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

PAPER MARKED

E

Report of	**THE POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE**
Subject	**ANNUAL GOVERNANCE STATEMENTS**
Date	**WEDNESDAY 26TH AUGUST 2026**
Author:	**MRS KIRA KNOTT, CHIEF FINANCE OFFICER (OPCC) AND MR PAUL DAWKINS, ASSISTANT CHIEF OFFICER (RESOURCES) (FORCE)**

Purpose of Report

1. To receive an update on the 2025-26 Annual Governance Statements for Police and Crime Commissioner and Chief Constable.

Recommendation

2. The Panel is asked to review the draft Annual Governance Statements for 2025-26

Implications

Financial: Financial implications set out within the Statement of Accounts

Legal: There are no direct legal implications stemming from this report

Equality Impact Assessment: There are no EIA implications stemming from this report.

Risks and Impact: Risks and impact set out in report

Link to Police and Crime Plan: There is a statutory requirement to produce a Statement of Accounts on an annual basis.

List of Attachments / Appendices
PCC Annual Governance Statement
CC Annual Governance Statement
Regional Collaboration Annual Governance Statement

Background Papers
None

Police and Crime Commissioner's Annual Governance Statement

Introduction

In the financial year 2025-26, the implications of the Police Reform and Social Responsibility Act 2011 continued for the two corporations' sole of the Office of the Police and Crime Commissioner (OPCC) and the Office of the Chief Constable (OCC). Rupert Matthews was re-elected as the Police and Crime Commissioner for Leicestershire on 2nd May 2024, undertaking his second term in office.

The paragraphs below detail the governance and assurance arrangements that have been in place throughout the year.

Scope of Responsibility

The Police and Crime Commissioner for Leicestershire (PCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is used economically, efficiently, and effectively. The PCC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The PCC has approved and adopted a Corporate Governance Framework, which is consistent with the principles and guidance Notes of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government. A copy of both the Framework and the 2016 Guidance notes for Policing Bodies in England and Wales can be obtained from the Office of the Police and Crime Commissioner (OPCC), Leicestershire Police Headquarters, St Johns, Enderby, Leicester, LE19 2BX.

This statement explains how the PCC has complied with the Framework and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an annual governance statement.

2) The Purpose of the Governance Framework

The Joint Corporate Governance Framework comprises the systems and processes, and culture and values, by which the OPCC is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the OPCC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The Joint Corporate Governance Framework (CGF) was developed in 2013-14, was considered by the Joint Audit Risk and Assurance Panel (JARAP) and reviewed in March 2014 to incorporate the changes required under Stage 2 Transfer arrangements. The CGF has been reviewed and updated during 2025-26 following extensive consultation and adopted on 1st December 2025.

3) The Governance Framework

Both the PCC and the CC continued to ensure that appropriate management and reporting arrangements were in place to enable it to satisfy itself that its approach to corporate governance was both adequate and effective in practice. These arrangements included:

- The Joint Corporate Governance Framework;
- A Risk Management Strategy for the OPCC and OCC;

- An Annual Governance Statement produced by the OPCC and the OCC;
- A Regional Governance Statement;
- Ensuring that there is an effective Internal Audit function.

During 2025-26, Mazars continued as Internal Auditors for the region. Regular review and planning meetings took place which helped identify, discuss and share best practice and identify potential common audit themes.

Mazars also attended Regional CFO and Finance Director meetings to update on the progress of 2025-26 Regional Collaboration audits and the Regional Collaboration Internal Audit Plan and the proposed workplan and timescales for 2026-27.

The effectiveness of audit committees should be carried out periodically. A self-assessment effectiveness review was undertaken by the OPCC and JARAP members during 2025-26 using CIPFA guidance. The findings were reported to the JARAP at its meeting on 14 May 2026. Overall, the review concluded that the JARAP is operated in an effective manner.

The 2025-26 Internal Audit Plan was considered and approved at the JARAP meeting held on 14 May 2026. It was prepared following discussion and consideration of regional and three force audit themes, the risk register and other factors.

Mazars attended each JARAP meeting to routinely report to and provide assurance on the adequacy and effectiveness of internal control.

The system of internal control is based on a framework of robust financial and contract procedure rules and processes, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the OPCC and the Office of the Chief Constable (OCC) and is reviewed by internal and external audit. In particular the system includes:

- A Police and Crime Plan for 2024-29 which sets out the priorities for the Chief Constable to deliver against. A link to the document is contained here: police-and-crime-plan-2024-2029.pdf
- Performance management framework, performance plans, targets and performance monitoring focused on achieving the objectives set out in the Plan. These reports are reviewed and scrutinised by the PCC at the Corporate Governance Board;
- Comprehensive budgeting systems that seek to align resources with priorities;
- Robust financial reporting, which routinely projects end of year outturn positions to allow early corrective action or highlight reinvestment opportunities;
- Effective risk management strategies, registers, action plans and tactics;
- A Commissioning Framework to which detailed the approach to engagement with partners and to commissioning appropriate outcomes through third party providers;
- Engagement in value for money benchmarking such as is conducted by Her Majesty's Inspectorate of Constabulary (HMICFRS);
- A well-researched and coherent Joint Corporate Governance Framework that sets out the rules and procedures for effective working within and between the OPCC and OCC;
- Appropriate statutory officers within both the OPCC and OCC, who are key members of respective leadership teams with relevant influence on strategic and tactical matters;
- Codes of Conduct and standards of behaviour clearly set out in governance documents with the former being signed by the PCC;
- An independent Joint Audit, Risk and Assurance Panel (JARAP) that is charged with seeking assurance over risk, governance and internal control for both the OPCC and OCC;
- Internal Audit team where the plan and therefore resources are directed towards risk and emerging issues; and where the plan is shaped by both the OPCC and the OCC;
- External reviews and inspections carried out by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) which inform the PCC and the CC and highlight risks and learning points in addition to good practice.
- Regular reviews and updates on Regional Collaboration are discussed at the East Midlands PCC and CC Board who meet bi-monthly.

