

**POLICE & CRIME
COMMISSIONER FOR
LEICESTERSHIRE
JOINT AUDIT, RISK &
ASSURANCE PANEL**

PAPER MARKED

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| Report of | OFFICE OF THE POLICE AND CRIME COMMISSIONER AND OFFICE OF THE CHIEF CONSTABLE |
| Subject | EXTERNAL AUDIT DRAFT ANNUAL REPORT |
| Date | MONDAY 24TH NOVEMBER |
| Author : | SARAH KNOWLES, MAZARS |

Purpose of Report

1. This report seeks to present members of the Joint Audit, Risk and Assurance Panel (JARAP) with the Interim Annual Report for year ending 31st March 2025

Recommendation

2. The Panel is recommended to discuss the contents of the report.

Background

3. None

Implications

| | |
|--------------------------------|--|
| Financial: | There are no financial implications associated with this report |
| Legal: | There are no legal implications associated with this report. |
| Equality Impact Assessment: | There are no Equality implications associated with this report. |
| Risks and Impact: | There are no separate Risk implications associated with this report. Risk has been considered by the JARAP under the Terms of Reference and this is covered within the report. |
| Link to Police and Crime Plan: | The Progress Report is in line with the Terms of Reference of the JARAP which is a key governance and assurance mechanism for the delivery of the Police and Crime Plan. |

NOT PROTECTIVELY MARKED

List of Attachments / Appendices

Interim Auditor's Annual Report year ending 31st March 2025

Background Papers

None

Person to Contact

Kira Knott– Tel 0116 222 2222 ext. 3307200

Email: kira.knott@leics.pcc.police.uk



Police and Crime Commissioner and Chief Constable for Leicestershire

Interim Auditor's Annual Report
Year ending 31 March 2025

11 November 2025

Consultation Draft



Contents

| | | |
|------------|--|----|
| 01 | Introduction and context | 3 |
| 02 | Executive summary | 5 |
| 03 | Opinion on the financial statements and use of auditor's powers | 9 |
| 04 | Value for Money commentary on arrangements | 11 |
| | Financial sustainability | 13 |
| | Governance | 15 |
| | Improving economy, efficiency and effectiveness | 18 |
| Appendices | | |
| A | Responsibilities of the Police and Crime Commissioner (the PCC) and the Chief Constable (the CC) | 22 |
| B | Value for Money Auditor responsibilities | 23 |
| C | Follow-up of previous improvement recommendations | 24 |

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Police and Crime Commissioner and Chief Constable for Leicestershire during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Police and Crime Commissioner (the PCC) and the Chief Constable (the CC) are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the PCC and CC as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 8 with a commentary on whether any of these powers have been used during this audit period.

Value for money

We report our judgements on whether the PCC and CC has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from 30th November 2025 and applies to 2024/25 Audits.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the PCC’s and CC’s arrangements is set out below. Further detail can be found on the following pages.

| Criteria | 2023/24 Assessment of arrangements | 2024/25 Risk assessment | 2024/25 Assessment of arrangements |
|---|--|--|---|
| Financial sustainability | G No significant weaknesses identified and no improvement recommendations raised. | No risks of significant weakness identified. | G No significant weaknesses identified and no improvement recommendations raised. |
| Governance | G No significant weaknesses identified and no improvement recommendations raised. | No risks of significant weakness identified. | G No significant weaknesses identified and no improvement recommendations raised. |
| Improving economy, efficiency and effectiveness | A No significant weaknesses identified; two improvement recommendations raised in relation to Force performance monitoring and procurement documentation. | No risks of significant weakness identified. | G No significant weaknesses in arrangements identified and no improvement recommendation made. We have closed the two improvement recommendations raised in 2023/24. |

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the PCC's and CC's arrangements in respect of value for money.



Financial sustainability

The PCC and CC delivered a combined underspend of £0.9m in 2024/25 continuing the track record of sound financial management. This boosted reserves to help manage the financial risks in the future.

The £8.6m savings target for 2024/25 was exceeded with delivery of £8.9m savings. At Quarter 1, the 2025/26 target of £9.3m is forecast to be exceeded by £0.6m.

Financial planning is clearly linked to delivery of priorities articulated in the Police and Crime Plan, Strategic Policing Requirement and the Force Target Operating Model. Treasury management activity is planned to support delivery of both the revenue budget and capital plans.



Governance

The PCC and CC have appropriate arrangements in place to manage risk and internal controls, set and monitor budgets, make properly informed decisions and ensure appropriate standards are in place.

Financial planning is thorough, with a balanced budget for 2025/26 and a detailed Medium Term Financial Plan (MTFP) extending to March 2029.

