



Police and Crime Commissioner and Chief Constable for Leicestershire

Auditor's Annual Report for
the year ended 31 March 2024


February 2025

Grant



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for the Police and Crime Commissioner (the PCC) and the Chief Constable (the CC) for Leicestershire during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All PCCs and CCs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of 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. The PCC's and CC's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statements.

Responsibilities of the appointed auditor

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 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- 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.

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:

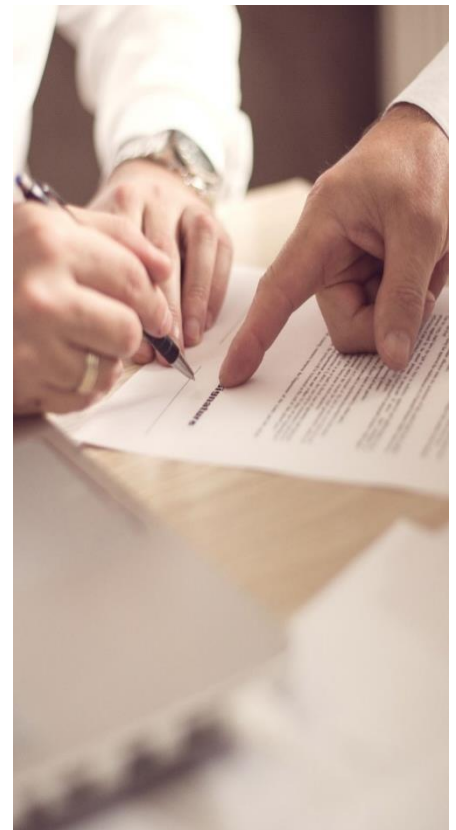
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

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

Auditor 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.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the PCC and CC have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. The NAO has consulted and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year (30 November) and for the audited body to publish the Report thereafter. These new requirements will be introduced from November 2025. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible.

Our summary findings for 2023/24 are set out below. Our recommendations and management responses are summarised in the section starting on page 23.



Financial sustainability

Our evaluation of PCC and CC arrangements for financial planning and risk management indicates that there is a robust and integrated approach to budgeting, forecasting and performance monitoring. This creates a foundation for sustainable service delivery, whilst in parallel the continued refinement and implementation of an updated Police and Crime Plan upholds the Force's strategic and statutory responsibilities.

For the financial year 2023/24, the Force achieved an underspend of £0.7 million, representing 0.31% of its net revenue expenditure for the period. Historically, the CC has had a good track record of achieving financial savings and efficiencies to deliver a balanced financial position, demonstrating agility in the response to the emerging challenges in an ever-changing economic climate.

There is a 3-year Sustainability Plan to identify savings to offset against the identified funding gap in the Medium Term Financial Plan, as to enable the Force to deliver a balanced budget and maintain. The medium-term budgeted shortfall is projected to be £7.8 in 2024/25 rising to £12.9 in 2026/27. The level of general unallocated reserves is above 2% of net revenue budget beyond 2025/26 in addition to a separate earmarked budget equalisation reserve used to manage adverse budget variances.

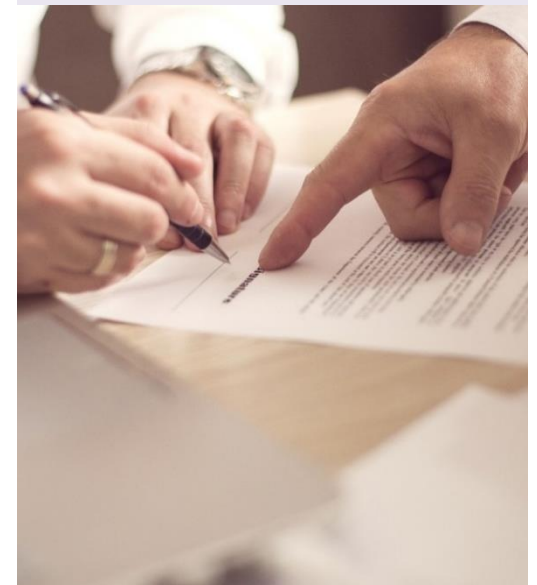
The PCC and CC have put in place sufficient plans to both enhance and protect the delivery of Policing, supported by a four-year program of Capital investment, centred around the development of new capabilities and the regeneration of existing infrastructure. This is further supported by treasury management arrangements and the disciplined management of reserves. Reserves are used to support police operations and mitigate disruption where unforeseen financial challenges arise, maintaining resilience and ensuring continuity.

