e. 31 March, to accelerate the process of rebuilding assurance in this area.</p>	<p>The external valuer engaged for 2024/25 was instructed to revalue all land and building assets (27 full and 24 desktop valuations) as at the year end date of 31/03/2025. We have obtained the valuation report and confirmed that all assets listed within the fixed asset register have been included and that the valuation is as at 31/03/2025. We have raised a separate recommendation in relation to reconciling the valuer's report to the fixed asset register and financial statements.</p>
<p>X</p> <p>(new recommendation raised)</p>	<p>Fixed asset register reconciliation to the general ledger</p> <p>We recommended that a reconciliation is prepared and reviewed at the time of preparing the financial statements and retained for an audit trail.</p>	<p>We have been unable to successfully reconcile the fixed asset register to the property, plant and equipment note within the draft financial statements. Management have not provided a final version of supporting working papers or evidence of a final reconciliation. We have raised a new recommendation to replace this one.</p>

Follow up of prior year recommendations

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
X	<p>Actuarial reports for both the PCC and Chief Constable</p> <p>We recommended that management obtain separate LGPS IAS 19 reports from the actuary for the PCC and Chief Constable. This will provide a more accurate basis for the pension liability estimate in the financial statements.</p>	<p>No separation of liabilities was implemented in 2024/25 due to timescales and materiality issues. Management have confirmed that they will engage with the Pension Fund Scheme providers to review options for 2025/26 and understand what can be done to achieve these requirements.</p>
✓	<p>Value of joint venture in both the PCC and group financial statements</p> <p>We recommended that management collate documentation to support the values included in both the PCC and group accounts. This will include obtaining a valuation of property assets included in the joint venture entity as at 31 March 2025.</p>	<p>External valuations for the Joint HQ and Training Centre have been obtained for 2024/25. We obtained the valuation report from management and substantively tested the valuations for these two assets. An error was identified in the valuation for the Joint Training Centre, and this has been reported in the adjustments section of the report on page 45.</p>

