

Police and Crime Commissioner and Chief Constable for Surrey Police

Auditor's Annual Report
Year ended 31 March 2025
18 November 2025



The better the question. The better the answer. The better the world works.



Shape the future
with confidence



Office of the Police and Crime Commissioner for Surrey / Chief Constable for Surrey
PO Box 412
Guildford
Surrey GU3 1YJ

18 November 2025

Dear Police and Crime Commissioner and Chief Constable

2024/25 Auditor's Annual Report

We are pleased to attach our draft Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for the Police and Crime Commissioner for Surrey (PCC) and Chief Constable of Surrey (CC). This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25. This report has been issued as draft and will be finalised as part of issuing the 2024/25 audit report.

This report is intended to draw to the attention of the Police and Crime Commissioner for Surrey and Chief Constable of Surrey any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you.

The [ey-uk-2025-transparency-report.pdf](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

Kevin Suter

Partner, For and on behalf of Ernst & Young LLP

Enc

Contents

01 Executive Summary

02 Audit of financial statements

03 Value for Money Commentary

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Police & Crime Commissioner (PCC), and Chief Constable (CC), Joint Audit Committee (JAC) and management of Surrey PCC and CC in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the PCC, CC, JAC and management of the PCC and CC those matters we are required to state to them in this 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 PCC, CC, JAC and management of PCC and CC for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to the Police and Crime Commissioner (PCC) for Surrey and Chief Constable (CC) for Surrey and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 10 March 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the PCC and CC and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the PCC and CC;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the PCC and CC's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Police and Crime Commissioner and Chief Constable

The Police and Crime Commissioner and Chief Constable are responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. They are also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

Executive Summary (cont'd)

2024/25 conclusions based on audit carried out to date

Financial statements	<p>As reported in our 20/02/2025 Audit Results Report we issued a disclaimer of opinion on the Police and Crime Commissioner for Surrey and Chief Constable of Surrey's 2023/24 financial statements, and as reported in our 13 November 2024 Audit Completion Report we issued a disclaimer of opinion on the Police and Crime Commissioner for Surrey and Chief Constable of Surrey's 2022/23 financial statements under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatement of the financial statements.</p> <p>We are assessing whether we may be able to issue a qualified 2024/25 audit opinion, rather than a disclaimer.</p>
Going concern	<p>We have concluded that the Chief Finance Officer's (PCC) and Chief Financial Officer's (CC) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>
Consistency of the other information published with the financial statements	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
Value for money (VFM)	<p>We had no matters to report by exception on the PCC and CC's VFM arrangements. We have included our VFM commentary in Section 03.</p>
Consistency of the annual governance statement	<p>We were satisfied that the annual governance statement was consistent with our understanding of the PCC and CC.</p>

Executive Summary (cont'd)

2024/25 conclusions based on audit carried out to date (cont'd)

Additional powers and duties	We had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet issued their group instructions. We cannot issue our Audit Certificate until these procedures are complete.
Certificate	We will be able to issue our certificate on completion of the audit and once the NAO have confirmed whether there are any additional group audit procedures required following the Whole of Government Accounts submission.

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the PCC and CC for Surrey have put in place 'proper arrangements' to secure economy, efficiency and effectiveness in their use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the PCC and CC a commentary against specified reporting criteria (see below) on the arrangements the PCC and CC have in place to secure value for money through economic, efficient and effective use of their resources for the relevant period.

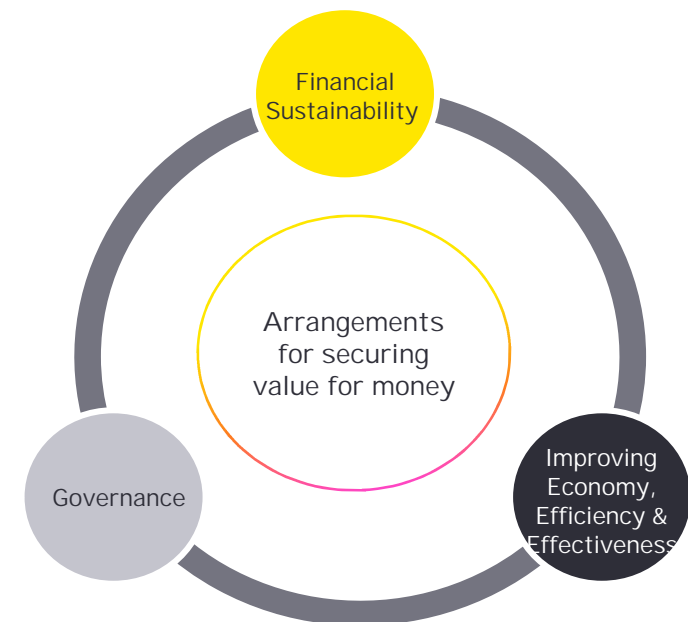
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

- Financial sustainability - How the PCC and CC plan and manage their resources to ensure they can continue to deliver their services.
- Governance - How the PCC and CC ensure that they make informed decisions and properly manages their risks.
- Improving economy, efficiency and effectiveness - How the PCC and CC use information about their costs and performance to improve the way they manage and deliver their services.