In conclusion, and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the PCC and the CC manage risk to their financial sustainability.



We have completed our audits of your financial statements and issued disclaimed audit opinions for each of the Chief Constable and the PCC on 28 February 2025.

Our findings are set out in further detail on page 9.



Executive summary



Governance

Overall, the PCC and CC have effective governance arrangements in place to effectively monitor and assess risk. There is a Risk Management Policy Statement and Strategy document that is maintained by the Head of Internal Audit & Assurance Service and updated on an annual basis. The document was updated in December 2022 for the financial year 2023-24, with the latest update being in January 2025. There is also a Corporate Governance Framework that is maintained and updated regularly. The OPCC and Force Strategic Risk Registers are presented to the Joint Audit, Risk & Assurance Panel (JARAP) at least quarterly for monitoring. The Head of Internal Audit provided a 'moderate' opinion for 2023/24. This was due to weaknesses highlighted within risk management, IT identity access management, counter-fraud and portfolio management. Monthly budget monitoring reports for revenue and capital budgets provide a summary of projected revenue outturn, as well as detailed narrative on areas of overspend and underspend, with reasoning on what the respective over/underspends are attributed to. The PCC and CC also produced a 3-year Budget Sustainability Plan going from 2023/24 to 2025/26 on which the Corporate Governance Board is provided with regular updates, as well as recommendations to the PCC on how to continue supporting the Force.

The PCC and CC have arrangements in place to ensure that appropriate and properly informed decisions are made. The Force has a Corporate Governance Framework and decision-making policy in place which outlines the decision-making processes and provides information on how decisions will be made, recorded and published. It has key policies and procedures in place that are maintained and updated regularly, and can be accessed via the OPCC's website. Review of the AGS and discussion with senior officers demonstrates that there is no evidence of breaches of legislation or regulatory or professional standards during the year that has led to an investigation by any legal or regulatory body.

In conclusion, and based on our areas of focus and evidence considered, we found no evidence of significant weaknesses in the PCC's and the CC's arrangements for ensuring informed decisions are made and risks are properly managed.



Improving economy, efficiency and effectiveness

The Force has robust processes in place to ensure that all areas of policing and performance are effectively managed through its layer board governance structure which provides oversight and scrutiny of policing activity within the Force. A Commissioner's Update Report is taken to every Police and Crime Panel meeting which contains updates on performance and office activity for which minutes are shared on the LCC website. The Force are currently working on sharing this information in a new format that is more engaging and relevant to the public, which should be available on their website later in 2025.

The HMICFRS PEEL inspection 2023-2025 published in December 2024 reports on the PCC's and CC's effectiveness, efficiency and legitimacy, against the national assessment framework for policing. The results of the inspection were mixed with areas of good or at least adequate performance highlighted and with no areas rated as inadequate. We note that the outcome was more challenging than the previous inspection in 2021/22, and that there were two areas that require improvement. These were 'responding to the public' and 'investigating crime' the force is in the process of developing remedial actions to address the inspector's recommendations.

The PCC's and CC's partnerships are wide-ranging and allow them to increase the focus on crime prevention, the early diversion of young people from the criminal justice system, and robust offender management programmes. They are a partner in the East Midlands Special Operations Unit (EMSOU) and work with Community Safety Partnerships to deliver strategies and interventions most likely to prevent the types of crime that are most impacting their areas. To remain compliant with the legislative requirements, the PCC and CC operate with the Strategic Partnership Board (SPB) to fulfil the duty for cooperative working as per the Police Reform and Social Responsibility Act.