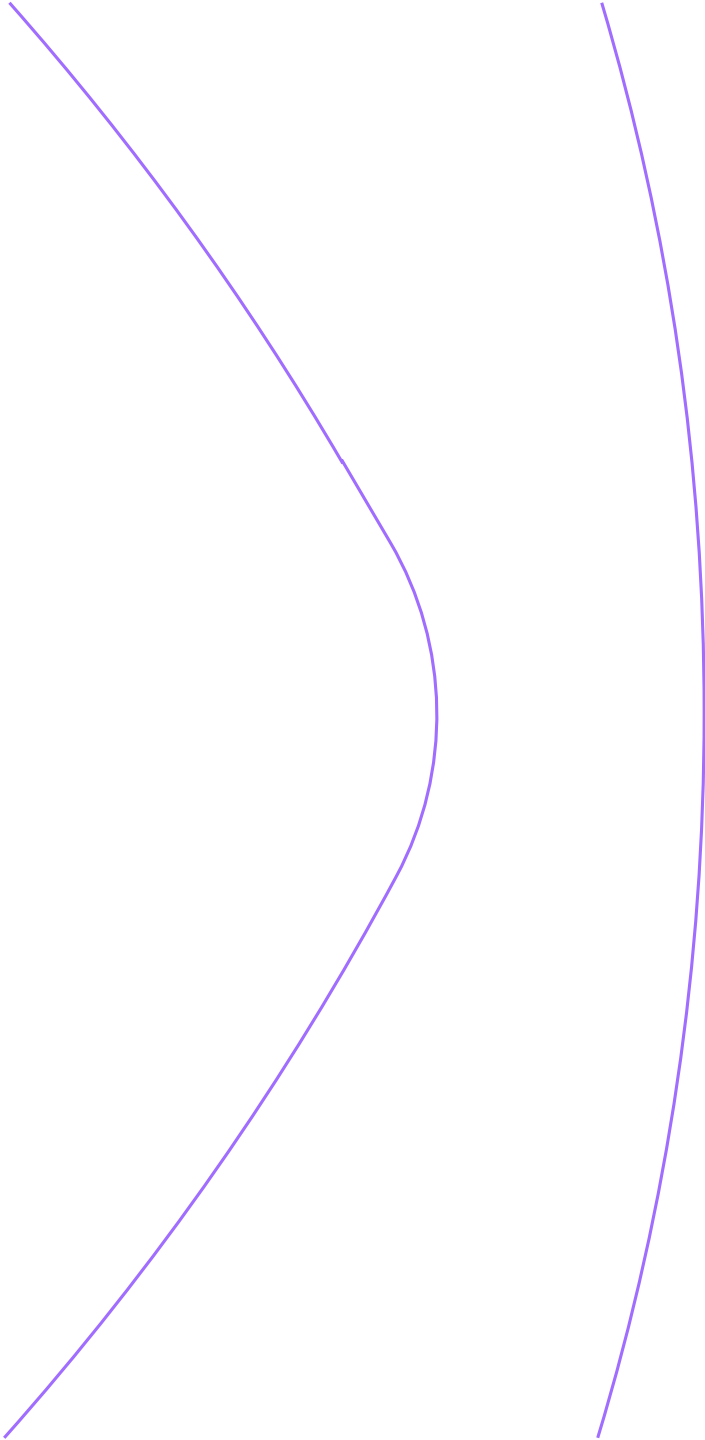
Follow up of prior year recommendations

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
X	<p>Review of intra-group accounting treatment</p> <p>We recommended that management undertakes a review of the accounting treatment of intra-group balances and transactions, including the presentation of these in both the PCC and Chief Constable financial statements. This review should be documented and make reference to accounting standards and the Code where relevant.</p>	<p>Management has confirmed that they are satisfied the accounting treatment and presentation of the intra-group balances is correct and reflects the underlying transactions. They acknowledge, however, that the narrative and clarity of the presentation could be improved for the reader. Due to resourcing constraints, no changes were made in the 2024/25 financial statements, and the approach remains consistent with the prior year.</p>
✓	<p>Estimation uncertainty disclosure</p> <p>We recommended that, subject to the estimation uncertainty being material, the disclosure should include:</p> <ul style="list-style-type: none"> the carrying value of the assets at 31 March that the uncertainty applies to; the nature of the uncertainty: what the key input/assumption is that might change between 31 March of the current year and 31 March of the following year that might change the carrying value of the assets; and sensitivity analysis: what management reasonably expects that key input/assumption to change by in that period and the impact that would have on the carrying value. 	<p>We have reviewed the draft estimation uncertainty disclosure for 2024/25 and concluded that the estimation uncertainty is not material, as such the disclosure is not required for 2024/25 and will be removed from the financial statements.</p>

Follow up of prior year recommendations

Assessment	Recommendation previously communicated	Update on actions taken to address the issue
X	<p>Member data and benefits paid relating to the PPS</p> <p>We recommended that management holds discussions with the appropriate personnel to ensure that the required reports and evidence are provided for audit in a timely manner.</p>	<p>Management confirmed that the information required from XPS was requested in April 2025 following the audit team's initial notification. This information was provided and reconciled in January 2026, nine months after the initial request. No issues were identified from our testing in this area.</p>
✓	<p>Declarations of interests</p> <p>We recommended that senior employees are asked to declare all interests to ensure that management can then interrogate the ledger for transactions that may have occurred during the year. We also recommend that these declarations are obtained on an annual basis (or sooner if changes occur) and that these are retained for audit trail purposes.</p>	<p>Declarations of interest have been obtained for all members of the Senior Leadership Team. However the audit team has obtained and reviewed each of the declarations against the related party disclosure and Companies House records and identified one undisclosed related party, as per the disclosure adjustment on page 47.</p>

Value for Money arrangements



Value for Money arrangements

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

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

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



Improving economy, efficiency and effectiveness

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



Financial sustainability

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



Governance

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

In undertaking this work we have not identified any significant weaknesses in arrangements. Our Joint Auditor's Annual Report was reported to you in December 2025.

