

Audit Completion Report

Police and Crime Commissioner for Gloucestershire and Chief
Constable of Gloucestershire

For the year ended 31 March 2026



Ref:
Date: 21 September 2026

Police and Crime Commissioner for Gloucestershire and Chief Constable of Gloucestershire
Office of the Police and Crime Commissioner for Gloucestershire
No 1 Waterwells
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Quedgeley Drive
Gloucester
GL2 2AN

Dear Sirs and Madams

The Police and Crime Commissioner for Gloucestershire and the Chief Constable of Gloucestershire – Audit Completion Report

We are pleased to attach our Audit Completion Report. This report summarises our audit conclusions, highlights the key findings arising from our work and details a number of points that we would like to discuss further with you.

We have initially discussed the contents of our report with management and incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of the Police and Crime Commissioner for Gloucestershire ("the PCC") and the Chief Constable of Gloucestershire ("the CC") and should not be shared with anyone beyond the PCC or CC without our prior approval.

We would like to take this opportunity to thank the finance team for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited

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1. Executive summary

Status of audit

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the PCC, CC, and the group at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Our audit is largely complete, however, is subject to the resolution of certain outstanding queries outlined in section 2.

Key audit issues

Within our Audit Plan which was presented to the Audit Committee in March 2026, we outlined a number of risks that we considered to be of particular significance to the audit. Our plan also detailed our planned approach for addressing each of these risks.

The specific significant risks highlighted were as follows:

- Management override of controls;
- Valuation of land and buildings
- Valuation of the pension fund net liability (for both the Local Government Pension Scheme (LGPS) and Police Pension Scheme (PPS).

Our audit work has been satisfactorily completed on each of the above areas, except the valuation of the LGPS pension fund liability for which we are awaiting the receipt of the pension fund auditor assurances, and is further detailed in section 2 of this report.

Audit Adjustments

During the course of our work, adjustments were identified and, on agreement of management, were adjusted in the financial statements.

Further adjustments were proposed but not made, as those charged with governance do not consider them to be material to the financial statements. We accept this explanation.

Full details of the adjustments identified are included in section 5 to this report.

Management Letter Points and Internal Control Matters

A number of control points were identified during the course of our work and these are further detailed in section 8 to this report. Of the matters noted, none are considered to have an important effect on your system of internal control.

Value for Money

We are also required to satisfy ourselves that the PCC, CC, and the group has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026. The Code requires us to report on the PCC, CC, and the group's arrangements under three specified reporting criteria:

- Financial sustainability – how the PCC, CC, and the group plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the PCC, CC, and the group ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the PCC, CC, and the group uses information about its costs and performance to improve the way it manages and delivers its services.

Our work has identified two significant weaknesses; see section 8 for more details. The results of the Value for Money work are reported separately in our Auditor's Annual Report.

Independence

The FRC Ethical Standard and ISA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which you have an interest.

We are not aware of any relationships that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgment, Bishop Fleming is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

2. Introduction

Responsibilities of the audited body

The audited body is responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary. Therefore, it is essential that it confirms that our understanding of all matters referred to in this report are appropriate, having regard to its knowledge of the particular circumstances.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of the PCC, CC, and the group.

In consequence, our work did not encompass a detailed review of all aspects of the system and controls and cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might reveal.

Materiality

In carrying out our audit work we have considered whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in context of the financial statements as a whole.

In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements.

	Basis of materiality	Amount
The Police and Crime Commissioner for Gloucestershire and the Chief Constable of Gloucestershire	2% of the lowest gross expenditure within the group (the Chief Constable's).	£4.051m

The level of materiality was adjusted compared to that determined in our Audit Plan following receipt of the 2025/26 draft accounts.

Anticipated audit report

Subject to the satisfactory resolution of the outstanding items, and to receiving all outstanding information set out below, we anticipate issuing an unmodified audit report on the financial statements of the PCC, CC, and the group for the year ended 31 March 2026.

Letter of Representation

The draft letters of representation for the PCC and CC are attached at Appendix 1 and 2.