In undertaking our procedures to understand the PCC and CC's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of PCC and CC committee reports;
- meetings with officers;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with the PCC and CC management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the PCC and CC, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor's Annual Report, which must be issued by 30 November.

The final version of this report will be issued alongside the signed audit report concluding on the 2024/25 year.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the PCC and CC plan and manage resources to ensure they can continue to deliver their services	No significant risks identified	No significant weakness identified
Governance: How the PCC and CC ensure that they make informed decisions and properly manage their risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the PCC and CC use information about costs and performance to improve the way they manage and deliver their services	No significant risks identified	No significant weakness identified

Executive Summary (cont'd)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the PCC and CC, and its members and senior management and its affiliates, including all services provided by us and our network to the PCC and CC, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

[ey-uk-2025-transparency-report.pdf](#)



02 Audit of financial statements

Audit of financial statements

Key findings

The Statement of Accounts is an important tool for the PCC and CC to show how it has used public money and how it can demonstrate its financial management and financial health.

Our audit of the 2024/25 financial statements is currently in progress. We will report our findings in our Audit Results Report to the December JIAC meeting.

Financial statement risks	
Significant risk	Conclusion
Misstatements due to fraud or error – Management override of controls	The audit is ongoing, and we will confirm our conclusions in the final version of this report.
Misstatements due to fraud or error – Inappropriate capitalisation of revenue expenditure	

Audit of financial statements

Financial Statement reporting assessment

Management, and the JAC Committee, as the PCC and CC's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the PCC and CC's arrangements to support external financial across a range of relevant measures.

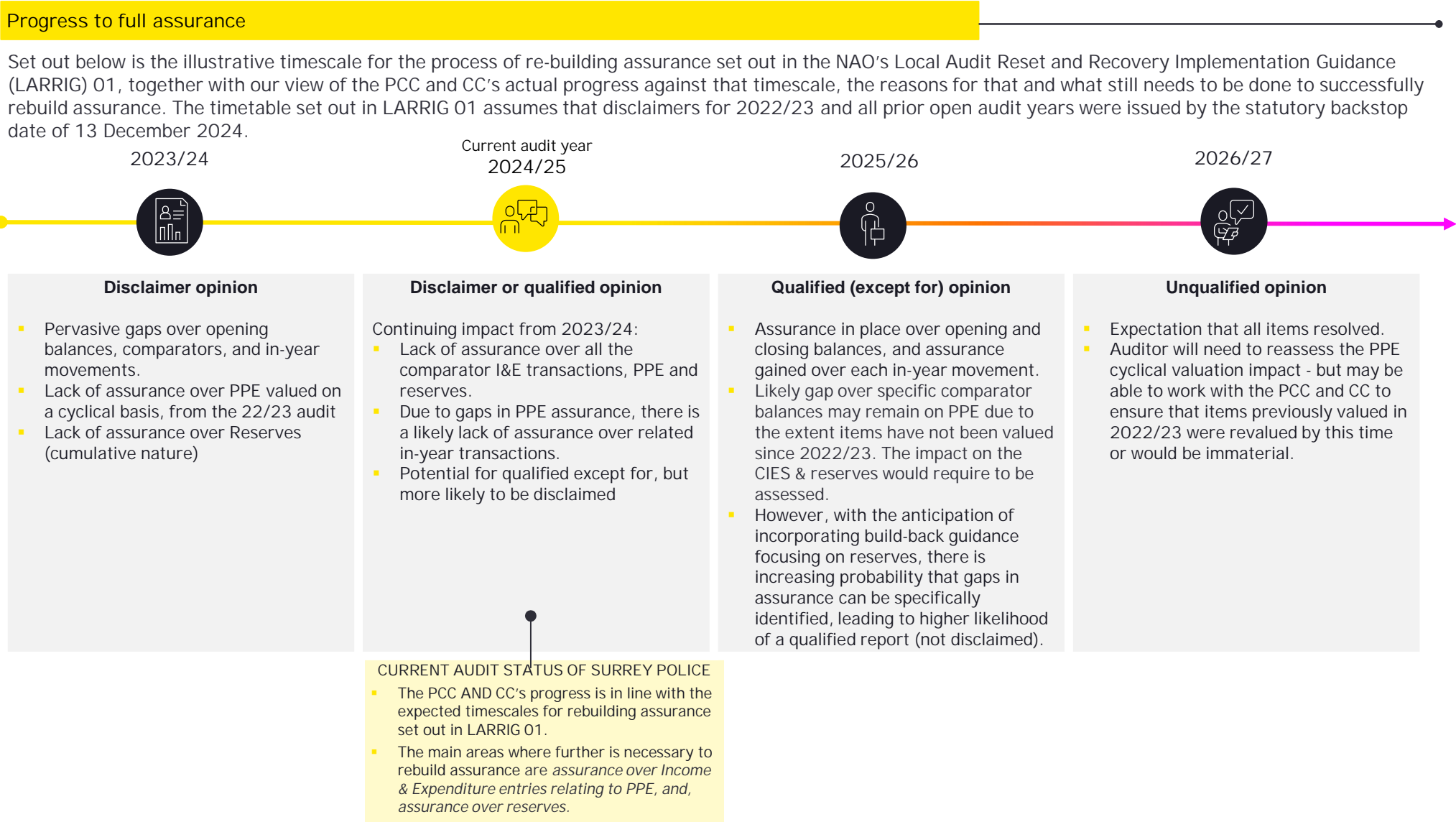
In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the PCC and CC's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 15. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Audit of financial statements