4) Compliance with the Seven Principles set out in the CIPFA/SoLACE Framework

Principle A: Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of Law:

Both the PCC and the CC support the Joint Corporate Governance Framework which aligns to the Code of Corporate Governance, and which provides guidance on expected behaviours to ensure integrity. The JARAP receive regular updates on Fraud and Corruption and Whistleblowing arrangements in line with their annual plan.

Any whistleblowing activities are investigated by the Professional Standards Department and appropriate action is taken. The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure, to comply with legal requirements and for reporting any such instances to the PCC, CC, JARAP or Police and Crime Panel.

Detailed reviews of whistleblowing and complaints are considered by the Ethics and Transparency Panel who also undertake dip sampling of complaints.

The Police and Crime Plan outlines the PCC's commitment to ethical values and the PCC and DPCC have completed the register of interests which is contained on the PCC website. Additionally, Related Parties Disclosures are undertaken for all key staff in the OPCC and OCC.

Principle B: Ensuring openness and comprehensive stakeholder engagement

All agendas, papers and meetings of the JARAP and Ethics and Transparency Panel and the Police and Crime Panel are contained on the respective websites. All of these meetings are open to the public.

Papers, reports and decisions made by the PCC are published on the PCC website, together with consultation, details of future public events and public surveys.

Detailed financial information is included on the police force's website which details every expenditure transaction over £500.

The Police and Crime Plan sets out the importance placed by the PCC on stakeholder engagement, together with his plans and approach to developing these further.

Principle C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes

The PCC has produced a Police and Crime Plan which has been informed by the Strategic Policing Requirement and the result of significant consultation with the public and key stakeholders.

This plan is used to direct the resources of the PCC and the Chief Constable through the Revenue and Capital Budgets and the Commissioning Framework. It informs where resources are most needed and targets investment into priority areas.

The PCC has a Minimum Revenue Policy, a Reserves Strategy and a Treasury Management Strategy and these are all considered with the Capital Programme and Revenue budget when considering the level of precept to be set. There are regular reports to the Financial Scrutiny and Oversight Board (FSOB) to report on progress and compliance with these policies during the year.

The PCC has produced a Sustainability and Environmental Policy Statement to establish a process to ensure the work undertaken by the OPCC (including Commissioned Services) do all that is reasonable to minimise the impact on the environment.

Principle D: Determining the Interventions necessary to optimise the achievement of intended outcomes

All new areas of business are considered through the Force arrangements via the Executive Group. Business cases support proposals both at a local, regional and sub-regional level before consideration and sign off where appropriate by the PCC or CC, dependent on the values contained within the Corporate Governance Framework.

Regionally, Business Cases are considered first by the DCC Board before consideration by the CCs and PCCs, together with advice from statutory officers.

Significant decisions are documented on a Decision Record and published on the PCC website. The PCC produces a Commissioning Framework which sets out to support the delivery of the Police and Crime Plan through commissioning activities.

Principle E: Developing Capacity and Capability

The Force work closely with the College of Policing to ensure investment is maximised for officers and staff. Significant work has taken place across the region with the college in respect of the apprenticeship scheme for new recruits and further development of officers aspiring to senior ranks.

The PCC has continued to support the CC in recruiting officers and PCSO's to maintain establishment levels and ensure continued introduction of new ideas and ways of working. The PCC continues to support the CC to recruit a diverse workforce which is reflective of the communities they represent.

The Force's Team Leicestershire Academy, supported by the PCC, has ensured that the workforce have the right skills, are continuously developing, and have the right capabilities to deliver an efficient and effective police service.

Principle F: Managing Risks and Performance

Performance forms a significant part of the regular Corporate Governance Board meetings and a representative from the OPCC attend the Business Delivery Board to discuss Performance at a more operational level and identify the issues and challenges.

Whilst Leicestershire have mirrored the national trend where Crime levels have increased, the PCC highlights areas of Force Performance which are of concern. He has undertaken further scrutiny in this area on a regular basis and this is also an area reviewed regularly by the Police and Crime Panel.

Both the PCC and CC have a Risk Management Policy and manage and record risks in the same manner. These risks are reviewed regularly and considered at every JARAP meeting.

The Joint Corporate Governance Framework sets out the financial regulations, expected processes and internal controls.

There is a shared Internal Audit Service across the region and updates on local and regional audits are considered at every JARAP meeting.

Annual reports on HR and complaints and disciplinary processes are considered by the Corporate Governance Board and the Ethics and transparency Panel, together with actions and lessons learned.

Principle G: Implementing good practices in transparency, reporting and accountability

All significant decisions of the PCC are published on the website, together with appropriate supporting documentation. The Police and Crime Plan and Commissioning Framework are also reported on and published on the website.

The PCC meets regularly with the CC to discuss key issues and challenge and scrutinise where performance is slipping or other key aspects.

The PCC attends and reports to the Police and Crime Panel who scrutinise how the PCC is holding the CC to account, consider performance, the Police and Crime Plan and other priorities.

5) Review of Effectiveness

The OPCC and OCC have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the OPCC and OCC who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The OPCC and OCC continued to invest in an Internal Audit programme in 2025-26 to provide assurance under the arrangements for the two corporation soles. These ensured specific local audits on:

- Core Financials
- Fleet Management
- Business Continuity Follow-up

- Environmental Sustainability
- Governance
- Complaints Management
- Redundancy Lessons Learnt
- Talent Development
- Force GDPR

- Estates Compliance
- IT Audit

During 2025-26, the following collaborative audits or specific assignments were carried out:

- EMSOU – POCA Income
- EMSOU – Forensics Accreditation

In addition to a review of key controls working well and highlighting findings and recommendations, the Internal Audit reports also include an overview on sector comparisons, risk management and value for money observations.