Update on our planned approach

Our audit work was carried out in accordance with our Audit Plan in response to the perceived audit risks. No matters were identified which required us to change our approach and no additional risks were identified.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- Final senior review of workings papers and the accounts
- Update on recoverability of debtor balances prior to signing of the auditor's report

We will also need to complete the following tasks as part of our usual completion procedures:

- Consideration of any post balance sheet events prior to opinion being issued
- Final review of the financial statements
- Confirmation of the approval of the financial statements by the PCC, CC, and the group
- Receipt of the signed management representation letter

Confidentiality

This document is strictly confidential and although it has been made available to those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the PCC and the CC arising under the Local Audit and Accountability Act 2014 (the Act) and from the Code. The contents of this report should not be disclosed to third parties without our prior written consent.

3. Accounts and audit process

The preparation of the financial statements is a vital process for the management of the PCC, CC, and the group and one which should be performed on a timely basis. We met with senior officers as part of our planning work to discuss how we would work together to make the audit process effective.

We discussed key accounting issues early, so they could be considered before the audit commenced.

	2026		2025	
Readiness for audit		Amber		Red
Quality of financial statements		Green		Green
Accuracy of financial records		Green		Green
Quality of working papers		Green		Green
Availability of Staff		Green		Green

Key (Impact on audit approach)

None or limited impact (Green)	
Some impact (Amber)	
Significant impact (Red)	

We invested significant time into the audit running as smoothly as possible. During the final audit, we had regular calls with the finance team. In addition to this, the team had an on-site presence during the final audit fieldwork.

As a result of the investment made by both parties, the audit has generally proceeded very smoothly, although some areas have taken longer to audit than we had expected. These included the VFM work where we did not receive the full assessment and final supporting documentation until the end of the fieldwork.

We are keen to continually improve our service and the effectiveness of the process and, therefore, will hold a debrief discussion with management to identify areas where this might be possible.

Readiness for audit

We were provided with an incomplete copy of the unaudited financial statements ahead of the publication date on 30 June. However, the full version was not published until 10 July 2026, after the statutory deadline. We have raised an MLP in respect of this in section 8.

In addition, as noted above, we did not receive the full information to support our VFM work in a timely manner, with documentation requested in March 2026 not being received until August. Other information requested during the onsite fieldwork was generally provided promptly to our staff.

Quality of financial statements

We have not identified any significant omissions from the draft financial statements. There are some non-material adjustment and disclosure amendments identified, but no significant or material errors other than the technical accounting adjustment required to the year end pension entries.

Accuracy of financial records

The majority of the underlying financial records were accurate, agreed to the information provided in the audit file and were easy to understand.

Quality of working papers

While the quality of the working papers and supporting evidence provided was generally good, with minimal follow-up required or queries raised.

Availability of Staff

Key members of the finance team made themselves available to us throughout the audit where possible. We were kept informed of any instances when staff were not available.

4. Audit risks

Significant risks:

Management override of controls	
Significant Risk We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed. <i>Applies to both entities and group</i>	Work done and conclusion To address this risk, we have: • reviewed the reasonableness of accounting estimates and critical judgements made by management; • tested journals with a material impact on the results for the year; and • considered a sample of other journals with key risk attributes. In testing journals, we used data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors. We have not identified any material errors from our work carried out.

Significant Risk

There is a risk over the valuation of land and buildings due to the high degree of estimation uncertainty, and judgements involved in build valuations.

Work done and conclusion

To address this risk, we have:

- held early discussions with key officers to ascertain how the Code changes required are being implemented and whether proposed actions are in line with the guidance;
- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- for assets not formally revalued in the year we assessed the indices used to value these up the year end date;
- for assets not formally revalued in the year, reviewed the indices selected by management to ensure they are:
 - o verifiable;
 - o relevant to the asset type and the location of the asset; and
 - o appropriate for 31 March.
- considered whether Indices have been applied to carrying amounts in accordance with the requirements of the Code, that the selection of accounting policies is reasonable and appropriate to the PCC, CC, and group's circumstances and that accounting treatments have been applied consistently across asset types.

We have not identified any material errors from our work carried out. We discuss the impact of the change to the CIPFA Code of Practice in more detail in section 6.

Valuation of the pension fund net liability (LGPS)

Significant Risk

There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;
- considered the accuracy and completeness of the information provided to the actuary;
- ensured that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;
- carried out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtained assurances from the auditor of Gloucestershire Pension Fund in respect of the controls around 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, including specific assurances over the triennial valuation.