Financial Statement reporting assessment				
Area	Status			Further detail
	R	A	G	
Timeliness of the draft financial statements	Effective			N/A
Quality and completeness of the draft financial statements	Effective			N/A
Delivery of working papers in accordance with agreed client assistance schedule	Requires improvement			Emails were sent to the finance team to chase the outstanding requests on a regular basis.
Quality of working papers and supporting evidence	Effective			N/A
Timeliness and quality of evidence supporting key accounting estimates	Effective			N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			N/A
Volume and value of identified misstatements	Effective			N/A
Volume of misstatements in disclosure	Effective			N/A

The above judgements will be updated dependent on the experience in the completion of our audit procedures.

Audit of financial statements





03 Value for Money commentary

Value for Money


The Police & Crime Commissioner and Chief Constable's responsibilities for value for money

The PCC and CC are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at their disposal.

As part of the material published with the financial statements, the PCC and CC are required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the PCC and CC tailor the content to reflect their own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Our responsibilities

Under the revised NAO Code we are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report a commentary against specified reporting criteria on the arrangements the PCC and CC have in place to secure value for money through economic, efficient and effective use of their resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 Financial sustainability How the PCC and CC plan and manage resources to ensure they can continue to deliver their services.	▪ No significant risks identified	▪ No significant weaknesses identified
 Governance How the PCC and CC ensure that they make informed decisions and properly manages their risks.	▪ No significant risks identified	▪ No significant weaknesses identified
 Improving economy, efficiency and effectiveness How the PCC and CC use information about their costs and performance to improve the way they manage and delivers their services.	▪ No significant risks identified	▪ No significant weaknesses identified



VFM commentary: Financial Sustainability

Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Police and Crime Commissioner and Chief Constable's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The PCC and CC's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2024/25 to plan and manage their resources to ensure they can continue to deliver their services.



Financial Sustainability considerations

Medium Term Financial Strategy

The Police and Crime Commissioner for Surrey and Chief Constable for Surrey presented an updated Medium Term Financial Strategy in June 2025, covering 2025/26 to 2028/29. The Strategy highlights the continuing levels of financial uncertainty across the sector. Key challenges outlined within the PCC and CC's planning include:

1. Rising Costs Outpacing Funding

- Costs (especially pay, energy, IT, forensics, and services) are rising faster than funding from government and council tax, leading to a persistent and growing budget gap.
- Inflation, particularly wage inflation, is a major driver of increased costs.

2. Significant Savings Requirement

- The Force must find £18.5 million in savings over the plan period (2025/26–2028/29), with £3.6 million needed in 2025/26 alone.
- Achieving these savings is increasingly difficult after years of efficiency drives, and further savings may impact police staff numbers and service delivery.

3. Funding Model Challenges

- Surrey receives the lowest government grant per head in England and is highly reliant on council tax (55% of funding).
- Any changes to the national funding formula could reduce Surrey's funding further, as the formula reviews focus on relative, not absolute, need.
- The burden of funding is likely to remain on local taxpayers, with little prospect of increased government support.

4. Uncertainty in Future Funding

- Government funding beyond 2025/26 is unpredictable, with risks of flat or reduced grants and capped council tax increases.
- The plan assumes only modest council tax increases (2% per year), but any reduction in this cap would worsen the funding gap.

5. Delivery of Transformation and Savings

- The Force's transformation programme is essential to deliver operational improvements and savings, but delays or under-delivery would widen the budget gap.
- Transformation savings can only come from reducing service costs and staff numbers, but police officer numbers must be maintained to avoid losing the Government uplift grant.

6. Capital Investment Pressures

- Major capital projects (e.g., estate redevelopment, IT upgrades, fleet replacement) require borrowing and/or use of reserves, adding to revenue pressures through debt repayment and interest.
- Capital receipts are uncertain.

7. Increasing and Changing Demand

- The volume and complexity of crime is rising, especially in areas like public protection, digital crime, and violence against women and girls.
- Meeting new and emerging crime threats requires investment and resources.



