

Audit Progress Report

Cleveland Police –Year ended 31 March 2026

September 2026

forvis mazars

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Purpose of this report

This report provides the Joint Independent Audit Committee with information about progress in delivering our responsibilities as your external auditors for Cleveland Police.

Audit for the year ended 31 March 2026

We presented our Audit Strategy Memorandum to the Committee in March. The Audit Strategy Memorandum set out our planned audit approach, including details of the risks we have identified in relation to the audit.

We have substantially completed our planning work. In addition, we have communicated with Teesside Pension Fund auditor and requested them to carry out work on our behalf on the assets in the Pension Fund. The Pension Fund auditor expects to complete this work by the end of December.

On receipt of the draft financial statements, we undertook a review to determine whether any changes were required to our planned audit approach, no changes have been identified. We also review our materiality levels based on the draft financial statements:

	Group £000	PCC £000	CC £000
Overall materiality	5,351	4,328	3,697
Performance materiality	4,280	3,462	2,958
Clearly trivial	160	159	110

We have also completed an overall review of the PCC group and CC accounts and shared our initial findings with officers who have responded.

We have completed our value for money work, and we have submitted our findings for internal moderation. Our risk assessment remains ongoing and will continue as the work progresses. Based on discussions with officers and the evidence reviewed to date, we have not identified any risks of significant weakness, and there are no matters to report to the Committee at this stage. Our final report will be issued alongside the audit opinion.

Our full accounts audit is due to start in early October and finish in December, in advance of the January 2027 backstop date.

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National Publications

National publications

	Publication/update	Key points	
Government			
1	Rewiring the State	Cabinet statement - On 31 July, the government released a policy paper entitled “Rewiring the State” that sets out government’s intention to transfer significant amounts of power and funding to local leaders.	
2	Whole of Government Accounts (WGA) 2024/25	The C&AG has now certified the Whole of Government Accounts 2024/25 and issued a disclaimed opinion.	
National Audit Office			
3	Devolution in England: funding and accountability	The NAO has published its report Devolution in England: funding and accountability which assesses whether the Ministry of Housing, Communities & Local Government (MHCLG) is implementing devolved arrangements.	

National publications and technical updates

Government

1. Rewiring the state – Cabinet Statement

On 31 July, the government released a policy paper entitled “Rewiring the State”. The paper sets out government’s intention to transfer significant amounts of power and funding to local leaders.

While the detail underlying the initial policy paper is yet to be announced, the changes are likely to impact of the funding and accountability structures for both central government and at a more local level..

https://www.gov.uk/government/publications/rewiring-the-state-cabinet-statement

2. Whole of Government Accounts (WGA) 2024/25

The C&AG has now certified the Whole of Government Accounts 2024/25 and issued a disclaimed opinion. The basis for the disclaimed opinion is set out in the link above.
Audit certificates marking completion of local government audits for 2024/25 can now be issued where they have been left open because of awaiting confirmation from the C&AG regarding WGA 2024/25.

We issued the certificates closing the 2024/25 accounts for Cleveland Police on 26 June 2026.

National publications and technical updates

National Audit Office

3. Devolution in England: funding and accountability

The NAO has published its report *Devolution in England: funding and accountability* which assesses whether the Ministry of Housing, Communities & Local Government (MHCLG) is implementing devolved arrangements – with a particular focus on funding and accountability – in a way that supports improved outcomes for local people. It does not cover wider issues such as workforce skills, economic growth or local government reorganisation. The report is set out as follows:

- Part One sets out the recent history of English devolution and explains the further changes planned.
- Part Two examines devolved funding and powers.
- Part Three assesses the arrangements for accountability and scrutiny.

The report concludes that MHCLG and HM Treasury are implementing Integrated Settlement funding in a way that stakeholders regard as a significant step forward. Mayoral Strategic Authorities (MSAs) are starting to take the opportunity presented by this new approach to be more creative and to think in a longer-term way about the programmes they deliver. These arrangements have the potential to deliver better value for money as they are rolled out more widely.

At the same time, the reporting burden on MSAs to demonstrate what they have delivered with much of the Integrated Settlement funding they receive is currently greater than initially envisaged. And the way the current framework will address underperformance has not yet been tested. As a result, there are questions about future capacity, both within local and central government bodies, as new MSAs are brought on board and engage with government departments over their Integrated Settlements and Outcomes Frameworks.

The accountability mechanisms for central government funding are well established and important. But there is a clear tension between departments' responsibilities and the ambition of the English Devolution White Paper that central government should end the top-down micromanagement of decisions and approaches by local leaders and replace it with a principle of locally accountable autonomy.

This tension will need to be resolved, and local accountability arrangements substantially strengthened and tested, before the devolution of funding and accountability can be considered to be working effectively to support improved outcomes for local people.

https://www.nao.org.uk/reports/devolution-in-england-funding-and-accountability/

Contact

Forvis Mazars

Mark Kirkham
Partner
mark.kirkham@mazars.co.uk

Cath Andrew
Senior Audit Manager
cath.andrew@mazars.co.uk

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