

West Midlands Police Audit Progress Report and Sector Update

June 2026



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Audit Progress Report

Progress at June 2026

Meetings

We met with Finance Officers in June as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Police and Crime Commissioner and Chief Constable. Your officers were invited to attend our Accounts Workshop in February 2026, where gave highlight financial reporting requirements for the 2025/26 accounts and insights into elements of the audit approach.

Audit Fees

PSAA have published their scale fees for 2025/26:

[2025/26 audit fee scale – PSAA](#)

Fees are set at £146,809 for the Police and Crime Commissioner and £83,804 for the Chief Constable. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Audit position

We have agreed with management that we will commence the final accounts audit in mid June. Our expectation is that the draft accounts will be presented to the JAC in June.



Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to those charged with governance setting out our proposed approach in order to give an opinion on the 2025/26 financial statements.</p>	March 2026	Done
<p>Audit Findings Report</p> <p>The Audit Findings Report will be reported to the Joint Audit Committee, as well as to the Chief Constable and the Police and Crime Commissioner as those charged with governance.</p>	September	
<p>Auditor's Annual Report</p> <p>The key output from local audit work on arrangements to secure Value for Money is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). A draft of the AAR will be taken to the Joint Audit Committee.</p>	September	
<p>Auditors Reports</p> <p>These include the opinions on the Chief Constable's and Police and Crime Commissioner's financial statements.</p>	September	

Policing Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up-to-date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logo below:



Grant Thornton Publications
Insights from sector specialists
Accounting and regulatory updates

Association of Police and Crime Commissioners (APCC)



The Accelerated Capability Environment (ACE) has worked with the Association of Police and Crime Commissioners (APCC) to strengthen how Police and Crime Commissioners (PCCs) engage with the rapidly expanding national digital, data and technology (DDaT) governance landscape. With PCCs responsible for scrutinising and funding technology capabilities that impact both local and national policing outcomes, rising pressures on APCC capacity have highlighted the need for a more structured and efficient model. ACE mapped current engagement arrangements, identified pain points and developed a future strategic engagement model that enhances PCC oversight while ensuring statutory responsibilities, governance structures and resourcing constraints are fully considered. The proposed model introduces new supporting roles and a suite of proof-of-concept tools—including an assurance framework, assessment tool and reporting templates—to help PCCs scrutinise emerging DDaT requirements and investment proposals more effectively. Further refinement of the model will now take place in consultation with PCCs before implementation.

The full report can be found [here](#).

Institute for Government



The latest Public Services Performance Tracker 2025 highlights a policing landscape in England and Wales where policing demand continues to rise despite long-term falls in overall crime. Forces are increasingly stretched by growth in complex offences—particularly domestic abuse, sexual violence, and digitally intensive investigations—that require significant time, specialist skills, and multi-agency input. Officer numbers have increased following national uplift programmes, but a lack of experience, persistent detective shortages, and gaps in digital forensics capability are constraining performance.

The Institute for Government reports that funding remains tight and increasingly reliant on the council tax precept, creating inequalities between areas and limiting flexibility for forces to deploy staff according to local need. While neighbourhood crime, shoplifting and some forms of serious violence have recently risen, wider non-crime demand—including mental health-related incidents—continues to place pressure on police capacity. At the same time, public trust has fallen sharply, influenced by concerns about police culture and perceived ineffectiveness. Government plans for reform emphasise stronger central oversight and renewed neighbourhood policing, but there is uncertainty around how this will balance with commitments to local accountability and service integration. Overall, the sector faces rising complexity, workforce constraints and heightened public scrutiny, creating significant delivery risks.

The full report can be found [here](#).