Financial Sustainability considerations

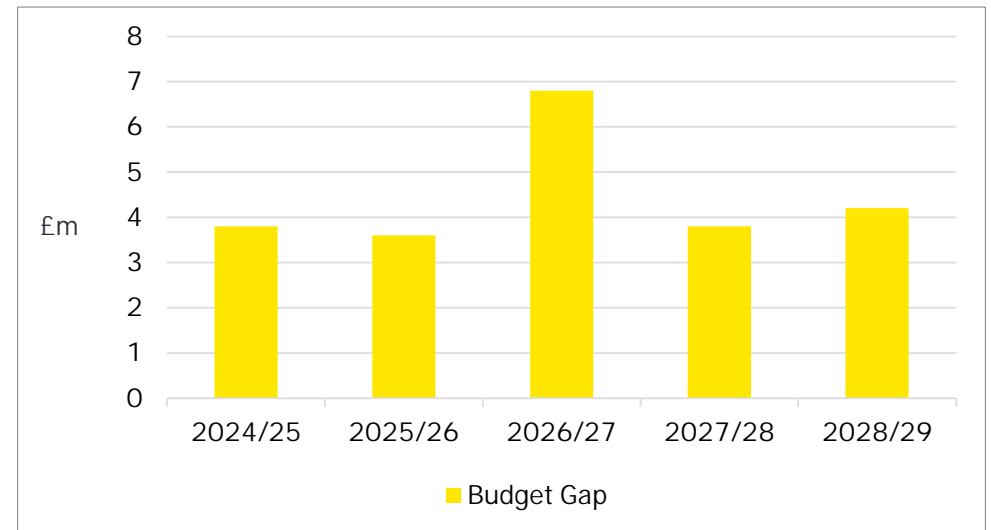
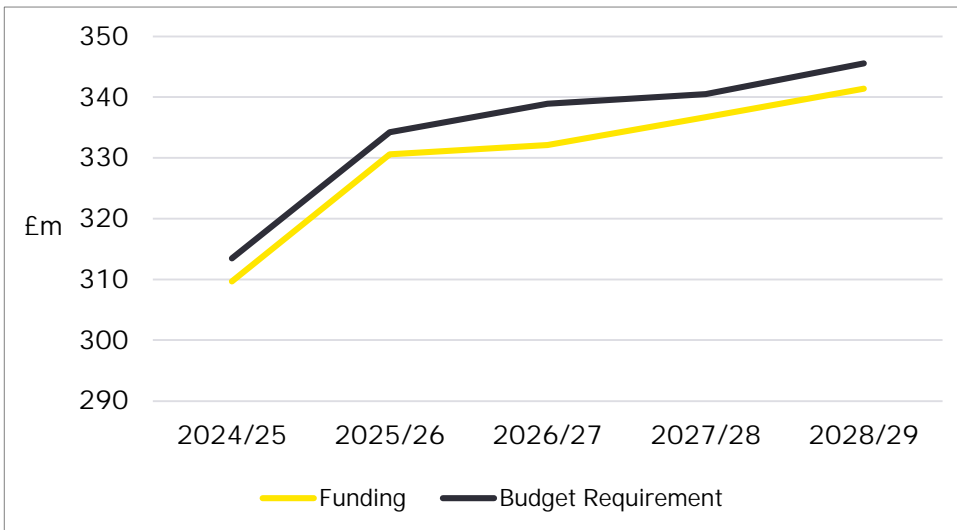
Medium Term Financial Strategy continued

8. Specific Financial Risks

- Pay and non-pay inflation exceeding budget assumptions.
- Failure to deliver planned savings.
- Interest rate volatility affecting borrowing costs.
- Potential changes to the police funding formula.
- Increased costs for forensics, vetting, legal services, and digital crime.
- Risks around capital programme delivery and funding.
- Uncertainty in council tax collection rates and tax base growth.
- Maintaining adequate reserves to cover unforeseen pressures.

The five-year Medium Term Financial Plan is regularly reviewed and supported by robust, sustainable multi-year budgets to deliver the budget and considers external factors such as inflation, borrowing and funding.

Exhibit A: The PCC and CC's MTFP outlines a cumulative gap of £18.4 million by 2028/29





Financial Sustainability considerations

Savings plans

In order to close the funding gap, the PCC and CC must save £18.5m over four years, with £3.6m needed in 2025/26. The plan relies on transformation, efficiency, and reducing police staff (not officers as it was a condition of the Government uplift grant that numbers be maintained). Risks include inflation, funding uncertainty, and the challenge of finding new savings after a decade of significant cuts.