Our findings showed the assumptions used are consistent with our expectations and those used by other actuaries at 31 March 2026. Before consideration of the impact of an asset ceiling, the pension valuation on the LGPS has moved from a net surplus position of £75.6m to a surplus position of £89.4m (excluding unfunded liabilities).

The key driver of that change was the increase in the discount rate used by the actuaries in the LGPS, which results in a decrease in the net present value of your share of the scheme liabilities. The discount rate increased from 5.8% to 6.3%.

Key assumptions	2024/25	2025/26
Discount rate	5.8%	6.3%
CPI / pension increase assumption	2.75%	3%
Salary increases	3.25%	3.5%

Under IFRS, additional guidance is provided in IFRIC 14 on the extent to which a defined benefit pension asset should be recognised. The actuary has produced an asset ceiling report that demonstrates that by following the IFRIC 14 none of this asset should be recognised. We have identified one required adjustment for £4.4m relating to interest on the effect of the asset ceiling, which had been included in remeasurements in the CIES but should be applied to the net interest instead.

Additionally, we note that there is a £1m unfunded liability disclosed this year. This is the correct treatment for this amount and we identified an unadjusted misstatement in our prior year reporting as the equivalent liability in 2024/25 had not been disclosed in this manner.

Our work in this area is complete except for the receipt of the assurance letter from the auditor of Gloucestershire Pension Fund (KPMG) and any procedures arising as a result of this.

Valuation of the pension fund net liability (PPS)

Significant Risk

There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;
- considered the accuracy and completeness of the information provided to the actuary;
- ensured that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;
- carried out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and

Our findings showed the assumptions used are consistent with our expectations and those used by other actuaries at 31 March 2026. The pension valuation on the PPS has remained consistent year on year, moving from a deficit position of £937.7m to a deficit position of £937m.

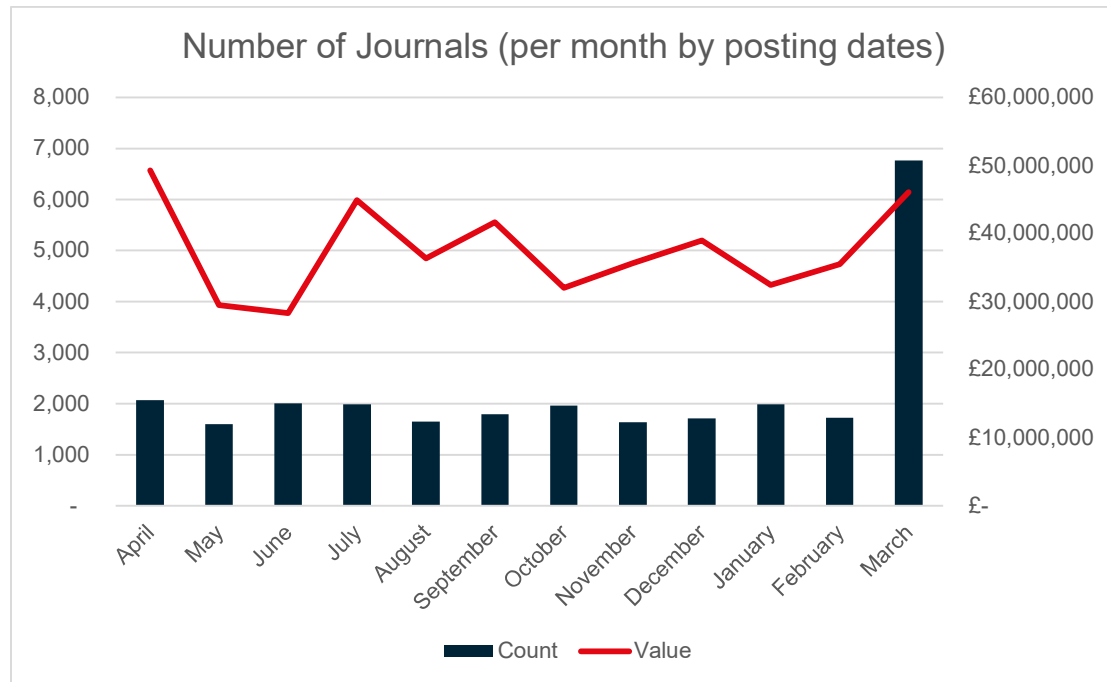
The changes in the assumptions used have broadly offset each other. The discount rate used by the actuaries in the PPS has increased, which results in a decrease in the net present value of your share of the scheme liabilities, offset by an increase in the anticipated pension and salary increase rates, which will increase the net present value.