National Audit Office



The National Audit Office's recent report on police productivity highlights growing operational and financial pressures across the 43 police forces in England and Wales, warning that current approaches to managing these pressures risk undermining service quality. While the Home Office allocates most police funding and oversees local accountability arrangements, its past initiatives to drive efficiency have not delivered sustainable, system-wide improvements. The report identifies persistent barriers to productivity, including limited evidence on what interventions work, inconsistent practices across forces, and uneven adoption of digital technologies. In response, the Home Office is beginning to take a stronger central role in assessing police resilience and performance and plans to set out further reforms in an upcoming white paper. Although structural change will take time, the NAO concludes that more immediate action is required to lead the policing system in overcoming productivity barriers and securing better long-term value for money.

The full report can be found [here](#).

Home Office



Home Office

Recent government announcements indicate that police forces across England and Wales are set to receive a significant funding uplift in the next financial year. According to the Home Office (published 18 December 2025), total policing funding may rise to £19.5 billion, representing a 4.3% cash increase. Most of the uplift is directed toward local forces, including an additional £746 million intended to help address high-impact community issues such as knife crime, antisocial behaviour and shop theft. Funding for Counter Terrorism Policing is also set to increase by at least £52 million, taking its total to more than £1.2 billion. The announcement highlights recent national trends showing reductions in knife homicides and overall knife crime, and notes that more detailed allocations will follow once the forthcoming police reform white paper is published. The government also referenced recent national enforcement initiatives aimed at reducing crime and antisocial behaviour in town centres.

The full report can be found [here](#).

National Police Chief's Council



In January 2026, the Government published the *Police Reform White Paper – “From Local to National: A New Model for Policing”*. The paper outlines proposals including the creation of a National Police Service, a review of the number of police forces, changes to the police funding formula, national leadership standards, and the introduction of a national performance framework. These proposals represent a significant programme of structural and governance changes across policing.

Further details can be found [here](#).

Final Police Funding Settlement



The Government published the Final Police Funding Settlement for 2026-27 on 28 January 2026, setting out the aggregate funding for policing in England and Wales.

The Report and full allocations have been laid before Parliament and are available [here](#) for further review.

HMICFRS



HMICFRS has published the latest value for money profiles, which provide comparative data on a wide range of policing activities for each police force in England and Wales. Value for money profiles help forces make better decisions by identifying areas where improvements can be made in cost and performance.

Further information and the interactive dashboard are [available](#) on the HMICFRS website.

HMICFRS



HMICFRS has commenced its latest PEEL inspection cycle, with the first reports published in April 2026. The 2025-27 PEEL programme reflects changes to the inspection framework, including a stronger focus on fraud, the incorporation of custody inspections into PEEL, and an expanded quality service review covering safeguarding, fraud and problem-solving effectiveness.

Further information is [available](#) on the HMICFRS website.

The inspection is due to commence in June 2026 for West Midlands Police

Wider sector updates

A briefing for audit committees on the wider sector updates across Public Sector Audit, Financial Reporting and the responsibilities of Audit Committee members

Public Sector Finance Leaders' Barometer

Audit Committees can obtain new analysis of the issues public sector finance leaders most prioritise, and how it might affect their organisation, here:

[The Public Sector Finance Leaders Barometer | Grant Thornton](#)

Background:

Grant Thornton's 2026 Public Sector Finance Leader's Barometer draws on the views of 100 s151 officers across local government in England to identify the top three strategic priorities, operational pressures and in-demand skills for public sector finance this year.

84% of those interviewed were confident that their medium-term financial strategies will hold, but there was consensus that the biggest risks those strategies face are largely outside the s151 officer's control: Growth in demand for statutory services; unfunded policy changes; and failure to deliver change programmes.

These risks highlight the need for better demand modelling, earlier horizon scanning, and disciplined delivery of change programmes. However, workforce shortages, recruitment challenges, and increasing complexity, mean there's simply not enough capacity to deliver transformation at the required pace.