Arrangements are in place to assess and monitor key contracts and service providers, with commercial and contract management services being delivered in-house by the Force's procurement team. There is a Procurement Strategy in place, however it covered the period up to 2023 and is yet to be updated. Contract management activity and review of current contracts is done through face-to-face meetings with no formal action log recorded.




In conclusion, and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the PCC and the CC manages improving economy, efficiency and effectiveness. However, we have identified areas where the PCC and the CC could improve arrangements and as such, have raised two improvement recommendations which have been accepted by Management.




Executive summary (continued)

Overall summary of our Value for Money assessment of the Police and Crime Commissioner's and the Chief Constable's arrangements

Auditors are required to report their commentary on the PCC's and the CC's arrangements under specified criteria and 2023/24 is the fourth year that these arrangements have been in place. Your previous external auditor issued a joint Auditor's Annual Report for 2021/22 and 2022/23 – see below for judgement on arrangements and how it compares to our Value for Money assessment for 2023/24.

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. A summary of our judgements are set out in the table below.

Criteria	2021/22 and 2022/23 Auditor judgement on arrangements	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements
Financial sustainability	The previous auditors, EY, did not identify any risk of significant weakness in arrangements to secure financial sustainability.	No risks of significant weakness in arrangements identified.	 Our work did not identify any areas where we considered that key or improvement recommendations were required. More detail is provided in the detailed findings section of this report on pages 13-16.
Governance	The previous auditors, EY, did not identify any risks of significant weaknesses in governance arrangements.	No risks of significant weakness in arrangements identified.	 Our work did not identify any areas where we considered that key or improvement recommendations were required. More detail is provided in the detailed findings section of this report on pages 17-18.
Improving economy, efficiency and effectiveness	The previous auditors, EY, did not identify any risks of significant weakness in arrangements in place to improve economy, efficiency and effectiveness.	No risks of significant weakness in arrangements identified.	 Overall, arrangements around managing financial and performance information are adequate. However, we have raised two improvement recommendations. One is around advising the Force to implement robust monitoring and evaluation around performance management following on from HMICFRS' PEEL inspection. The second is around improving documentation of key processes, meetings and documents within the Procurement function.

	No significant weaknesses in arrangements identified or improvement recommendation made.
	No significant weaknesses in arrangements identified, but improvement recommendations made.
	Significant weaknesses in arrangements identified and key recommendations made.

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



Opinion on the financial statements



Audit opinion on the financial statements

We have completed our audits of your financial statements and issued disclaimed audit opinions for each of the Chief Constable and the PCC on 28 February 2025.

These disclaimed opinions are a result of the opinions for 2021/22 and 2022/23 being disclaimed, meaning that we do not have assurance over the prior year comparators and opening balances within the financial statements.

The full opinions are included in the PCC's and the CC's audited accounts for 2023/24, which can be obtained from the PCC's and Force's websites.

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 PCC and the CC as at 31 March 2024 and of their expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- 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 (2020) published by the National Audit Office, and
- applicable law

We are independent of the PCC and the 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 the CC provided draft accounts on 5 July 2024. These draft financial statements were of a reasonable standard and supported by detailed working papers.

The commencement of our audit work was significantly delayed due to delays in the process of obtaining appropriate vetting approvals for the audit team. We have not encountered any other significant issues or difficulties during the course of our audit work.

Unfortunately, owing to the challenges of undertaking an audit where the previous audits were disclaimed due to the local authority backstop, this year we have been unable to regain full assurance and it has not been possible for us to undertake sufficient work to support an unmodified audit opinion for either the PCC or the Chief Constable in advance of the proposed backstop date of 28 February 2025.

The limitations imposed by not having assurance on opening balances mean that we need to modify our opinion on the financial statements.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was provided to the PCC and CC on 26 February 2025.

Requests for this Audit Findings Report should be directed to the OPCC.