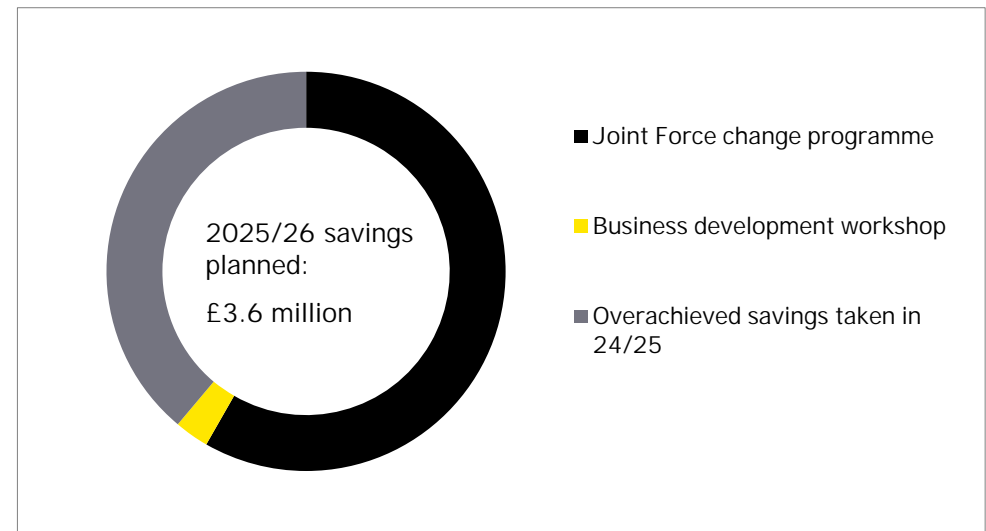
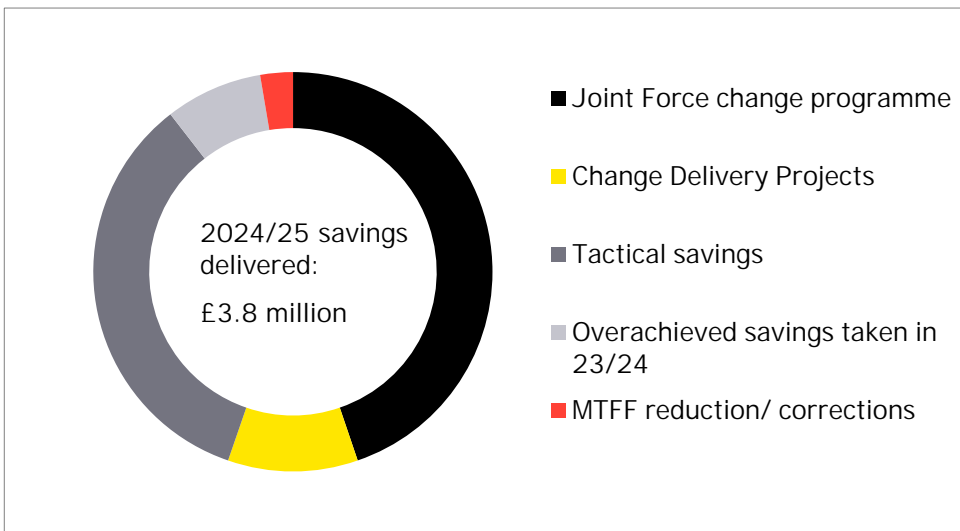
The PCC and CC has achieved £45.2m in savings over the past 10 years, making further savings increasingly challenging.

The 2025/26 budget does not use general reserves to balance the budget but does use the PCC Cost of Change reserve for transformation costs.

Transformation savings are being delivered through a structured, phased programme that reviews all aspects of Surrey Police's operations. The focus is on streamlining support services, improving processes, leveraging technology, and reducing police staff. The programme is designed to be flexible, adapting to new challenges and ensuring that savings targets are met while maintaining service quality.

The force is committed to ongoing review and adaptation to meet these targets while maintaining service levels.

Exhibit B: The PCC and CC delivered £3.8 million of savings in 2024/25, and expect to deliver a further £3.6 million in 2025/26





Financial Sustainability considerations

Reserves position

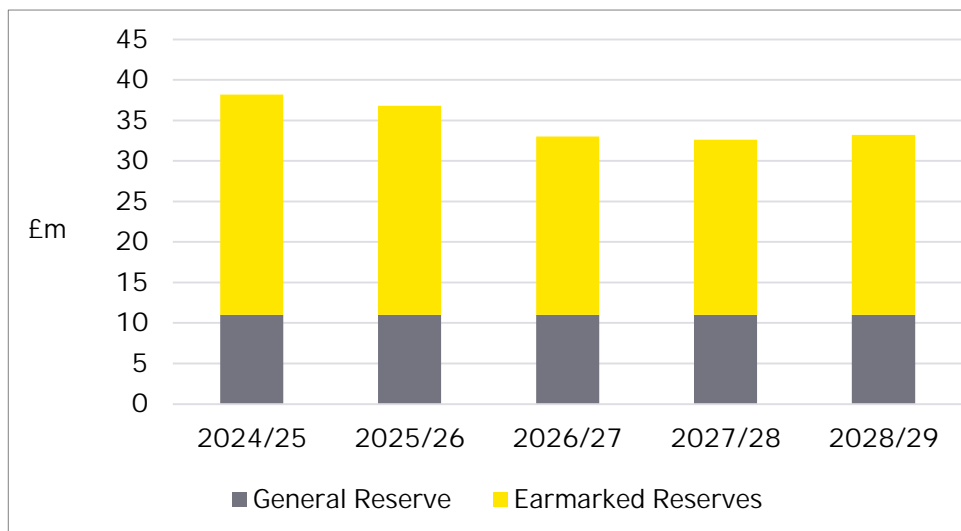
The General Reserves Policy for the PCC is to maintain general reserves at a minimum of 3% of the annual revenue budget, in line with CIPFA guidance. General reserves are expected to be at 3.6% in April 2026, reducing slightly to 3.5% by 2028/29. No use of general reserves is planned to balance the budget during the period covered by the 2025-2029 Medium Term Financial Plan. General reserves are held as a contingency for unexpected events or delays in delivering savings.