Key assumptions	2024/25	2025/26
Discount rate	5.8%	6.2%
CPI / pension increase assumption	2.8%	3%
Salary increases	3.15%	3.3%

As part of our planning, we rebutted the risks of fraud in revenue recognition (required under the ISAs) and fraud in expenditure recognition (required under the Financial Reporting Council's Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom). Nothing has been identified to change our conclusions in this area.

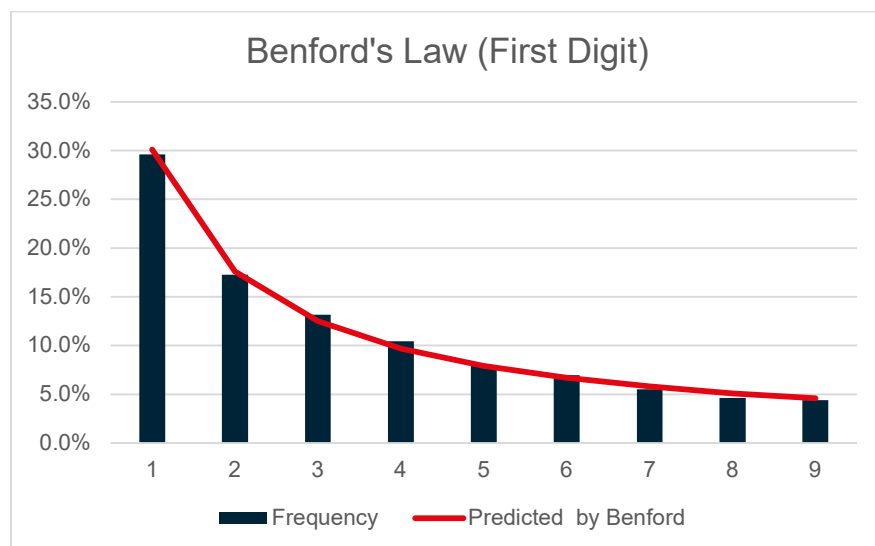
5. Audit Insights

Journals by month



Journal counts are largely consistent during the year, varying between 1,500 and 2,000 postings per month. There is a significant increase in journal postings at the year end, jumping to around 6,750 journals posted. This is due to the year-end closedown being undertaken with significant numbers of accruals being posted.

Benford's Law Review



Benford's Law states that in a natural collection of numbers, the leading significant digit is likely to be small and follow a logarithmic curve. This is analysed to assess whether there is a heightened risk of fraud due to unusual data being posted that is not in line with what is deemed a normal data set.

From the data set of all journals posted during the year, the first digit entries are present almost exactly in line with Benford's Law.

From this analysis, no further risk has been presented.

6. Other audit and financial reporting matters

1) Change in valuation approach

The CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26*, which applies to financial years commencing on or after 1 April 2025, introduced a revised approach to the valuation of non-investment property, plant, and equipment.

The revisions were driven by recommendations raised by HM Treasury's Thematic Review of Non-investment Asset Valuation. The objective of the revisions was to reduce the cost, complexity and audit effort associated with annual revaluations based on feedback received from authorities and auditors.

Under the previous Code, assets measured at current value were required to be revalued where their carrying amount differed materially from current value at the reporting date. In practice, for many authorities this meant that all such assets were revalued every year.

The revised Code for 2025/26 requires relevant assets to be formally revalued either once every five years or through a five-year rolling programme, with annual indexation applied in the intervening years to keep their values materially up to date. Where a suitable index cannot be obtained without undue cost or effort, an authority is required to undertake a quinquennial revaluation supplemented by a desktop revaluation in year three. There is no longer a requirement to undertake "out of cycle" valuations.

In 2024/25, all assets were formally valued. The PCC and CC therefore had the option under the revised Code to value all assets on the basis of indexation for the next four years beginning 2025/26, which has been taken up.

We have discussed this process with you, and the valuer, and understand the following indices have been used:

- BCIS All-in TPI (a building cost inflation index applied to specialised assets held at depreciated replacement cost)
- CoStar and MSCI market rental regional data (indices applied to non-specialised assets held at existing use value e.g. offices to recognise market movements)
- Percentage movement from published reports from Knight Frank/Savills/LSH (applied to commercial land)

From our work performed, we consider that the indices selected were appropriate and in line with general practice in the sector. We have undertaken further work on asset valuations as discussed in section 4.