Use of auditor's powers

We bring the following matters to your attention:

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

Value for Money Commentary on arrangements



The current policing landscape

It is within this context that we set out our commentary on the PCC's and the CC's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



National context

The police service faces an array of challenges. Levels of public trust are at historically low levels – a consequence of recent scandals and repeated failures to address these; alongside a general and widespread belief that the police cannot adequately deal with crime. Police resources have been stretched by the combination of increasing crime complexity and growing non-crime demands. Whilst overall levels of reported crime have declined over the last 10 years, charge rates had also declined, although this decline is being addressed. The absolute number of charges increased in 2022/23 for the first time since 2013/24. Forces are increasing their focus on sexual assaults and addressing violence against women and girls, while aiming to reduce the amount of time spent on non-crime demands such as responding to mental health incidents.

Police spending has increased significantly in recent years, largely to support the successful recruitment of an additional 20,000 police officers in England and Wales financed by ring-fenced Police Uplift Programme (PUP) Funding. Forces are under financial strain to maintain increased officer numbers, whilst the rapid recruitment to meet the conditions pertinent to receipt of PUP Funding has resulted in concerns over the adequacy of vetting arrangements and the burden placed on supervising officers whose capacity is stretched. It will take time to assess whether changes in officer numbers can result in sustained increases in the number of charges, and improvements in public trust. Aligned to these challenges, the police allocation formula used to allocate funding to Forces has not changed since 2013. No revision has been made to the formula to reflect changes in population or local policing need. Police bodies and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services continue to lobby for the formula to be reviewed at the earliest opportunity.

Policing is under an increasing spotlight in terms of how the sector responds to the financial challenge it faces and delivers efficiencies. When presenting the Provisional Police Grant Report (England and Wales) 2024/25 in Parliament on 14 December 2023, the incumbent Minister of State for Crime, Policing and Fire referenced the Policing Productivity Review ("the Review"). The Review was published in November 2023 following the Home Office commissioning of the National Police Chiefs' Council in 2022 to review police productivity and provide recommendations to improve efficiency and effectiveness in policing. The Government's formal response to the review was due to be published during 2024. Pending this the Minister's statement to the House confirmed the Government's expectation that policing should continue to deliver on opportunities presented by new technology and innovation to deliver productivity improvements and drive forward efficiencies remains maximise officer time and service to the public.

Given the outcome of the general election that occurred on 4 July 2024 any changes to government policy relating to the sector, including review of the police allocation formula and response to the Policing Productivity Review are at present uncertain.



Local context

The Police and Crime Commissioner (PCC) and the Chief Constable (CC) are separate legal entities. The PCC is elected by the public every four years with a responsibility to secure the maintenance of an efficient and effective police force and to hold the CC to account for the exercise of operational policing duties under the Police Act 1996. The CC has a statutory responsibility for the control, direction and delivery of operational policing services in Leicestershire. The PCC for Leicestershire during 2023/24 was Rupert Matthews, who remains in post. The CC is Rob Nixon, who was appointed in November 2022 and has served with Leicestershire since 1993. He will retire from his role in the Force in March 2025.

The PCC launched his first Police and Crime Plan (PCP) in May 2021 covering the period 2021 to 2024, however an updated version was published in January 2025 covering the period 2024 to 2029. The PCP is set around seven key themes: Violence against women & girls; Terrorism; Serious and organised crime; A National cyber event; Child sexual exploitation; Public disorder; Civil emergencies.

The PCP's powers involve making reports and recommendations on the PCC's police and crime plan and annual report, of which the PCC must take account and respond; publishing all reports and recommendations that the PCP makes; holding public meetings to discuss the Annual Report and to question the PCC. The PCP can also make reports or recommendations on the PCC's proposals on: the level of the policing precept (the element of council tax charging for policing services); and the appointment of a CC.

The PCC is scrutinised by Leicester, Leicestershire and Rutland Police and Crime Panel in his role to hold the CC accountable for the performance of the Force. The Chair of the Panel is elected at the Panel's annual meeting in June, and the Panel is made up of representatives from each of the local councils served by the PCC and CC. There are also two independent members who are not Councillors nor elected which are recruited by the Panel to ensure that it has the skills, knowledge and experience necessary to carry out its functions effectively.