The Mazars Internal Audit annual report covered the period 1 April 2025 to 31 March 2026 and will be reported to and considered by the JARAP in August 2026. The key messages in that report are included here within this Annual Governance Statement.

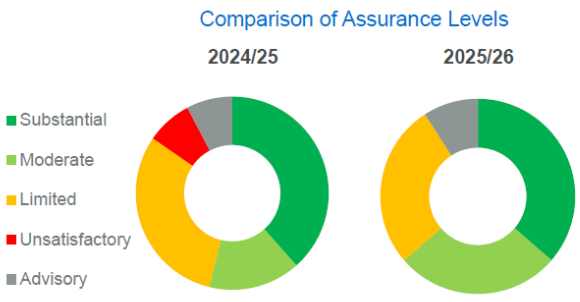
The Internal Audit opinions included within their annual report for both the Police and Crime Commissioner and the Chief Constable for 2025-26 were as follows:

"On the basis of our audit work, our conclusion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness.

This conclusion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work and detailed in our individual
reports.

These matters have been discussed with management, to whom we have made recommendations, four of which are categorised as 'High'. All of these have been, or are in the process of being addressed, as detailed in our individual reports.

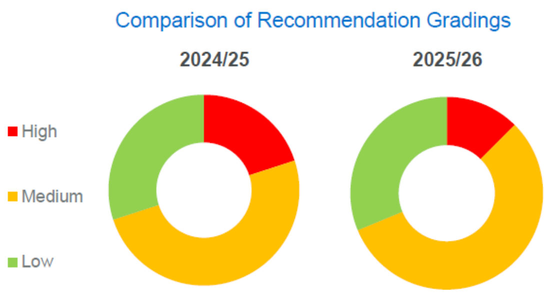
A 'Substantial' assurance level was provided for four internal audits; a 'Moderate' assurance level for three audits, and a 'Limited' assurance for three audits. Additionally, we completed one 'Advisory' follow up audit".



In 2024/25, there were 13 strategic audits completed. Five received 'Substantial' assurance, two received a 'Moderate' assurance, four received a 'Limited' assurance and on received an 'Unsatisfactory' assurance level. Additionally, one 'Advisory' follow up audit was conducted.

Of the 11 strategic audits conducted in 2025/26, four received 'Substantial' assurance, three received 'Moderate' assurance and three received 'Limited' assurance. Additionally, one 'Advisory' follow up was conducted.

It should be noted though that the areas of review will not typically be the same given the risk-based nature of the Internal Audit Plan year on year and that caution should be exercised in comparing years.



The total number of recommendations made in 2024/25 was 40.

The total number of recommendations made in 2025/26 was 32. There have been four High priority recommendations raised this year.

As noted above, the areas of review each year will not typically be the same.

Compliance with Professional Standards
We employed a risk-based approach to determining the audit needs of Leicestershire OPCC and Force at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.
In fulfilling our role, we abide by the professional standard for internal audit which is governed by the International Professional Practices Framework (IPPF) which includes the Global Internal Audit Standards (GIAS) established by the Institute of Internal Auditors (IIA), alongside the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the JARAP We have reported all KPI data in our JARAP progress reports. Regular discussions on progress against the Audit Plan have taken place with the OPCC and Force Chief Finance Officers.

Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Internal Audit Quality Assurance

In order to ensure the quality of the work we perform; we have a programme of quality measures which includes:

- *Supervision of staff conducting audit work;*
- *Review of files of working papers and reports by Managers and Partners;*
- *Annual appraisal of audit staff and the development of personal development and training plans;*
- *Sector specific training for staff involved in the sector;*
- *Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and*
- *The maintenance of the firm's Internal Audit Manual.*

Due to delays across the audit sector the audit of the 2021-22 and 2022-23 statement of accounts were not completed by our external auditors, Ernst Young LLP, and the government backstop implemented. This resulted in disclaimer of opinion for the 2021-22 and 2022-23 statement of accounts. As a result of the imposed backstop date for the prior three years, the external auditors were not able to obtain sufficient appropriate audit evidence over the PCC's and Group opening balances reported in the financial statements for year ended 31 March 2025. Therefore, a disclaimer of opinion was given by the External Auditors, Grant Thornton, for the 2024-25 statement of accounts.

The JARAP meets four times during the year. The JARAP undertook a detailed work plan which included considering the work of internal and external audit, tracking of Internal Audit recommendations, risks and risk management, and specific themes. In addition, the JARAP approved an annual workplan, for 2025, reviewed their terms of reference and produced an annual report of their work.

During the year, the JARAP received or prepared a number of updates, presentations and reports on specific areas of risk or concern.

6) Significant Governance Issues and Actions

There were no formal reports issued by the S151 or Monitoring Officer during the year, outcomes of Monitoring Officer Investigations, objections from local electors or ombudsman referrals.

In 2025-26 internal auditors, Mazars, carried out 11 audits. Three of the audits undertaken were given limited assurance which indicates some improvements are required.

The audits that received limited assurance were:

- Force GDPR
- IT Resilience
- Environmental Sustainability

Force GDPR

There was one priority four (high) recommendation, three priority two (medium) recommendations and one priority three (low) recommendations.

The priority one recommendations centred on the Forces non compliance of training requirements. It recommended that all staff are made aware of the training requirements, establish governance processes to track and address non-compliance and to regularly report on the training compliance rates.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

IT resilience

There was one priority one (high) recommendation, four priority two (medium) recommendations and one priority three (low) recommendations.