7. Audit Adjustments

In accordance with the requirements of International Standards on Auditing, we must communicate all adjusted and unadjusted items identified during our audit work, other than those which we believe to be clearly insignificant.

Adjusted items

All adjusted misstatements are set out in detail below along with the impact on the key statements for the year ended 31 March 2026:

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
The interest on the effect of the asset ceiling should net off the interest included in financing and investment income and therefore should be included in the surplus or deficit on the provision of services.	4,381	4,381		
It has currently been included in the remeasurement of the net defined benefit liability in other comprehensive income. The adjustment will amend this on the face of the CIES and also the adjustments through the MIRS. The total comprehensive income and expenditure and the final reserves position are unaffected.				
Total	4,381	4,381		

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification/ Disclosure change	Audit comment	Adjusted?
The narrative report included some inconsistencies with the accounts and insufficient detail on areas such as operational performance (e.g. not acknowledging the outcomes of HMICFRS reviews).	These have now been updated.	✓
A note was included in respect of IFRS 16 transition suggesting the year-end reassessment of the lease liability was an adjustment to opening balances under the transitional arrangements, which only applied to 2024/25.	This has now been amended.	✓
Note numbering had skipped from 6 to 8. Disclosure notes from 6 onwards were therefore all amended and references appropriately updated.	This has now been amended.	✓
Other minor misclassifications and disclosure changes have been made throughout the accounts.	All expected issues have been amended.	✓

Unadjusted items

The table below provides details of adjustments identified during the 2025/26 audit which have not been made within the final set of financial statements. The PCC and the CC are required to approve management's proposed treatment of all items recorded within the table below. (These are also set out in the Letters of Representation.)

	Comprehensive Income and Expenditure Statement	Balance sheet
--	--	---------------

	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
No unadjusted items identified to date.				
Total				

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year which had not been made within the final set of 2024/25 financial statements. We do not consider these to impact on the 2025/26 audit.

Detail	Comprehensive Income and Expenditure Statement (£'000)	Balance sheet (£'000)	Reason for not adjusting
In their ISA 260 KPMG reported an overstatement of pension fund assets in Gloucestershire Pension Fund of £2.7m. Adjusting for the Constabulary's share of assets, this means here is a non-trivial but immaterial overstatement of pension assets (and therefore understatement of the pension liability). Dr Pensions reserve Cr Pension fund liability	189	(189)	Immaterial
The unfunded liability of £1.129m on the LGPS pension has been netted off when adjusting for the asset ceiling. The unfunded element is not covered by the asset ceiling and therefore should be accounted for separately. Dr Pensions reserve Cr Pension fund liability (Note this has been accounted for correctly in the current year)	1,129	(1,129)	Immaterial

8. Management letter points and internal control systems

The PCC, CC, and group's management is responsible for the identification, assessment and monitoring of risk, for developing, operating and monitoring the systems of internal control and for providing assurance to the PCC and the CC as 'Those Charged with Governance' that it has done so.

In accordance with the terms of our engagement we have not provided a comprehensive statement of all issues which may exist in the accounting and internal control systems or of all improvements which may be made, but outline below our observations arising from the audit; none of which are considered significant.

KEY:



Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements.



Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.



Observations refer to issues that would, if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements.

Current Year Issues

Accounts preparation 	
Draft accounts were provided to us in a near-complete form in mid-June 2026. However, the unaudited accounts were not published until 10 July 2026, after the publication date, due to delays in finalising the senior officer remuneration disclosures. This is the second year in a row in which the statements have been published after the statutory deadline, although we note the overall significant improvement in 2025/26.	<u>Recommendation</u> We recommend that management streamline processes for accounts production in order to ensure that the unaudited statement of accounts is published in line with the statutory deadline of 30 June each year. <u>Management comment</u> Lessons have been learned from this year's process. The Finance Team has reviewed the current accounts production process and has already identified a number of opportunities to improve efficiency and streamline procedures. Management is confident that these improvements will enable the statutory publication deadline of 30 June 2027 to be met for the 2026/27 Statement of Accounts. The delay in publishing the 2025/26 unaudited accounts arose from the unavailability of P11D information from the County Council payroll team. However, it has subsequently been recognised that publication of the accounts need not have been delayed pending receipt of this information. This learning has been incorporated into the planning process for 2026/27.