Financial sustainability



We considered how the audited bodies:

Commentary on arrangements

Assessment

ensures that they identify all the significant financial pressures that are relevant to their short and medium-term plans and builds these into them;	<p>We have considered how the PCC and CC identify and incorporate significant financial pressures into their budget and Medium Term Financial Plan (MTFP) plans. This review included an assessment of the assumptions applied to forecast the financial needs and resources of the Force over successive years, considering both internal and external economic factors.</p> <p>The Offices of both the PCC and CC have demonstrated effective financial management, evident in their ability to achieve a balanced position for the prior financial year, after making necessary adjustments to account for expenses and revenue variations, ensuring the continued financial sustainability of the Force.</p> <p>For the financial year 2023/24, the Force conducted a comprehensive analysis of the financial performance detailed in the outturn position. Following respective adjustments to address various financial discrepancies and allocations, they reported a £0.7 million underspend, which represents 0.31% of the total budget, highlighting the efficiency and prudence with which the financial resources were managed.</p> <p>Looking ahead to the medium term, the Police have outlined the anticipated level of challenge to achieve a balanced position. This financial plan has been structured based on reasonable assumptions, taking into account the anticipated income, potential cost increases, and strategic priorities. This approach ensures that the budget is resilient and can accommodate unexpected financial challenges without compromising the overall financial stability.</p> <p>Our evaluation found no need for additional risk-based procedures to be performed. Our assessment found that the current arrangements for financial planning, budgeting, and cashflow management are adequate.</p>	G
plans to bridge funding gaps and identify achievable savings	<p>We evaluated the PCC and CC’s plan to mitigate funding gaps through the identification and implementation of practical cost savings.</p> <p>The Medium-Term Financial Plan (MTFP) for 2023/24 presented a requirement to identify cost savings to address the medium-term budgeted shortfall of £7.8 in 2024/25 rising to £12.9 in 2026/27, with a savings target for 2023/24 of £3.9 million, which was delivered in-year. This plan considers the funding, budget, savings plans, capital program and reserves, and associated risks based around changes in demand, cost growth and inflationary pressures. Considering these factors, the savings plan articulated by the Force is on track for 2024/25 and savings plans are in place for 2025/26 and beyond which are sufficiently developed to indicate that they should be implemented in the required timeframe.</p>	G

G	No significant weaknesses in arrangements identified or improvement recommendation made.
A	No significant weaknesses in arrangements identified, but improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability



We considered how the audited bodies:

Commentary on arrangements

Assessment

	<p>At the end of March 2024, the general reserve was equal to 2.2% of net revenue expenditure. This is within a reasonable tolerance and is supported by a defined reserves strategy, however this is at the lower end of what we normally see in the police sector and is dependent on continued discipline in regard to budgetary control and savings delivery. Whilst savings have been identified there is a risk if these are not achieved then the Force may find with limited room for manoeuvre, which may have a significant impact on the overall sustainability.</p> <p>The 3-year Sustainability plan indicates that savings have been identified to meet the requirements as they are understood at the time of planning. Identifying new savings after 2026/27 remains necessary, requiring further efforts.</p> <p>Savings and efficiencies are monitored as part of the monthly financial monitoring reports to the Chief Officer Team.</p> <p>Since 2011, the Force has achieved savings exceeding £38 million, demonstrating a robust track record of achieving necessary savings. In common with other forces the current financial challenge is acute and the Force's strategy is to continue to deliver sufficient cost savings rather than to rely on the write down of reserves.</p> <p>We have sufficient evidence to confirm that the arrangements in place are adequate.</p>	
plan finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Police and Crime Commissioner (PCC) and Chief Constable (CC) have established comprehensive arrangements to plan finances in a manner that ensures sustainable service delivery. These financial plans are aligned with both strategic goals and statutory priorities outlined in the Police Crime Plan (PCP).</p> <p>The Force ensures that the key strategic priorities of the PCP are achieved by providing a series of metrics against which performance can be measured. This is part of the continuous monitoring activities undertaken between the PCC and CC. These objectives inform the direction of both the annual budgeting process as well as the Medium Term Financial Plan (MTFP). Furthermore, the Chief Constable outlines how the Force will meet the objectives of the PCP in the Force Management Strategy (FMS), ensuring that resources are allocated efficiently and appropriately.</p> <p>The Commissioner is currently updating the Police and Crime Plan for 2025-29, with the aim of creating a robust framework that addresses emerging challenges while maintaining alignment with overarching strategic objectives.</p>	G