The priority one recommendation centred on the IT Thermal Load. It recommended that the Force calculate the IT thermal load for each of its servers and maintain in a formal document, the Force compare the IT load against available cooling capacity and establish a joint IT and estates process for environmental – load governance.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

Environmental Sustainability

There was one priority one (high) recommendation and three priority two (medium) recommendations.

The priority one recommendation centred on the Sustainability Strategy. It recommended that the Force and OPCC review and update the strategy to ensure it aligns to national and regional requirements and targets.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

Police and Crime Plan and Resources

The Budget Requirement and Precept report was presented at the Police and Crime Panel on 4th February 2026. The Police and Crime Panel resolved to veto the original proposal and a revised precept proposed and accept at the Police and Crime Panel on 12th February 2026.

At the start of the 2026/27 budget process Leicestershire Police reported a £3.6m deficit. The Force and OPCC have worked together to identify area for potential savings in both the OPCC and the Force to close the deficit for 2026/27 and a balanced budget was presented for 2026/27. The report also highlighted a financial deficit over the remaining three years of the MTFP of £8.2m for 2027/28, £10.6m for 2028/29 and £14.9m for 2029/30. The Force are working on a transformation and sustainability plan to overcome the budget deficit and deliver a sustainable budget for 2026/27 and beyond.

Her Majesty' s Inspectorate of Constabulary, Fire and Rescue Services Findings for PEEL 2023-24

Leicestershire Police were inspected by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) during 2024 with the findings being published in December 2024. The detailed report can be viewed on the HMICFRS website.

In 2014, HMICFRS introduced the police effectiveness, efficiency and legitimacy (PEEL) inspections, which assess the performance of all 43 police forces in England and Wales. Since then, HMICFRS have been continuously adapting their approach.

The HMICFRS has moved to a more intelligence-led, continual assessment approach, rather than the annual PEEL inspections used in previous years. Forces are assessed against the characteristics of good performance, set out in the PEEL Assessment Framework 2023-25.

Due to the change in approach the HMICFRS advise that it is not possible to make direct comparisons between the grades in this PEEL inspection and those from the previous cycle of PEEL inspections. This is because HMICFRS has increased their focus on making sure forces are achieving appropriate outcomes for the public, and in some areas have changed the aspects of policing inspected.

The HMICFRS assessed how good Leicestershire Police is in nine areas of policing and they made graded judgements in eight of these as follows:

HMICFRS also inspected how effective a service the Force gives to victims of crime. HMICFRS don't make a graded judgement for this area.

Leicestershire did not receive any causes for concern but did receive 10 areas for improvement. Significant progress has been made in each of these areas and when HMICFRS visited during January 2025 the actions taken and improvement plan were presented.

High priority strategic risks

At the end of March 2026, the Strategic Risk Register highlighted 17 strategic risks relating to the OCC and 21 strategic risks relating to the OPCC that were judged to be high priority. They were:

OCC

- Inability to maintain the power that sustains IT systems and CMD
- Demand outstripping capacity in CAIU
- Demand outstripping capacity in the Safeguarding hub
- Risk of a successful phishing attack
- Lack of technical H&S risk assessments
- The Financial Challenge – 2025/26 - 2028/29
- Year-on-year increase in complaints from members of the public
- Insufficient resources to manage the Vetting demand
- Demand outstripping capacity to deal with police officer and staff misconduct investigations
- Supreme Court Ruling impact on internal facilities provision
- HR Gateway sustainability
- Cyber Risk
- Risk to network storage
- Risk associated with a transition to an alternatively fuelled fleet

OPCC

- The Financial Challenge – 2024/25 – 2027/28
- Risk of Cyber Attack
- Contracts extending beyond abolition of PCCs
- Relationship with the Force changes meaning we are unable to fulfil holding to account functions.
- Staff Morale and Performance impact due to PCC abolition
- Staff start to look for other employment and leave due to uncertainty affecting ability to deliver
- Recruitment difficulties due to organisational uncertainty
- Social media negative comments, due to abolition of PCCs in 2028
- Insufficient clarity on transition arrangements impacting planning and delivery
- Disengagement of partners due to organisational change
- Reduced community trust, confidence and engagement due to perceived loss of investment
- Reduction in support for vulnerable children and adults due to funding uncertainty

All of these risks are being managed through the Organisational Risk Board (ORB), OPCC SMT Meetings and the JARAP.

Conclusion

This document highlights the main areas of assurance that are in place for the OPCC as well as highlighting particular issues that have been raised through internal audit reports, external audit reports, the strategic risk registers and the external inspections that have been carried out by HMICFRS. It is intended to provide assurance that the overall arrangements in place are sound whilst highlighting some areas that do require further management action. These will be monitored closely over the next financial year.

Rupert Matthews
Police and Crime Commissioner
xxxxx

Claire Trewartha
Chief Executive, OPCC
xxxxx

Kira Knott
Chief Finance Officer, OPCC
xxxxx

Chief Constable's Annual Governance Statement

1) Scope of Responsibility

The Chief Constable (CC) of Leicestershire is responsible for the delivery of policing services to the communities of Leicester, Leicestershire and Rutland and has direction and control over officers and staff operating with the Force. The CC holds office under the Crown and is appointed by the Police and Crime Commissioner (PCC).

The CC is accountable in law for the excise of policing powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the Force. In discharging his overall responsibilities, the CC is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The CC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The CC has adopted the Corporate Governance Framework approved by the PCC, which is consistent with the principals of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government.* A copy of the Framework can be obtained from the Office of the Police and Crime Commissioner (OPCC), Leicestershire Police Headquarters, St Johns, Enderby, Leicester, LE19 2BX or on our website at www.leics.pcc.police.uk.

This statement explains how the CC has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of an annual governance statement.