Independence considerations

Independence considerations

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

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

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Chief Constable, PCC or group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Chief Constable, PCC or group.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment at the Chief Constable, PCC or 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, the Chief Constable, PCC or group, senior management or staff (that would exceed the threshold set in the Ethical Standard).

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

Fees and non-audit services

The following tables below sets out the total fees for audit services that we have been engaged or charged from the beginning of the financial year to February 2026, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

No non-audit or audited related services have been undertaken for the group, PCC or Chief Constable.

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

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Derbyshire Police.

Audit fees	PCC	Chief Constable
Scale fee	£106,434	£55,972
Additional fee for Joint Controlled Operations work (subject to PSAA approval)	£2,666	£1,333
Total audit fees (excluding VAT)	£109,100	£57,305

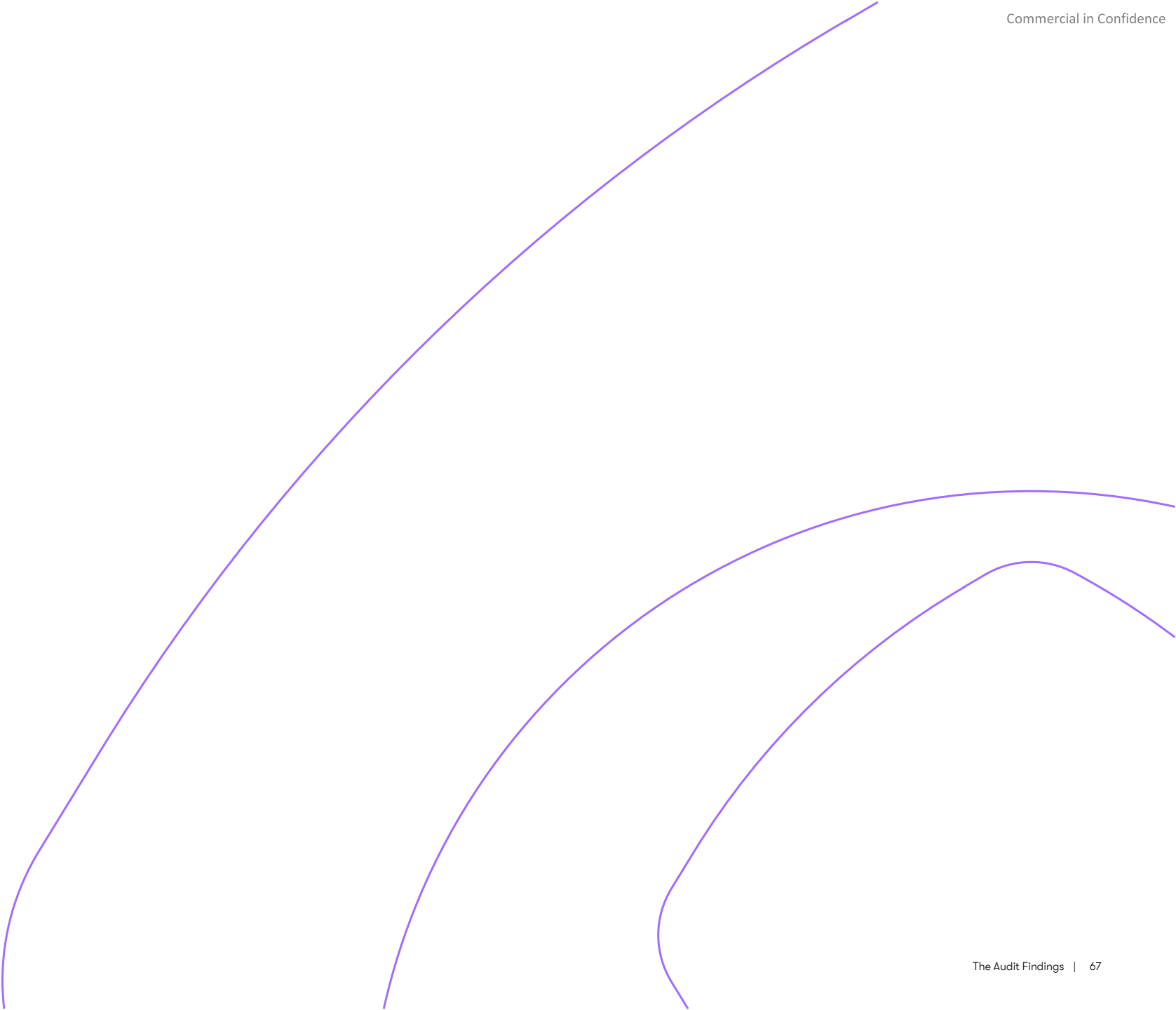
The above fees are exclusive of VAT.