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

Financial sustainability



We considered how the audited bodies:

Commentary on arrangements

Assessment

	<p>Our evaluations of risk management practices have determined that no additional risk-based procedures are necessary, the existing arrangements are sufficient.</p> <p>In conclusion, the PCC and CC's proactive and integrated approach to financial planning and performance monitoring creates a strong foundation for sustainable service delivery. Whilst refining and implementing an updated Police and Crime Plan that upholds the Force's strategic and statutory responsibilities.</p>	
<p>ensure their 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 Police and Crime Plan 2021-2024 includes sections on resources and spending, incorporating workforce, revenue, capital procedures, or planning which feed into the budget setting and MTFP process on an annual basis. The areas of investment are closely aligned with the priorities as per the PCP.</p> <p>The Force's capital plan outlines key areas where the Force is investing into enhancement and regeneration of its existing capabilities and infrastructure. The capital expenditure reporting is aligned to the Force's Four Year Capital Programme from 2023/24 to 2026/27, which is predominantly delivered inline with the forecast, demonstrating that the CC office has established a realistic program of investment, whilst having the capacity to deliver without experiencing significant slippage with no evidence of any major capital investment being postponed or cancelled without rationale.</p> <p>We have not needed to undertake any additional risk-based procedures as evidence confirms the existing arrangements are sufficient.</p>	G

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability



We considered how the audited bodies:

Commentary on arrangements

Assessment

Identify and manage risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underly their plans

The MTFP includes considerable detail about the finances and associated risks to the PCC and Force. It also includes specific sections which deal with risks, analysis of demand and populations which underpin the assumptions made in the financial planning exercise. Detailed sections on risk management within MTFP outline the various financial uncertainties, ensuring that the Force can respond effectively to any emerging challenges.

Risk is monitored on an ongoing basis to ensure that the Force can react to changes that may result in the disruption to services or financial detriment. This is also captured in monthly reporting which provides narrative explanations to the variances in key area's of spend, including both revenue and capital.

The Force examines the drivers for service demand and risks to service delivery. In papers presented to the Corporate Governance Board (CGB), different scenarios were modelled based on best case, worst case and most likely case (July 2023) and based on different precept scenarios (September 2023). This overt use of scenarios can be helpful to the PCC and other decision makers enabling for the Force to prepare for different financial outcomes.

We have sufficient evidence to confirm that the arrangements in place are adequate.

G

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

Governance



We considered how the Audited Bodies:

Commentary on arrangements

Assessment

monitor and assess risk and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The PCC and CC have good governance arrangements in place to effectively monitor and assess risk. The PCC and CC have a Risk Management Policy Statement and Strategy document that is maintained by the Head of Internal Audit & Assurance Service and updated on an annual basis. The document was updated in December 2022 for the financial year 2023/24, with the latest update being in January 2025. Both the OPCC and the Force maintain individual risk registers which are assessed and RAG-rated on both impact and likelihood of occurrence, being categorised accordingly to allow for effective monitoring. Risks are assigned responsible officers and evidence the direction of travel from previous reviews. Risks are reviewed regularly at the Joint Audit, Risk & Assurance Panel (JARAP) meetings which occur on a quarterly basis. There is also a Corporate Governance Framework that is maintained and updated regularly.

The Internal Audit function, conducted by Mazars, provided a 'moderate' opinion on the framework of governance, risk management, and control in July 2024. An internal audit review of risk management took place in 2023/24 which provided a 'limited assurance' rating. However, we are satisfied with the Force's response and consider the arrangements for remediating the limited assurance opinion to be adequate.