The Chief Constable as a standalone corporation sole is legally required to produce an Annual Governance Statement. The statement assists the PCC in holding the CC to account for efficient and effective policing. The statement sits alongside the statutory accounts for the CC and gives assurance to the PCC of the CC's governance arrangements. The PCC produces their own statement.

2) The Purpose of the Governance Framework

The Joint Corporate Governance Framework comprises the systems and processes, and culture and values, by which the CC is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the CC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the CC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Joint Corporate Governance Framework (CGF) was developed in 2013-14, was considered by the Joint Audit Risk and Assurance Panel (JARAP) and reviewed in March 2014 to incorporate the changes required under Stage 2 Transfer arrangements. The CGF has been reviewed and updated during 2023-24 following extensive consultation and ratified at Corporate Governance Board in March 2024. A further review was undertaken in quarter three of 2025-26.

3) The Governance Framework

Both the PCC and the CC continued to ensure that appropriate management and reporting arrangements were in place to enable it to satisfy itself that its approach to corporate governance was both adequate and effective in practice. These arrangements included:

- The Joint Corporate Governance Framework;
- A Risk Management Strategy;
- An Annual Governance Statement produced by the OPCC and the OCC;

- A Regional Governance Statement;
- Ensuring that there is an effective Internal Audit function.

During 2025-26, Forvis Mazars were the appointed Internal Auditors for the region. Regular review and planning meetings took place which helped identify, discuss and share best practice and identify potential common audit themes.

Forvis Mazars also attended Regional CFO and Finance Director meetings to update on the progress of 2025-26 Regional Collaboration audits and the Regional Collaboration Internal Audit Plan and the proposed workplan and timescales for 2025-26.

The effectiveness of audit committees should be carried out periodically. A self-assessment effectiveness review was undertaken by the OCC, OPCC and JARAP members during 2025-26 using CIPFA guidance. The findings were reported to the JARAP at its meeting on 14 May 2026. Overall, the review concluded that the JARAP is operated in an effective manner.

The 2025-26 Internal Audit Plan was considered and approved at the JARAP meeting held in May 20254. It was prepared following discussion and consideration of regional and three force audit themes, the risk register and other factors.

Forvis Mazars attended each JARAP meeting to routinely report to and provide assurance on the adequacy and effectiveness of internal control.

The system of internal control is based on a framework of robust financial and contract procedure rules and processes, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the OPCC and the Office of the Chief Constable (OCC) and is reviewed by internal and external audit. In particular the system includes:

- A Police and Crime Plan for 2024-29 which sets out the priorities for the Chief Constable to deliver against. A link to the document is contained here:

  https://www.leics.pcc.police.uk/Planning-and-Money/Police-and-Crime-Plan/Police-and-Crime-Plan.aspx

- Performance management framework, performance plans, targets and performance monitoring focused on achieving the objectives set out in the Plan. These reports are reviewed and scrutinised by the PCC at the Corporate Governance Board;
- Comprehensive budgeting systems that seek to align resources with priorities;
- Robust financial reporting, which routinely projects end of year outturn positions to allow early corrective action or highlight reinvestment opportunities;
- Effective risk management strategies, registers, action plans and tactics;
- A Commissioning Framework to which detailed the approach to engagement with partners and to commissioning appropriate outcomes through third party providers;
- Engagement in value for money benchmarking such as is conducted by Her Majesty's Inspectorate of Constabulary (HMICFRS);
- A well-researched and coherent Joint Corporate Governance Framework that sets out the rules and procedures for effective working within and between the OPCC and OCC;
- Appropriate statutory officers within both the OPCC and OCC, who are key members of respective leadership teams with relevant influence on strategic and tactical matters;
- Codes of Conduct and standards of behaviour clearly set out in governance documents with the former being signed by the PCC;
- An independent Joint Audit, Risk and Assurance Panel (JARAP) that is charged with seeking assurance over risk, governance and internal control for both the OPCC and OCC;
- Internal Audit team where the plan and therefore resources are directed towards risk and emerging issues; and where the plan is shaped by both the OPCC and the OCC;
- External reviews and inspections carried out by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) which inform the PCC and the CC and highlight risks and learning points in addition to good practice.
- Regular reviews and updates on Regional Collaboration are discussed at the East Midlands PCC and CC Board who meet bi-monthly.

Chief Finance Officer

The CC formally appointed a professionally qualified Chief Financial Officer (CFO) for the Force with the effect from 22nd November 2012. Under the Police Reform and Social Responsibility Act

2011 the OCC CFO has a personal fiduciary duty by virtue of their appointment as the person responsible for the financial administration of the OCC. This includes requirements and formal powers to safeguard lawfulness and propriety of expenditure (Section 114 of the Local Government Act 1988 as amended by paragraph 188 of Schedule 16 to the Police Reform and Social Responsibility Act 2011).

The OCC complies with the CIPFA statement on the Role of the Chief Financial Officer in the Public Sector, the key principles and requirements which are summarised below.

The Chief Financial Officer in a public service organisation:

- is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Force's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Force's financial strategy; and
- must lead the promotion and delivery by the whole Force of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

4) Compliance with the Seven Principles set out in the CIPFA/SoLACE Framework

Principle A: Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of Law:

Both the PCC and the CC support the Corporate Governance Framework which aligns to the Code of Corporate Governance and which provides guidance on expected behaviours to ensure integrity. The Corporate Governance Framework also includes an Anti-Fraud, Bribery and Corruption Policy in addition to a Whistleblowing Policy. The JARAP receive regular updates on Fraud and Corruption and Whistleblowing arrangements in line with their annual plan. Any whistleblowing activities are investigated by the Professional Standards Department and appropriate action is taken. The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements and for reporting any such instances to the PCC, CC, JARAP or Police and Crime Panel.

Detailed reviews of whistleblowing and complaints are considered by the Ethics, Integrity and Complaints Committee who also undertake dip sampling of complaints.