Specific (Earmarked) Reserves are set aside for specific projects, activities, or to cover known future liabilities (e.g., transformation costs, insurance, large projects such as estates). The PCC Cost of Change reserve will be used to fund transformation programme costs in 2025/26. Earmarked reserves are reviewed annually at budget setting and after year-end to ensure they are adequate and appropriately allocated.

Once used, reserves cannot be replenished easily, so the plan aims to use them prudently and only for non-recurring costs. General reserves are kept slightly above the 3% minimum to allow for delays in savings delivery or in-year budget pressures.

Regular reviews are conducted to ensure reserve levels are sufficient to cover unexpected costs or emergencies.

Exhibit C: The PCC's General Reserve is anticipated to remain consistent over the next few years





Financial Sustainability considerations

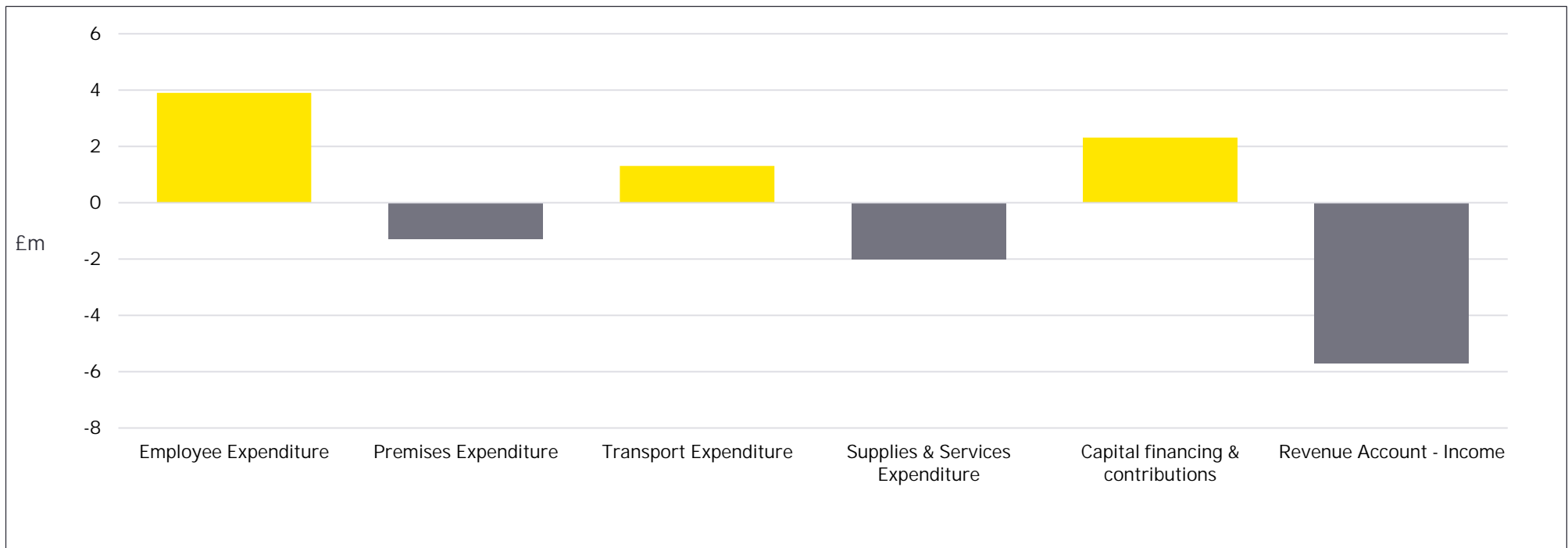
Outturn position

The 2024/25 budget was set in February 2024 and relied up on the achievement of £3.8 million of savings and no use of General Fund Reserves to met the Police and Crime Commissioner and Chief Constable's statutory responsibility to set a balanced budget. The budget set included known budget pressures, budget savings and funding assumptions. Key financial forecast planning assumptions included:

- A Band D precept increase of £13, along with a total Home Office Grant of £140.3 million and an Uplift Performance Grant of £5.5 million.
- Police Officer pay inflation of 2.5% and Police Staff pay inflation of 5%, along with a Police Officer pay contingency of 2.5%. Assumptions were also made as to the vacancy rates, being 1% for Police Officers, 10% for Police Staff & PCSO's.
- General price inflation increases of 5.5%.

The Police and Crime Commissioner and Chief Constable achieved an overall underspend for 2024/25 of £1.4 million.