Interviews with 100 s151 officers identified for 2026:

The top three strategic priorities are:

- ❖ Digital transformation
- ❖ Talent attraction and retention
- ❖ Regulatory compliance

The top three top operational pressures are:

- ❖ Rising operating costs
- ❖ Complexity of regulation
- ❖ Workforce and skills shortages

The top three most in-demand skills are:

- ❖ Technical accounting
- ❖ Data analytics and business intelligence
- ❖ Change management

CIPFA Code changes to the accounting for non-investment assets

Changes introduced in the 2025/26 Code:

The 2025/26 CIPFA Code introduces substantial changes arising from the HM Treasury Thematic Review on Non-investment assets, and the requirement to keep the valuations of certain assets up to date:

- ❖ The introduction of a valuation expedient requiring valuations once every five years or on a five-year rolling basis, in each case supported by indexation in intervening years; and
- ❖ The Code requires the use of the best available indices and, where no index is available, a desktop valuation is undertaken in year three.

The following asset classes are affected by the change:

- ❖ Other land and buildings;
- ❖ Vehicles, plant, furniture and equipment (where carried at current value);
- ❖ Surplus assets; and
- ❖ Right of use assets measured at current value

Assets which are not in scope of the changes include council dwellings; vehicles; plant and equipment carried at depreciated historical cost as a proxy for current value; infrastructure; assets under construction; heritage assets; assets held for sale; intangible assets; and community assets carried at cost.

Why Indexation is important:

Indexation is a new requirement in the Code, intended to provide a reasonable estimate of how market values have changed, rather than an exact valuation. A range of indices are available, and authorities will need to exercise and be prepared to explain their judgements on which indices are the most appropriate to apply across their asset base. Authorities may apply indexation to 31st March 2025 carrying values, providing the assumption that existing carrying values are true and fair is valid. Where valuations are required, they must be undertaken at least once every five-years or when there are indicators of impairment.

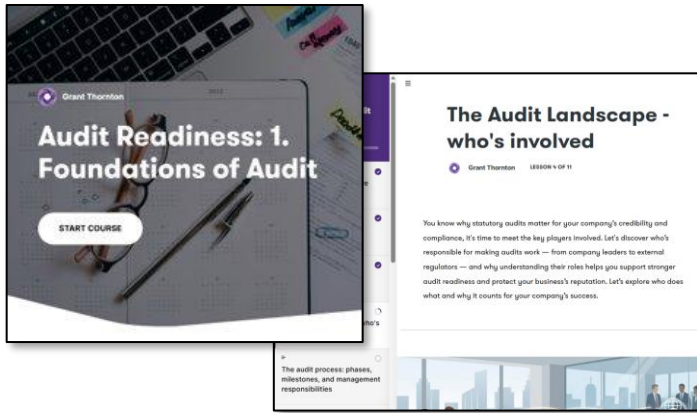
Audit Committees can help by asking:

- ❖ Have we sought advice from an expert valuer on which indices are most appropriate for our various assets within scope of indexation?
- ❖ Have we documented our rationale regarding why we select/reject or deem there to be no indices?
- ❖ How has indexation been calculated/ applied in underlying records/ asset systems?
- ❖ Have we ensured that asset records distinguish between revaluation versus indexation, so that we have a clear record of when valuations are due and when valuations were last carried out?



Audit Readiness Training

Supporting high-quality 2025/26 accounts



As the local audit system moves from backlog recovery towards a renewed focus on timely, high-quality assurance, authorities are operating within a changing standards environment.

New statutory backstop deadlines and the introduction of Global Internal Audit Standards from April 2025 are increasing expectations around audit capability, consistency and documentation – at a time when workforce and skills pressures across local government finance and audit functions remain a recognised risk to audit quality.

In response, we've developed CPD-accredited online training to support audit teams in applying evolving standards in practice – strengthening technical confidence, improving audit documentation, and supporting more predictable and transparent audit delivery for Audit Committees.

What's included?

The Audit Readiness training is delivered through a 90-minute online training session built around seven learning modules;

- Foundations of Audit
- Planning for Audit Success
- Data and Documentation Management
- Complex areas of the audit
- Internal Controls & Risk Management
- Communication & Collaboration
- Hot Topics

Each module includes a knowledge test assessment, key takeaways and where applicable downloadable resources to support ongoing learning.