The Police and Crime Plan outlines the PCC's commitment to ethical values and the PCC and DPCC have completed the register of interests which is contained on the PCC website. Additionally, Related Parties Disclosures are undertaken for all key staff in the OPCC and OCC.

Principle B: Ensuring openness and comprehensive stakeholder engagement

All agendas, papers and meetings of the JARAP and Ethics and Transparency Panel and the Police and Crime Panel are contained on the respective websites. All of these meetings are open to the public.

Papers, reports and decisions made by the PCC are published on the PCC website, together with consultation, details of future public events and public surveys.

Detailed financial information is included on the police force's website which details every expenditure transaction over £500

The Police and Crime Plan sets out the importance placed by the PCC on stakeholder engagement, together with his plans and approach to developing these further. The CC must have due regard to this Plan and support its delivery.

Principle C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes

The PCC has produced a Police and Crime Plan which has been informed by the Strategic Policing Requirement and the result of significant consultation with the public and key stakeholders.

This plan is used to direct the resources of the PCC and the Chief Constable through the Revenue and Capital Budgets and the Commissioning Framework. It informs where resources are most needed and targets investment into priority areas.

The PCC has a Minimum Revenue Policy, a Reserves Strategy and a Treasury Management Strategy and these are all considered with the Capital Programme and Revenue budget when considering the level of precept to be set. There are regular reports to the Corporate Governance Board (CGB) to report on progress and compliance with these policies during the year.

The PCC in conjunction with CC, has produced a Sustainability and Environmental Policy Statement to establish a process to ensure the work undertaken by the Force and OPCC (including Commissioned Services) do all that is reasonable to minimise the impact on the environment.

Principle D: Determining the Interventions necessary to optimise the achievement of intended outcomes

All new areas of business are considered through the Force arrangements via the Executive Group. Business cases support proposals both at a local, regional and sub-regional level before consideration and sign off where appropriate by the PCC or CC, dependent on the values contained within the Corporate Governance Framework.

Regionally, Business Cases are considered first by the DCC Board before consideration by the CCs and PCCs, together with advice from statutory officers.

Significant decisions are documented on a Decision Record and published on the PCC website.

Principle E: Developing Capacity and Capability

The Force work closely with the College of Policing to ensure investment is maximised for officers and staff. Significant work has taken place across the region with the college in respect of the apprenticeship scheme for new recruits and further development of officers aspiring to senior ranks.

The PCC has continued to support the CC in recruiting officers and PCSO's to maintain establishment levels and ensure continued introduction of new ideas and ways of working. The PCC continues to support the CC to recruit a diverse workforce which is reflective of the communities they represent.

The Force's Team Leicestershire Academy, supported by the PCC, has ensured that the workforce have the right skills, are continuously developing, and have the right capabilities to deliver an efficient and effective police service.

Principle F: Managing Risks and Performance

Performance forms a significant part of the regular Corporate Governance Board meetings and the PCC and a representative from the OPCC attend the Business Delivery Board to discuss Force Performance at a more operational level and identify any issues and challenges.

Whilst Leicestershire have mirrored the national trend where Crime levels have increased, the PCC highlights areas of Force Performance which are of concern. He has undertaken further scrutiny in this area on a regular basis and this is also an area reviewed regularly by the Police and Crime Panel.

Both the PCC and CC have a Risk Management Policy and manage and record risks in the same manner. These risks are reviewed regularly and considered at every JARAP meeting.

The Joint Corporate Governance Framework sets out the financial regulations, expected processes and internal controls.

There is a shared Internal Audit Service across the region and updates on local and regional audits are considered at every JARAP meeting.

Annual reports on HR and complaints and disciplinary processes are considered by the Corporate Governance Board and the Ethics, Integrity and Complaints Committee, together with actions and lessons learned.

Principle G: Implementing good practices in transparency, reporting and accountability

All significant decisions of the PCC are published on the website, together with appropriate supporting documentation.

The PCC meets weekly with the CC to discuss key issues and challenge and scrutinise where performance is slipping or other key aspects.

The PCC attends and reports to the Police and Crime Panel who scrutinise how the PCC is holding the CC to account, consider performance, the Police and Crime Plan and other priorities.

5) Review of Effectiveness

The OPCC and OCC have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the OPCC and OCC who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The OPCC and OCC continued to invest in an Internal Audit programme in 2025-26 to provide assurance under the arrangements for the two corporation soles. These ensured specific local audits on:

- Core Financials
- Fleet Management
- Business Continuity Follow-up
- Environmental Sustainability
- Governance
- Complaints Management
- Redundancy Lessons Learnt
- Talent Development
- Force GDPR
- Estates Compliance
- IT Audit

During 2025-26, the following collaborative audits or specific assignments were carried out:

- EMSOU – POCA Income
- EMSOU – Forensics Accreditation

In addition to a review of key controls working well and highlighting findings and recommendations, the Internal Audit reports also include an overview on sector comparisons, risk management and value for money observations.

The Mazars Internal Audit annual report covered the period 1 April 2025 to 31 March 2026 and will be reported to and considered by the JARAP in August 2026. The key messages in that report are included here within this Annual Governance Statement.

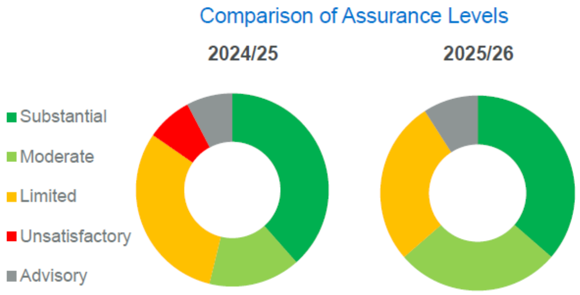
The Internal Audit opinions included within their annual report for both the Police and Crime Commissioner and the Chief Constable for 2025-26 were as follows:

"On the basis of our audit work, our conclusion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness.