Prior Year Issues – Unresolved

Provision for bad debt 	
Work on debtors identified that there was no provisions for bad debt. There was no bad debt policy. This can lead to some ambiguity as to when a bad debt should be accounted for, which potentially can cause the debtors to be overstated.	<u>Prior year recommendation beginning 2022/23</u> It was recommended that the PCC and Chief Constable create and implement a formal bad debt policy document which can be followed by all finance staff. This should set out how and when a bad debt should be recognised. There were only minor updates to this position in 2023/24 and 2024/25. <u>2025/26 update</u> Our review of debtors in year identified that debt recovery processes require improvement. The debtors system is configured to issue only one automatic reminder 40 days after an invoice is raised with no further follow-up reminders. The exchequer team is operating without the necessary resources in place and therefore debt recovery is below where it might be expected to be, with no further provision having been made for possible write-offs or identified bad debts. Our testing identified 8 items totalling £185k which have been outstanding for over 5 years and have neither been recovered nor written off, and have also not been provided for. <u>2025/26 Management comment</u> Management accepts the finding and recognises that improvements are required to strengthen debt recovery processes and the management of aged debt. Additional capacity is being added to the Exchequer team through the recruitment of a new Finance Officer, who is expected to join during 2026/27. This will support a more proactive credit control function and improve the monitoring and recovery of outstanding debts. We have also implemented enhancements to the finance system to enable the generation of monthly debtor statements, which are currently being tested prior to full implementation. Further system developments will be progressed during 2026/27 to strengthen automated debt recovery processes and improve the timely escalation of overdue debts. In response to the specific issues identified, a detailed review of all aged debt balances will be undertaken during 2026/27, including the items identified as being over five years old. Appropriate action will be taken to recover outstanding amounts where possible, and where recovery is no longer considered likely, debts will be assessed for write-off in accordance with the Scheme of Delegation and reflected in accounting provisions where required. A formal Bad Debt Policy will be developed and adopted by the end of 2026/27 to provide a consistent framework for debt recovery, provisioning and write-off decisions.

Prior Year Issues – Resolved

Journal approval	
We found that journals are not subject to approval prior to posting and once posted are not subject to regular review.	<u>2023/24 recommendation</u> We recommend that journals are subjected to an approval and/or review process to ensure erroneous journals are spotted prior to posting. <u>2023/24 Management comment</u> The year-end closedown journals are prepared by the Head of Finance and posted by the Senior Technical Finance Officer, providing a review of those major journals. The closedown journals posted by the Business Partnering Team were not reviewed before posting for 2024/25. For 2025/26 it has been agreed with the Senior Finance Business Partner that they will second review all closedown journals before they are posted. For in year journals, those will continue to be covered by compensating controls (such as reconciliations and budget monitoring). When the Chief Accountant on boards in the summer, their role will include a review of the design and operation of controls in this area. <u>2024/25 recommendation</u> We note no change in this area for 2024/25 <u>2024/25 Management comment</u> In addition to existing compensating controls such as reconciliations and budget monitoring, in year journals are now subject to a monthly review process, effective from 1 April 2025. Prior to posting, the Chief Accountant will conduct a review of all closedown journals prepared by Business Partnering Team for 2025/26 financial year. <u>2025/26 update</u> A monthly review of all journals posted has been implemented and is completed, this is documented through an email approval.

Employee contracts	
We found that in several cases there was no evidence of signed acceptance of contracts of employment.	<u>2023/24 recommendation</u> We recommend that the Constabulary obtains and retains signed copies of employment contracts. <u>2023/24 Management comment</u> This recommendation has been passed on to the Head of HR and head of People Services and the recommendation has been accepted. <u>2024/25 recommendation</u> We note no change in this area for 2024/25 <u>2025/26 update</u> No issues identified in 2025/26.

9. Other matters

Other information

We are required to give an opinion on whether the other information published with the audited financial statements (for example, the Narrative Statement and Annual Governance Statement) is materially inconsistent with the financial statement or our knowledge as obtained during the audit.

We have nothing to report in this respect.