Key Benefits

Build lasting capability

Equip teams with the skills and confidence to manage audits effectively, now and in the future.

Share knowledge, not just answers

Designed to transfer expertise so teams understand the 'why' behind best practice.

Upskill your people

Helps every team member grow their technical understanding and strengthen collaboration.

Flexible learning that fits any schedule

Access training when it works for users, making it easy to build into existing workloads.

Improve outcomes and efficiency

Reduce audit queries, avoid delays, and strengthen relationships through proactive preparation.

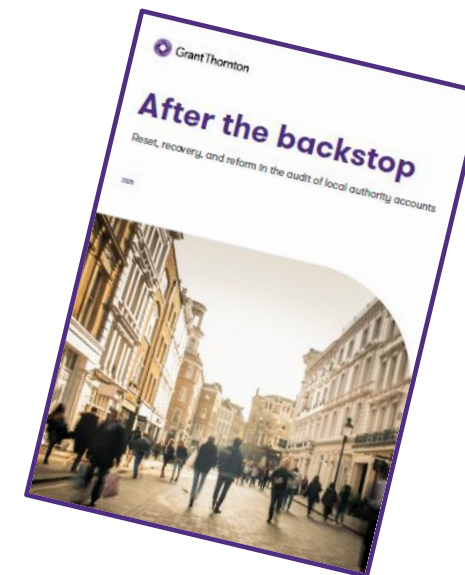
After the Backstop: Reset, recovery and reform in the audit of local authority accounts

- ❖ Our latest thought leadership report ‘After the Backstop: Reset, recovery and reform in the audit of local authority accounts’ is now available to read.
- ❖ Following the significant milestone of backstop legislation in September 2024, the backlog of unissued accounts has fallen dramatically. The challenge now is to rebuild assurance and secure a sustainable future for the system of local accounts production and audit. The reforms set out in the English Devolution and Community Empowerment Bill are essential to restoring trust and accountability to the local audit system.
- ❖ In our March 2023 publication ‘About time?’ we explored the reasons for delayed publication of audited local authority accounts and set out our recommendations for key stakeholders in the local audit system.
- ❖ The backlog of unissued audit opinions peaked some months after our report at 918, on 30 September 2023. The Department for Levelling Up, Housing and Communities (DLUHC) and subsequently the Ministry of Housing, Communities and Local Government (MHCLG) conducted consultations on reset and reform in the local audit system, leading to secondary ‘backstop’ legislation to clear the backlog. This was a necessary step, allowing auditors and authorities to focus on current periods of account, but it brought with it new challenges, as over 200 authorities received one or more audit disclaimers .
- ❖ In this report we explore the development and implementation of a ‘reset’ of the local audit system, the immediate and longer-term consequences of the ‘backstop’ before turning attention to the reform of the system, the challenges involved in returning to widespread and sustainable compliance with audit reporting timeframes and what, in our view, is needed next.
- ❖ The English Devolution and Community Empowerment Bill paves the way for the creation of a long-awaited and much-needed systems leader for local audit, the Local Audit Office (LAO).

- ❖ Key stakeholders including local audited bodies, the audit firms, the Ministry of Housing, Communities and Local Government (MHCLG), Public Sector Audit Appointments (PSAA), the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Chartered Accountants in England and Wales (ICAEW) will need to support the successful establishment of the LAO to address the crisis in local public audit.
- ❖ All key stakeholders in the local audit system will need to continue their efforts to secure a return to high levels of compliance with timely publication of accounts with unmodified audit opinions. We explore the challenges to establishing and maintaining a sustainable future for local audit in this report. In our full report, we make several recommendations to secure that sustainable future.

The full report is available here:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)



Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

- Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

- Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

- Financial Management Code

<https://www.cipfa.org/fmcode>

- Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

- Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crosssectoral-guidance-notes-2021-edition>



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