This conclusion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work and detailed in our individual reports.

These matters have been discussed with management, to whom we have made recommendations, four of which are categorised as 'High'. All of these have been, or are in the process of being addressed, as detailed in our individual reports.

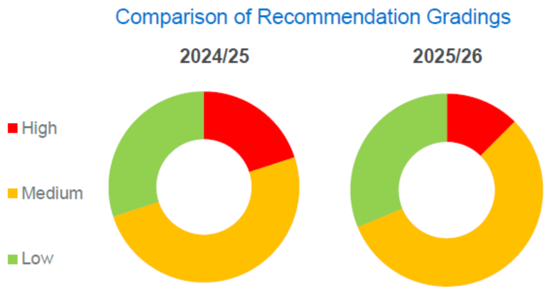
A 'Substantial' assurance level was provided for four internal audits; a 'Moderate' assurance level for three audits, and a 'Limited' assurance for three audits. Additionally, we completed one 'Advisory' follow up audit".



In 2024/25, there were 13 strategic audits completed. Five received 'Substantial' assurance, two received a 'Moderate' assurance, four received a 'Limited' assurance and on received an 'Unsatisfactory' assurance level. Additionally, one 'Advisory' follow up audit was conducted.

Of the 11 strategic audits conducted in 2025/26, four received 'Substantial' assurance, three received 'Moderate' assurance and three received 'Limited' assurance. Additionally, one 'Advisory' follow up was conducted.

It should be noted though that the areas of review will not typically be the same given the risk-based nature of the Internal Audit Plan year on year and that caution should be exercised in comparing years.



The total number of recommendations made in 2024/25 was 40.

The total number of recommendations made in 2025/26 was 32. There have been four High priority recommendations raised this year.

As noted above, the areas of review each year will not typically be the same.

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of Leicestershire OPCC and Force at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.
In fulfilling our role, we abide by the professional standard for internal audit which is governed by the International Professional Practices Framework (IPPF) which includes the Global Internal Audit Standards (GIAS) established by the Institute of Internal Auditors (IIA), alongside the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the JARAP We have reported all KPI data in our JARAP progress reports. Regular discussions on progress against the Audit Plan have taken place with the OPCC and Force Chief Finance Officers.

Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Internal Audit Quality Assurance

In order to ensure the quality of the work we perform; we have a programme of quality measures which includes:

- *Supervision of staff conducting audit work;*
- *Review of files of working papers and reports by Managers and Partners;*
- *Annual appraisal of audit staff and the development of personal development and training plans;*
- *Sector specific training for staff involved in the sector;*
- *Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and*
- *The maintenance of the firm's Internal Audit Manual.*

Due to delays across the audit sector the audit of the 2021-22 and 2022-23 statement of accounts were not completed by our external auditors, Ernst Young LLP, and the government backstop implemented. This resulted in disclaimer of opinion for the 2021-22 and 2022-23 statement of accounts. As a result of the imposed backstop date for the prior two years, the external auditors were not able to obtain sufficient appropriate audit evidence over the CC's and Group opening balances reported in the financial statements for year ended 31 March 2025. Therefore, a disclaimer of opinion was given by the External Auditors, Grant Thornton, for the 2024-25 statement of accounts.

The JARAP meets four times during the year. The JARAP undertook a detailed work plan which included considering the work of internal and external audit, tracking of Internal Audit recommendations, risks and risk management, and specific themes. In addition, the JARAP approved an annual workplan, for 2025, reviewed their terms of reference and produced an annual report of their work.
During the year, the JARAP received or prepared a number of updates, presentations and reports on specific areas of risk or concern.

6) Significant Governance Issues and Actions

There were no formal reports issued by the S151 during the year, outcomes of Monitoring Officer Investigations, objections from local electors or ombudsman referrals.

In 2025-26 internal auditors, Mazars, carried out 11 audits. Three of the audits undertaken were given limited assurance which indicates some improvements are required.
The audits that received limited assurance were:

- Force GDPR
- IT Resilience
- Environmental Sustainability

<u>Force GDPR</u>

There was one priority four (high) recommendation, three priority two (medium) recommendations and one priority three (low) recommendations.

The priority one recommendations centred on the Forces non compliance of training requirements. It recommended that all staff are made aware of the training requirements, establish governance processes to track and address non-compliance and to regularly report on the training compliance rates.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

<u>IT resilience</u>

There was one priority one (high) recommendation, four priority two (medium) recommendations and one priority three (low) recommendations.

The priority one recommendation centred on the IT Thermal Load. It recommended that the Force calculate the IT thermal load for each of its servers and maintain in a formal document, the Force compare the IT load against available cooling capacity and establish a joint IT and estates process for environmental – load governance.
This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

<u>Environmental Sustainability</u>

There was one priority one (high) recommendation and three priority two (medium) recommendations.
The priority one recommendation centred on the Sustainability Strategy. It recommended that the Force and OPCC review and update the strategy to ensure it aligns to national and regional requirements and targets.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

<u>Police and Crime Plan and Resources</u>

The Budget Requirement and Precept report was presented at the Police and Crime Panel on 4th February 2026. The Police and Crime Panel resolved to veto the original proposal and a revised precept proposed and accept at the Police and Crime Panel on 12th February 2026.

At the start of the 2026/27 budget process Leicestershire Police reported a £3.6m deficit. The Force and OPCC have worked together to identify area for potential savings in both the OPCC and the Force to close the deficit for 2026/27 and a balanced budget was presented for 2026/27. The report also highlighted a financial deficit over the remaining three years of the MTFP of £8.2m for 2027/28, £10.6m for 2028/29 and £14.9m for 2029/30. The Force are working on a transformation and sustainability plan to overcome the budget deficit and deliver a sustainable budget for 2026/27 and beyond.