Exhibit D: The Police and Crime Commissioner and Chief Constable Outturn Position for 2024/25 totalled £1.4m





VFM commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Police and Crime Commissioner and Chief Constable's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years.

The Police and Crime Commissioner and Chief Constable's underlying arrangements in relation to governance are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Police and Crime Commissioner for Surrey and Chief Constable for Surrey had proper arrangements in place in 2024/25 to make informed decisions and properly manage their risks.



Governance considerations

Annual Governance Statement

The Annual Governance Statement (AGS) confirms that the PCC and CC's governance framework was in place throughout the year ended 31 March 2025 and remains effective up to the approval of the Statement of Accounts. Any significant events or developments affecting governance between the reporting date and the signing of the accounts by the responsible financial officer have been disclosed.

The AGS acknowledges the PCC and CC's responsibility for maintaining a robust governance system, including internal controls, and outlines how this is achieved. It evaluates the effectiveness of key components of the framework, highlighting the roles of the PCC, CC, senior officers, and the Joint Audit Committee in sustaining good governance.

The statement provides an assurance opinion, it offers reasonable assurance on the adequacy and effectiveness of the internal control environment. It concluded that frameworks of governance, risk management and management control are reasonable overall and audit testing has demonstrated controls to be working in practice.

The AGS concluded that over the coming year the PCC and CC will take steps to further enhance our governance arrangements.

Risk Management

The PCC uses the KETO risk register jointly with Sussex Police, supporting risk assurance days, dashboards, and board reporting. The Force Assurance Board (FAB) meets monthly, and Chief Officers are responsible for risk management in their portfolios. The Strategic Governance Team leads risk management strategy, reporting, and assurance to the JAC. The PCC manages its own risks and regularly reviews CC risk management.

Strategic risks are actively managed and regularly reviewed, with clear accountability at both strategic and departmental levels.



Governance considerations

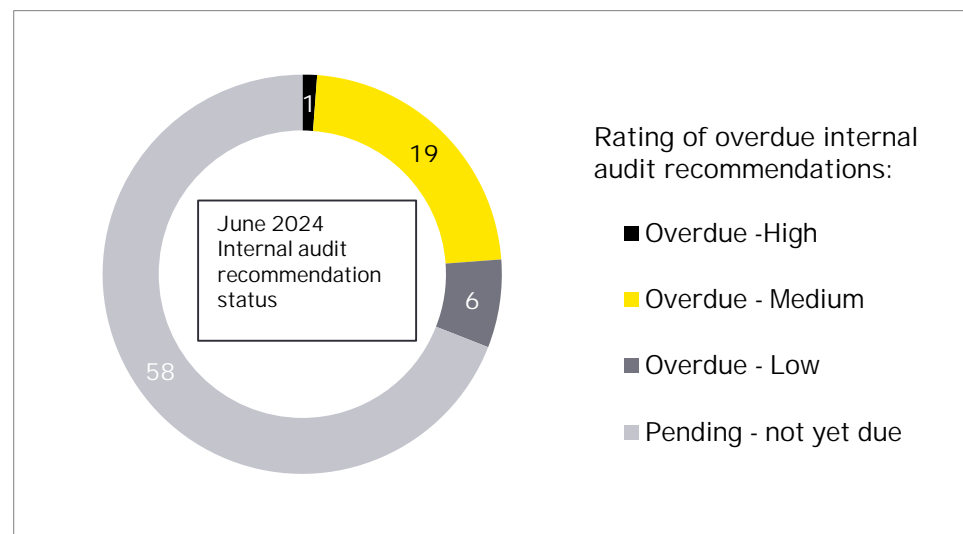
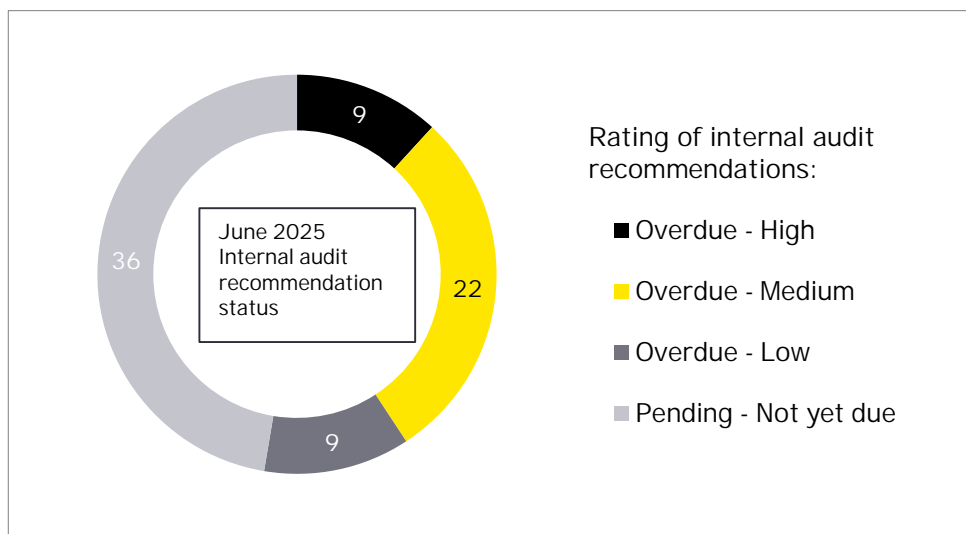
Internal audit arrangements

Internal audit is part of the PCC and CC governance, risk management and internal control framework, and is outsourced to Southern Internal Audit Partnership (SIAP). Internal audit identify areas that provide challenge to the organisations' risk environment, agree corrective actions and a timescale for improvement with the responsible managers. The implementation of these actions is tracked by the Joint Audit Committee throughout the year.