Reporting by exception

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement does not comply with “Delivering Good Governance in Local Government: Framework 2016 Edition” published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the PCC, CC, and group 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 on these matters.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

Going concern

Our work has not identified a material uncertainty related to going concern. We are satisfied that management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Value for money arrangements

We are required to satisfy ourselves that the PCC, CC, and group has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026. The Code requires us to report on the PCC, CC, and group’s arrangements under three specified reporting criteria:

- Financial sustainability – how the PCC, CC, and group plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the PCC, CC, and group ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the PCC, CC, and group uses information about its costs and performance to improve the way it manages and delivers its services.

We asked management to complete an evidenced self-assessment of the PCC, CC, and group’s arrangements. We then reviewed the evidence provided and carried out follow-up work as appropriate to consider whether there are any significant weaknesses in the PCC, CC, and group’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have identified two significant weaknesses and the results of the Value for Money work are reported separately in our Auditor's Annual Report.

Whole of Government accounts work

Alongside our work on the financial statements, we also review and report to the National Audit Office on the PCC, CC, and group's Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet completed the limited procedures required in the National Audit Office's group instructions in respect of our work on the PCC, CC, and group's WGA submission. This will be done alongside issuing the audit opinion on the PCC's and CC's accounts.

Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We will be unable to issue our audit certificate alongside the auditor's opinion on the accounts until we have received confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

Audit fees

Our final fee for the 2025/26 audit is set out below:

	2024/25 fees	2025/26 Fee proposed at planning stage (£)	2025/26 Final fee (subject to approval by PSAA) (£)
PSAA scale fee (PCC)	97,804	97,804	105,399
PSAA scale fee (CC)	53,769	53,769	55,274
Implementation of IFRS 16	5,985		
Additional VFM work for identified significant weaknesses	3,000		TBD
Additional fee for PFI not baked-in*	2,984		
Additional fee for pensions work required in respect of IFRIC 14			3,000
Total (excluding VAT)	163,542		168,173

*notified to us by PSAA following the conclusion of the 2024/25 audit

We can confirm that we have not undertaken any non-audit work at the PCC, CC, and group during the year.

1. Letter of representation (PCC)

Bishop Fleming Audit Limited
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN

[Date]

Dear Sirs

The Police and Crime Commissioner for Gloucestershire

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Police and Crime Commissioner for Gloucestershire's ("the PCC") financial statements for the year ended 31 March 2026. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the PCC's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the PCC have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the PCC. We have provided you with unrestricted access to all appropriate persons within the PCC, and with all other records and related information requested, including minutes of all PCC and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the PCC involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the PCC's financial statements communicated by current or former employees, analysts, regulators or others.

3. Assets and liabilities

The PCC has satisfactory title to all assets and there are no liens or encumbrances on the PCC's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE, investment property valuations, and pension liability valuations.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the PCC's financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the PCC's financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity's services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the PCC's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

11. Narrative Report

The disclosures within the Narrative Report fairly reflect our understanding of the PCC's financial and operating performance over the period covered by the PCC's financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....

Signed on behalf of the PCC

[Date]

2. Letter of representation (CC)

Bishop Fleming Audit Limited
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN

[Date]

Dear Sirs

The Chief Constable of Gloucestershire

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Chief Constable of 's Gloucestershire ("the CC") financial statements) for the year ended 31 March 2026. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the CC's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the CC have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the CC. We have provided you with unrestricted access to all appropriate persons within the CC, and with all other records and related information requested, including minutes of all CC and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the CC involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the CC's financial statements communicated by current or former employees, analysts, regulators or others.

3. Assets and liabilities

The CC has satisfactory title to all assets and there are no liens or encumbrances on the PCC's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE, investment property valuations, and pension liability valuations.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the CC's financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the CC's financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity's services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the CC's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

11. Narrative Report

The disclosures within the Narrative Report fairly reflect our understanding of the CC's financial and operating performance over the period covered by the CC's financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the Chief Constable

[Date]

3. Required communications with the PCC and CC

Under the auditing standards, there are certain communications that we must provide to the PCC and CC as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: • enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • a discussion of any other matters related to fraud.	Audit Completion Report Discussions at JIAC
Significant matters arising during the audit in connection with the entity's related parties.	Audit Completion Report
Significant findings from the audit including: • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities.	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at JIAC
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report



This document is confidential to: **The Police and Crime Commissioner for Gloucestershire and the Chief Constable of Gloucestershire**

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