Her Majesty' s Inspectorate of Constabulary, Fire and Rescue Services Findings for PEEL 2023-24

Leicestershire Police were inspected by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) during 2024 with the findings being published in December 2024. The detailed report can be viewed on the HMICFRS website.

In 2014, HMICFRS introduced the police effectiveness, efficiency and legitimacy (PEEL) inspections, which assess the performance of all 43 police forces in England and Wales. Since then, HMICFRS have been continuously adapting their approach.

The HMICFRS has moved to a more intelligence-led, continual assessment approach, rather than the annual PEEL inspections used in previous years. Forces are assessed against the characteristics of good performance, set out in the PEEL Assessment Framework 2023-25.

Due to the change in approach the HMICFRS advise that it is not possible to make direct comparisons between the grades in this PEEL inspection and those from the previous cycle of PEEL inspections. This is because HMICFRS has increased their focus on making sure forces are achieving appropriate outcomes for the public, and in some areas have changed the aspects of policing inspected.

The HMICFRS assessed how good Leicestershire Police is in nine areas of policing and they made graded judgements in eight of these as follows:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Police powers and public treatment	Protecting vulnerable people	Responding to the public	
	Preventing crime	Leadership and force management	Investigating crime	
	Managing offenders			
	Developing a positive workplace			

HMICFRS also inspected how effective a service the Force gives to victims of crime. HMICFRS don't make a graded judgement for this area.

Leicestershire did not receive any causes for concern but did receive 10 areas for improvement. Significant progress has been made in each of these areas and when HMICFRS visited during January 2025 the actions taken and improvement plan were presented.

High priority strategic risks

At the end of March 2026, the Strategic Risk Register highlighted 10 strategic risks relating to the OCC that were judged to be high priority. They were:

OCC

- Inability to maintain the power that sustains IT systems and CMD
- Demand outstripping capacity in CAIU
- Demand outstripping capacity in the Safeguarding hub
- Risk of a successful phishing attack
- Lack of technical H&S risk assessments
- The Financial Challenge – 2025/26 - 2028/29

- Year-on-year increase in complaints from members of the public
- Insufficient resources to manage the Vetting demand
- Demand outstripping capacity to deal with police officer and staff misconduct investigations
- Supreme Court Ruling impact on internal facilities provision
- HR Gateway sustainability
- Cyber Risk
- Risk to network storage
- Risk associated with a transition to an alternatively fuelled fleet

All of these risks are being managed through the Organisational Risk Board (ORB), Executive Group Meetings and the JARAP.

Conclusion

This document highlights the main areas of assurance that are in place for the OPCC as well as highlighting particular issues that have been raised through internal audit reports, external audit reports, the strategic risk registers and the external inspections that have been carried out by HMICFRS. It is intended to provide assurance that the overall arrangements in place are sound whilst highlighting some areas that do require further management action. These will be monitored closely over the next financial year.

David Sandall	**Paul Dawkins**
Temporary Chief Constable	**Chief Finance Officer**
Xxx 2026	**Xxx 2026**

East Midlands Special Operations Unit

ANNUAL GOVERNANCE STATEMENT FOR REGIONAL COLLABORATION 2025/26

I confirm that the relevant controls and procedures are in place to manage the following issues within the East Midlands Special Operations Unit, which includes the Regional Organised Crime Unit, Major Crime, Forensic Services, Counter Terrorism Policing East Midlands, and Legal Services.

1. The monitoring processes by which performance against operational, financial and other strategic plans are considered and key issues identified and tasked.

ACC (East Midlands) monitors performance. Exceptions are reported to the East Midlands Police & Crime Commissioners and Chief Constables' (EMPCC/CC) Board on a quarterly basis, with full performance reports reported twice a year.

2. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

Compliance is monitored by management review and supported by specialist professional advice where appropriate. Where areas for improvement are identified these are subject to action plans that are revisited to ensure that they have been attended to. Internal Thematic inspections and external audits form part of the monitoring controls to ensure compliance with appropriate policies and regulations and demonstrate the effective and efficient use of resources.

3. That the appropriate controls are in place for the management of all resources deployed within Regional collaboration

A management structure is in place, with clear lines of accountability for both operational issues and use of resources. A budget is approved each year at the EMPCC/CC's Board which defines the expenditure targets for each area of policing within EMSOU. Each force actively supports the budget allocation and sets its own precept accordingly.

Management reports showing costs against budget are provided monthly. Unexpected variances are investigated and explained, ready for reporting to quarterly Management Boards and the EMPCC/CC's Board. Quarterly monitoring reports are shared across the region to provide each force with visibility over expenditure to date and projected outturn position.

4. Incorporating good governance arrangements in respect of partnerships.

The EMPCC/CC's Board provides a forum for all members of collaboration to feedback their experiences of the partnership work. All forces can discuss governance, performance and financial issues at the quarterly meetings. The collaboration builds on best practice from across the country and the region to improve performance as well as saving money.

Performance is reported internally to the Performance Management Group and to the 5 EM forces through the Regional Management Board and Joint PCC/CC's Board

5. Risk Management

A Risk Management policy and process is in place to support the effective management of risk and to ensure risks are gathered and reported on in a consistent manner. A risk moderation panel is in place to review changes in risk, mitigation and consistency in scoring of risks.

The Risk Management policy is reviewed and updated annually.

Risks are reviewed internally by EMSOU Command and where required escalated through the Regional Risk & Assurance Board, Regional Management Board, Regional DCC's Board and the Joint PCC/CC's Board.

Ian Green 5/5/2026.

Signed **Date**

Ian Green
ACC (East Midlands)