The scale fees agree to the financial statements, which show rounded fees of £106k and £56k for the PCC and Chief Constable respectively.

The proposed additional fees reflect that the scale fee does not take account of the additional procedures we must perform in relation to the group's interests in joint controlled operations. This is subject to PSAA approval.

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

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		●

A. Communication of audit matters with those charged with governance

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

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

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

Respective responsibilities

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

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

Distribution of this Audit Findings report

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

B. Management letters of representation

We have requested separate letters of representation from management for the PCC and the Chief Constable. These letters include representations on the unadjusted misstatements as included in this audit findings report, as well as specific representations relating to the provision of information before the backstop date for property, plant and equipment, the Local Government Pension Scheme net pension liability and reserves.

C. Audit report – PCC

Independent auditor's report to the Police and Crime Commissioner for Derbyshire

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of the Police and Crime Commissioner for Derbyshire (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2025, which comprise the group's and Police and Crime Commissioner's Comprehensive Income and Expenditure Statements, the group's and Police and Crime Commissioner's Balance Sheets, the group's and Police and Crime Commissioner's Movement in Reserves Statements, the group's and Police and Crime Commissioner's Cash Flow Statements and notes to the financial statements, including material accounting policy information, and include the police pension fund financial statements comprising the Fund Account, Net Assets Statement and notes to the pension fund accounts. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

We do not express an opinion on the accompanying financial statements of the Police and Crime Commissioner or the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the 'Regulations') require the Police and Crime Commissioner to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 (the 'backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 27 February 2025, we issued a disclaimer of opinion on the Police and Crime Commissioner's and the group's financial statements for the year ended 31 March 2024. We were not able to obtain sufficient appropriate audit evidence by 28 February 2025, the previous backstop date, that the financial statements were free from material misstatement. We were therefore unable to obtain sufficient appropriate audit evidence over the corresponding figures or whether there was any consequential effect on the Police and Crime Commissioner's and the group's Comprehensive Income and Expenditure Statements for the year ended 31 March 2025 for the same reason.

As a result of the limitations imposed by the backstop date, we have been unable to obtain sufficient appropriate audit evidence over the Police and Crime Commissioner's and the group's opening balances reported in the financial statements for the year ended 31 March 2025. Consequently, we have been unable to satisfy ourselves over the in-year movements in the Local Government Pension Scheme (LGPS) pension net liability, the Police Pension Scheme liability and property, plant and equipment. This has also resulted in uncertainty over the Police and Crime Commissioner's and the group's closing balances of property, plant and equipment of £48.875 million and £67.729 million respectively as at 31 March 2025. Similarly, we have not been able to obtain assurance over the Police and Crime Commissioner's and the group's closing reserves balances of £39.554 million and £1,499.854 million respectively as at 31 March 2025, also due to the uncertainty over their opening amount.

There remains uncertainty regarding the allocation of the LGPS pension net liability at 31 March 2025 between the Police and Crime Commissioner and the Chief Constable. This uncertainty does not relate to the Police Pension Scheme and affects reserves and pension liabilities at the Police and Crime Commissioner.