Governance committees, such as the Joint Audit Risk and Assurance Panel (JARAP), Ethics and Transparency Panel and the PCC's Corporate Governance Board provide independent oversight, ensuring compliance with legislation and effective decision-making.



Improving economy, efficiency and effectiveness

In 2023/24 we raised two improvement recommendations, in relation to reporting on progress against PEEL recommendations to Corporate Governance Board meetings, and in relation to procurement processes and documentation. We consider that these have been appropriately addressed.

The PCC and CC have good arrangements in place to ensure ongoing performance improvement including addressing areas identified for improvement by HMICFRS inspections.

Partnership working including collaboration via East Midlands Strategic Operations Unit continues to be an important contributor to delivery of the Police and Crime Plan. The impact of partnership working is reported within Leicestershire Police governance forums and to the Police and Crime Panel.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the PCC’s and CC’s financial statements and sets out whether we have used any of the other powers available to us as the PCC’s and CC’s auditors.

Auditor’s responsibility

2024/25 outcome

Opinion on the Financial Statements

We have completed the majority of our planned work on the audits of the financial statements of both the Chief Constable and the PCC and group. We are in the process of concluding our work and consolidating our findings.

Our findings are set out in further detail on page 10.

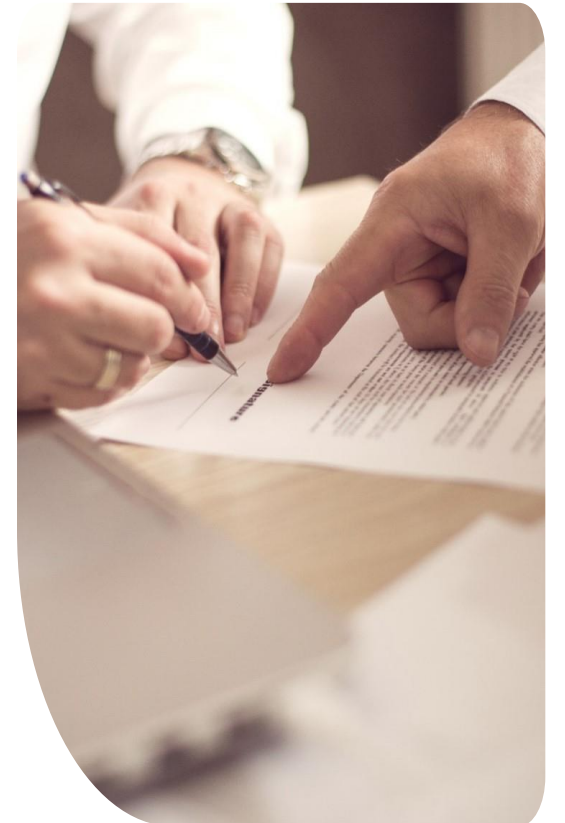
Use of auditor’s powers

We did not make any written statutory recommendations to the PPC or CC under Schedule 7 of the Local Audit and Accountability Act 2014.

We did not make an application to the Court or issue any Advisory Notices under Section 29 of the Local Audit and Accountability Act 2014.

We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

This page sets out the key findings from our audit of the PCC's and CC's financial statements, and whether we have used any of the other powers available to us as the PCC and CC auditors.

Audit opinion on the financial statements

We have completed the majority of our planned work on the audits of the financial statements of both the Chief Constable and the PCC and group. We are in the process of concluding our work and consolidating our findings.

Grant Thornton provides an independent opinion on whether the PCC's and CC's financial statements:

- give a true and fair view of the financial position of the group, the PCC and of the CC as at 31 March 2025 and of their expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law.

We are independent of the PCC and CC in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The PCC and CC provided draft accounts in line with the national deadline of 30 June 2025.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice 2024/25 on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

At the time of writing this report, our work in this area is ongoing.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the PCC's and CC's Joint Audit, Risk and Assurance Panel. Requests for this Audit Findings Report should be directed to the PCC and CC.

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All PCC's and CC's are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. PCC's and CC's report on their arrangements, and the effectiveness of these arrangements as part of their individual Annual Governance Statements.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PCC and CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We provide an assessment of the overall arrangements, taking into consideration the individual arrangements at both the PCC and CC; reporting clearly which body is impacted by any issues raised.