The PCC and CC have achieved a reasonable assurance rating from Internal Audit in 2024/25, consistent with 2023/24.

The internal audit for 2024/25 found that the PCC and CC have a generally sound framework of governance, risk management, and control, with most areas operating effectively. Some areas require improvement, particularly around documentation, data quality, and training, but management is actively addressing these. No major weaknesses or significant fraud/corruption issues were identified, and the audit service met all performance and quality standards.

Exhibit E: Internal audit's follow up of recommendations noted that an increasing number of actions have not been addressed





Governance considerations

Informed decision making and member challenge

The Joint Audit Committee (JAC) is responsible for overseeing the governance arrangements of both the PCC and CC. Each April, the PCC and CC review and present the Annual Scheme of Governance to the JAC. This Scheme aligns with the principles outlined in the CIPFA Framework, *Delivering Good Governance*, and defines the systems, processes, culture, and values through which the Surrey PCC and CC are directed and controlled. It also outlines the mechanisms for engaging with and being accountable to local communities.

The Scheme of Governance supports the PCC in monitoring the achievement of strategic objectives and assessing whether these objectives have resulted in the delivery of effective services and value for money. At the end of each financial year, the PCC and CC publish Annual Governance Statements, which evaluate the effectiveness and compliance of the governance framework. These statements are submitted to the JAC for review at its July meeting.

The JAC provides independent scrutiny of strategic risks and operates in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Financial Management Code of Practice.



VFM commentary: Improving economy, efficiency and effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Police and Crime Commissioner and Chief Constable's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years.

The PCC and CC's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2024/25 in how they use information about their costs and performance to improve the way they manage and deliver their services.

Improving economy, efficiency and effectiveness considerations

Financial and performance information

As part of the Police and Crime Commissioner governance arrangements, there are regular performance meetings which allow the PCC to hold the CC to account against the priorities of the Police and Crime Plan. The CC performance is reported each month in the Force balanced scorecard which includes a set of performance aspirations to be monitored at performance meetings. The PCC places particular focus on areas of underperformance, e.g., positive outcomes for high harm offences.

In December 2023, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) released their inspection of Surrey Police regarding Police Effectiveness, Efficiency and Legitimacy (PEEL). The inspection assessed how good Surrey Police is in 9 areas of policing. These findings guide internal reforms and resource prioritization.

Exhibit F: Surrey Police have received the outcome of the PEEL report for 2023-25 in December 2023





Improving economy, efficiency and effectiveness considerations

Partnership working

Surrey Police works closely with Sussex Police working to provide services together in order to be more efficient. This includes shared IT, information management, people services, estates, finance and a Joint Operations Unit (which includes strategic operations, roads policing, firearms and dog unit). This has been in place for several years and we consider it to be solid evidence of them working with significant partners and stakeholders. They also have other collaboration arrangements with other forces at a regional level.

The relationship between the PCC and CC is constructive with performance meetings being held by the PCC every six weeks to scrutinise the work of the CC.

The PCC also published a commissioning and grants strategy to set the framework to focus resources and work with partners and a funding hub to provide information on how monies have been spent.

The PCC has also engaged with partnerships at a national level (e.g. taken a national lead on equality and diversity issues), at a regional level (e.g. Counter Terrorism South East and the Southeast Regional Organised Crime Unit) as well as at a local level. The PCC and CC have signed up to a number of Collaboration agreements to set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies.

Procurement and commissioning of services

The CC has, with Sussex Police, established a Joint Change function which recognises the importance of strategic planning and integration to incorporate national, regional and local change, business change/adoption and change assurance.

The CC has developed products to support sustainable economic, social and environment benefits delivery for example the Strategic Roadmap visually articulates change impacts to help the Change Assessment Board and Strategic Change Board to improve prioritisation, planning and sequencing of change projects, working closely with the South-East Regional Integrated Policing (SERIP) to align where possible. The Senior Responsible Owner (SRO) reports actions implemented in year to provide full status updates to risk and progress assessments.

A Business Change Heat Map has been developed to highlight significant change areas. A Business Case template has been developed to improve the investment decision process via improved financial information relating to project costs, project benefits, income generation and funding sources. A joint risk management system has been set up.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2025 Ernst & Young LLP. Published in the UK.
All Rights Reserved.

UKC-038566 (UK) 03/25. Creative UK.
ED None

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/uk