In addition, our audit identified significant control deficiencies in the Police and Crime Commissioner's financial accounting and record keeping. The Police and Crime Commissioner was not able to provide sufficient appropriate audit evidence to support the closing balances of property, plant and equipment and associated disclosures reported in the financial statements as at 31 March 2025.

We have concluded that the possible effect of these matters on the financial statements could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Police and Crime Commissioner to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

C. Audit report – PCC

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, 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.

Opinion on other matters required by the Code of Audit Practice

The Chief Operating Officer & s151 Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Police and Crime Commissioner's and group's financial statements and our auditor's report thereon. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Police and Crime Commissioner gained through our work in relation to the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;

we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Police and Crime Commissioner and the Chief Operating Officer & s151 Officer

As explained more fully in the Statement of Responsibilities for the Accounts, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Operating Officer & s151 Officer. The Chief Operating Officer & s151 Officer is responsible for the preparation of the Statement of Accounts, which includes 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 2024-25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Operating Officer & s151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Operating Officer & s151 Officer is responsible for assessing the Police and Crime Commissioner's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Police and Crime Commissioner's and the group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

C. Audit report – PCC

We are independent of the Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matters described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory requirements – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;

Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and

Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

C. Audit report – PCC

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for Derbyshire for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature**]**

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

[Date**]**

C. Audit report – Chief Constable

Independent auditor's report to the Chief Constable for Derbyshire

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of the Chief Constable for Derbyshire (the 'Chief Constable') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and notes to the financial statements, including material accounting policy information, and include the police pension fund financial statements comprising the Fund Account, Net Assets Statement and notes to the pension fund accounts. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

We do not express an opinion on the accompanying financial statements of the Chief Constable. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the 'Regulations') require the Chief Constable to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 (the 'backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 27 February 2025, we issued a disclaimer of opinion on the Chief Constable's financial statements for the year ended 31 March 2024. We were not able to obtain sufficient appropriate audit evidence by 28 February 2025, the previous backstop date, that the financial statements were free from material misstatement. We were therefore unable to obtain sufficient appropriate audit evidence over the corresponding figures or whether there was any consequential effect on the Chief Constable's Comprehensive Income and Expenditure Statement for the year ended 31 March 2025 for the same reason.

As a result of the limitations imposed by the backstop date, we have been unable to obtain sufficient appropriate audit evidence over the Chief Constable's opening balances reported in the financial statements for the year ended 31 March 2025. Consequently, we have been unable to satisfy ourselves over the in-year movements in the Local Government Pension Scheme pension net liability, the Police Pension Scheme liability and property, plant and equipment. This has also resulted in uncertainty over the closing balance of property, plant and equipment of £18.854 million as at 31 March 2025. Similarly, we have not been able to obtain assurance over the Chief Constable's closing reserves balance of £1,541.892 million as at 31 March 2025, also due to the uncertainty over their opening amount.

There remains uncertainty regarding the allocation of the Local Government Pension Scheme (LGPS) pension net liability at 31 March 2025 between the Police and Crime Commissioner and the Chief Constable. This uncertainty does not relate to the Police Pension Scheme and affects reserves and pension liabilities at the Chief Constable.

In addition, our audit identified significant control deficiencies in the Chief Constable's financial accounting and record keeping. The Chief Constable was not able to provide sufficient appropriate audit evidence to support the closing balances of property, plant and equipment and associated disclosures reported in the financial statements as at 31 March 2025.

We have concluded that the possible effect of these matters on the financial statements could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Chief Constable to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, 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.

C. Audit report – Chief Constable

Opinion on other matters required by the Code of Audit Practice

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Chief Constable's financial statements and our auditor's report thereon. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Chief Constable gained through our work in relation to the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;

we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Chief Constable and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Accounts, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes 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 2024-25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Chief Constable's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

C. Audit report – Chief Constable

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matters described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory requirements – the Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor’s responsibilities for the review of the Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;

Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and

Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

C. Audit report – Chief Constable

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Derbyshire for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature**]**

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

[Date**]**



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