The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the PCC and CC can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the PCC and CC makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the PCC and CC delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|---|---|----------|
| <p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p> | <p>The PCC and CC continued their track record of good financial management achieving a group net revenue budget underspend of £0.9m after transfer of funds to earmarked reserves from corporate budget underspends. This includes £5.9m to meet commitments against the 2025/26 budget, incorporating £0.59m to increase the general fund balance.</p> <p>A balanced budget has been set for 2025/26 assuming £4.2m use of earmarked reserves and delivery of £9.3m savings and efficiencies. The refreshed MTFP to 2028/29 outlines the planned use of earmarked reserves of £7.2m, detailing their purpose and type and projecting forward to March 2029 with a planned total balance of £19.3m attributable to Leicestershire PCC. General Fund balances are planned to be maintained at £5.7m over the life of the MTFP to provide resilience against unforeseen events. The MTFP provides comprehensive forecasts of revenue, reserves, capital, and anticipated future grant funding. Risks and implications should assumptions vary are also included in the MTFP.</p> | <p>G</p> |
| <p>plans to bridge its funding gaps and identify achievable savings</p> | <p>Savings targets in 2024/25 and 2025/26 relate to the CC. In 2024/25 the savings target of £8.6m was exceeded with £8.9m being achieved. At quarter 1, the 2025/26 savings target of 9.3m was forecast to be exceeded by £0.6m. We note there is work in train to identify future efficiencies as part of 'Blueprint 2030' strategic planning.</p> | <p>G</p> |

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|---|---|----------|
| <p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p> | <p>The PCC and CC revenue budget and MTFP are clearly linked to delivery of services in line with the priorities articulated in the Police and Crime Plan, Strategic Policing Requirement and Force Target Operating Model. For example, investment in the Estates Strategy, particularly the Contact Centre reflects the PCP priority to increase police visibility across Leicester, Leicestershire and Rutland as a key element of inspiring public trust and confidence in the police.</p> | <p>G</p> |
| <p>ensures 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</p> | <p>The PCC and CC’s financial planning and investment decisions align to the Police and Crime Plan and other relevant plans and strategies, including the Estates Strategy and workforce plans. Bids for new capital investment are based on an approved business case and prioritisation process. Capital projects are required to demonstrate consistency with key financial plans and strategies which are considered as part of the approval process. For example, the Fleet Strategy aligns with the commitment to reduce the police carbon footprint. The Treasury Management Strategy sets out how treasury management activity is planned to support delivery of both the revenue budget and capital plans.</p> | <p>G</p> |
| <p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p> | <p>The PCC and CC address financial risks and have a well structured MTFP that articulates the impact should risks to assumptions made crystallise. Senior Leadership receives monthly reports on the revenue and capital position, delivery of planned savings and proposed use of these to offset future pressures.</p> <p>The PCC’s and CC’s risk registers each contain a specific risk related to financial sustainability and detail of actions being taken to mitigate these. The risk registers are presented to JARAP to provide assurance of ongoing management of these.</p> | <p>G</p> |

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|--|--|-----------------|
| <p>monitors and assesses risk and how the PCC and CC gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p> | <p>The PCC and CC have a comprehensive Risk Management Framework which is embedded in the respective governance structures and supported by Risk Management Policies. Both entities maintain individual risk registers and the Annual Governance Statements effectively summarise key governance risks and issues.</p> <p>The Internal Audit annual plan is regularly reviewed by JARAP and the panel receives an Internal Audit Progress Report and recommendations tracking report each meeting. The Head of Internal Audit gave a ‘moderate’ annual opinion for 2024/25, meaning that there are no significant issues noted in relation to the PCC’s and CC’s framework of governance, risk management and control. Arrangements are in place to prevent and detect fraud and investigate complaints with reviews of whistleblowing and complaints being considered by the PCC’s Ethics and Transparency Panel who also undertake dip sampling of complaints.</p> <p>Arrangements are in place to obtain assurance in relation to the CC response to weaknesses identified elsewhere, such as the Casey review at the Met and national reports such as the Angiolini Inquiry. In relation to Angiolini, the PCC requested assurances related to the Force commitment to being anti-sexist and anti-misogynistic. Summary discussion was provided to Police and Crime Panel for their assurance within the Corporate Governance Board update presented in June 2025.</p> | <p>G</p> |
|--|--|-----------------|

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|--|--|-----------------|
| <p>approaches and carries out its annual budget setting process</p> | <p>The annual budget and MTFP are developed in parallel each year. The budget setting process includes adequate time for consultation with budget holders, the public and members of the Police and Crime Panel. Clear expectations are set out within the internal budget setting guidance as to the approach to be adopted including work needed to build the budget reflecting areas of growth, pressure and savings within service areas. The timetable includes time for appropriate review and challenge prior to the proposed precept contributing to the funding of the budget being presented to Police and Crime Panel for their approval.</p> | <p>G</p> |
| <p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p> | <p>Revenue and capital monthly budget monitoring reports provide a summary of forecast revenue outturn with detailed narrative on areas of over and underspend. They provide an update on efficiency savings and pressures, as well as an update on the four-year capital plan through to 2027/28 with a breakdown of approved, revised and estimated capital budgets. Updates on projected outturn are also provided to the Police and Crime Panel. The PCC and CC also produced a three-year budget sustainability plan going from 2023/24 to 2025/26 which the Corporate Governance Board meetings provide regular updates on, as well as recommendations to the PCC on how to continue supporting the CC. The November 2024 meeting received a presentation titled ‘Aligning transformation and balancing the budget: Blueprint 2030’ – designing a sustainable future operating model. This includes a strategy to overcoming the anticipated budgetary pressures through the MTFP.</p> <p>The 2024/25 financial statements were published in line with statutory reporting guidelines for audit purposes. There are no issues arising from the audits of the financial statements that are indicative of concerns in relation to final accounts processes.</p> | <p>G</p> |

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|--|---|-----------------|
| <p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p> | <p>The PCC and CC have a Joint Code of Corporate Governance describing the decision-making responsibilities and delegations. Reports to JARAP, the PCC’s Corporate Governance Board and the Police and Crime Panel are sufficiently detailed, providing transparency and to facilitate challenge. For example, the detail provided in the PCC’s annual precept proposal report presented to Panel in February 2025 was sufficiently detailed to inform the Panel’s decision to approve the precept proposal.</p> | <p>G</p> |
| <p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p> | <p>The PCC and CC have clearly defined the roles of their key officers, the Executive and committees. The Code of Conduct and Joint Code of Corporate Governance in place for officers and staff are regularly reviewed. The PCC and CC maintain registers of interests and gifts and hospitality.</p> <p>The PCC and CC have arrangements in place to meet legislative and regulatory standards where services are procured or commissioned as articulated in the Contract Regulations set out in the Joint Corporate Governance Framework and Procurement Strategy 2025.</p> <p>Vetting helps mitigate the risks associated with employing an unsuitable person in the police service. In response to Internal Audit recommendations, the CC has enhanced its vetting performance reporting by developing a SharePoint Power BI Dashboard screenshot for Vetting depicting performance. This evidences Leicestershire Police arrangements in relation to ensuring adequate vetting performance oversight.</p> | <p>G</p> |

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|---|---|----------|
| <p>uses financial and performance information to assess performance to identify areas for improvement</p> | <p>In our 2023/24 Auditor’s Annual Report, we raised an improvement recommendation that updates on progress against PEEL inspection recommendations should be provided to the PCC at Corporate Governance Board meetings which we noted has been implemented and therefore the recommendation has been closed.</p> <p>A Commissioner's Update Report is taken to every Police and Crime Panel meeting which contains updates on activity and performance in support of delivering the Police and Crime Plan. The Panel also receives updates from the PCC’s Corporate Governance Board meetings describing how the PCC holds the Chief Constable to account in the delivery of policing services. The papers of the PCP are published on the County Council’s website and accessible to the public.</p> <p>CC performance is monitored by the monthly Performance Board. In 2024/25 the CC also developed the Force Performance Overview Report providing a high-level overview of CC performance for 2024/25, encompassing both internal and external comparators as well as touching upon PEEL 23-25. It reports against Key Performance Indicators and provides benchmarking against other Forces to help identify where there is scope to improve. Where improvement is required, action required to address this is noted.</p> <p>There are arrangements in place to ensure the quality of data underpinning performance reporting and progress is being made in response to Internal Audit’s recommendations arising from its Data Quality audit report presented in May 2025. Two of the four recommendations were proposed for closure in August and September 2025, with the other two recommendations on course for completion by the overall due date of April 2026.</p> | <p>G</p> |
|---|---|----------|

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|--|--|-----------------|
| <p>evaluates the services it provides to assess performance and identify areas for improvement</p> | <p>There are adequate arrangements in place to respond to the findings of HMICFRS reviews. The 10 Areas for Improvement (AFIs) identified in HMICFRS's PEEL 23-25 report published in December 2024 have actions identified. Progress with addressing these is being monitored by the CC's HMIC Oversight Board. Reporting on progress is provided to the PCC's Corporate Governance Board to facilitate detailed scrutiny and assurance of progress with actions. The Police and Crime Panel also receives assurance of the PCC's scrutiny of ongoing improvement via the Corporate Governance Board updates provided. Our review of the action plan as at August 2025 provides assurance that adequate progress is being made to address the 10 AFIs. Two of these are proposed to be closed with clear narrative provided of actions in place to address the remaining AFIs.</p> | <p>G</p> |
| <p>ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives</p> | <p>The Police and Crime Plan 2021-2024 and refreshed plan for 2024-29 specifically refer to partnership working and collaboration. The PCC's website and Annual Governance Statement and the CC's accounts names the key partners with whom the PCC and CC work with to deliver the Plan. The work of partnerships and the impact is reported through the governance and delivery structure. For example, the impact of partnership working as part of delivery of Key Performance Indicators in the Plan is reported to the Police and Crime Panel as part of the PCC's update reports; and reporting concerning collaboration via East Midlands Strategic Operations Unit (EMSOU). Reporting to PCP in June 2025 provided assurance that EMSOU continues to provide the most effective and efficient way to tackle the most serious, organised and violent crime. The PCC undertook extensive consultation with the people of Leicester, Leicestershire and Rutland as well as strategic partners when refreshing the PCP for 2024-29 to ensure priorities expressed by consultees were reflected in the refreshed PCP.</p> | <p>G</p> |

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the PCC and CC: **Commentary on arrangements:**

Rating

| | | |
|--|--|----------|
| <p>commissions or procures services, assessing whether it is realising the expected benefits</p> | <p>In our 2023/24 Auditor’s Annual Report, we raised an improvement recommendation in relation to procurement processes, the documentation of key meetings and decisions, and key documents being kept up to date and made publicly available on the CC’s website in a timely manner. This has been implemented and therefore the recommendation has been closed.</p> <p>Arrangements are in place to monitor procurement and commissioning activity, with the Procurement and Support Services team overseeing this supporting services in discharging their responsibilities. These responsibilities are documented in the Procurement Policy 2025 and Procurement Strategy 2025-2029 which were ratified at the CC Executive Board meeting held in February 2025.</p> <p>During 2025, Internal Audit conducted a review of Contract Management; reporting its findings in May 2025. The report provided ‘moderate’ assurance meaning no major findings of concern. Internal Audit found evidence of regular performance meetings and provision of management information where applicable. Three medium rated and one low rated recommendations were raised. As reported to JARAP in August 2025, the three medium rated recommendations were considered addressed and proposed for closure.</p> <p>Procurement collaboration provides opportunities for efficiencies such as via the payroll contract, and access to procurement training across the sector.</p> | <p>G</p> |
|--|--|----------|

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

07 Appendices

Appendix A: Responsibilities of the Police and Crime Commissioner (PCC) and the Chief Constable (CC)

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PCC's and the Chief Constable's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and Chief Constable will no longer be provided.

The PCC and the Chief Constable are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the PCC’s and CC’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the PCC’s and CC’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



A range of different recommendations can be raised by the auditors as follows:

Statutory recommendations – recommendations to the PCC and CC under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the PCC and CC where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the PCC’s and CC’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

| | |
|--|--|
| Cumulative knowledge of arrangements from the prior year | Key performance and risk management information reported to the Police and Crime Panel |
| Interviews and discussions with key stakeholders | External review such as by CIPFA |
| Progress with implementing recommendations | Regulatory inspections such as from HMICFRS |
| Findings from our opinion audit | Annual Governance Statement including the Head of Internal Audit annual opinion |

Appendix C: Follow up of 2023/24 improvement recommendations

| | Prior Recommendation | Raised | Progress | Current position | Further action |
|-----|--|---------|--|------------------------|----------------|
| IR1 | The Force should provide an update on progress against the recommendations from the PEEL Inspection to the PCC as a standing item at Corporate Governance Board meetings. A summarised version of this should be presented at the Police and Crime Panel meetings to inform the public and other stakeholders on progress. | 2023/24 | The January 2025 and March 2025 Corporate Governance Board meetings received updates on progress and onward plans in relation to addressing the 10 Areas for Improvement from the PEEL inspection. This was subsequently reported to the Police and Crime Panel in June 2025 - informing the public and other stakeholders on progress. The PCC continues to inform each Police and Crime Panel meeting of his ongoing oversight of the CC via his update reports. | Implemented and closed | No |
| IR2 | The Force should ensure that procurement processes, key meetings and decisions made are documented, and key documents, for example, the Procurement Strategy are kept up to date and made publicly available on their website in a timely manner. | 2023/24 | The Procurement Policy and Procurement Strategy 2025-2029 were ratified at the CC's Executive Board meeting in February 2025. Internal Audit's Contract Management Audit identified good practice in relation to evidence of regular performance meetings and provision of management information where applicable. We also found that the PCC's website provides links to the Bluelight Portal where Leicestershire Police Contracts Register can be obtained thus providing details of contracts currently held. | Implemented and closed | No |



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