Furthermore, the bodies have adequate arrangements to prevent and detect fraud, including an Anti-Fraud & Corruption policy which is owned by the Chief Financial Officer and was last updated in December 2024. An internal audit review of Counter Fraud took place in the reporting period and provided a 'limited assurance' rating. We are satisfied that the Force are acting proactively to implement the improvement recommendations made in the review. These measures demonstrate a comprehensive approach to risk assessment, internal controls, and fraud prevention within the police bodies.

G

approach and carry out the annual budget setting process

The PCC and CC have a robust budget setting process factoring in their challenges around financial sustainability. Once budgets have been reviewed by respective budget holders, these are allocated between the OPCC and operational Force accordingly, accounting for council tax precepts and external grants.

Corporate Governance Board meetings take place on a bi-monthly basis to discuss the in-year financial position as well as in-year savings targets and pressures, including a review of the potential use of reserves. Overall, the PCC and CC have strong measures and processes in place focused on closing the budget gap for current and future years.

G

- G

 No significant weaknesses in arrangements identified or improvement recommendation made.
- A

 No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendations made.

Governance



We considered how the Audited Bodies:

Commentary on arrangements

Assessment

ensure effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports statutory financial reporting; and ensure corrective action is taken where needed, including in relation to significant partnerships

Monthly budget monitoring reports for revenue and capital budgets provide a summary of projected revenue outturn, as well as detailed narrative on areas of overspend and underspend, with reasoning on what the respective over/underspends are attributed to. They provide an update on efficiency savings and pressures, as well as an update on the four-year capital programme from 2023/24 to 2026/27 with a breakdown of approved, revised and estimated capital budgets. 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 Force. Summary reporting of both the revenue and capital budgets are also scrutinised by the Joint, Audit, Risk and Assurance Panel (JARAP). Overall, we find the budget monitoring and statutory reporting arrangements for the PCC and CC to be adequate in 2023/24.

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ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

The PCC and CC have arrangements in place to ensure that appropriate and properly informed decisions are made. The Force has a Corporate Governance Framework and decision-making policy in place which outlines the decision-making processes and provides information on how decisions will be made, recorded and published. The policy aims to ensure that decisions are made by the right people, in the right way and at the right level within the organisation. The Force also has a Joint Corporate Governance Framework which sets out a Scheme of Delegation to ensure the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. An Ethics and Transparency Panel was launched by the Leicester, Leicestershire and Rutland PCC in September 2022 to provide independent evaluation and scrutiny of the PCC and CC.

The OPCC and Force's JARAP consists of five independently appointed individuals who scrutinise the effectiveness of risk management and internal control arrangement, the integrity of financial reporting, and the effectiveness of the governance arrangements. The HMICFRS PEEL inspection for 2023-2025 states that the Force generally has good planning processes in place to ensure that the priorities of the Police and Crime Commissioner were reflected in the priorities and actions of the Force.

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monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.

The PCC and CC have arrangements in place for officers to make declarations of interest and hold a register of gifts and hospitality. It has key policies and procedures in place that are maintained and updated regularly, and can be accessed via the OPCC's website. Review of the AGS demonstrates that there is no evidence of breaches of legislation or regulatory or professional standards during the year that has led to an investigation by any legal or regulatory body. There is also no evidence of cyber attacks which have impacted the ability to deliver business as usual.

Arrangements are in place to meet legislative and regulatory standards where services are procured or commissioned, ensuring that the Force complies with the current procurement regulations and plans including response to the Procurement Act 2023, and other changes coming up in 2025. This is evidenced through their collaborative working nationally through BlueLight Commercial. The Procurement Strategy supports the delivery of the Police & Crime Plan 2021-2024 and contract management processes.

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No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness

We considered how the audited bodies:	Commentary on arrangements	Assessment
use financial and performance information to assess performance to identify areas for improvement	<p>The Force has a robust processes in place to ensure that all areas of policing and performance are effectively managed through its layer board governance structure which provides oversight and scrutiny of policing activity within the Force. The Force prioritise digital optimisation and innovation through ICT development and how it can be best used to improve the Force's performance, for example Power BI and other digital assessment tools are used to understand performance, capacity, capability and effectiveness of teams involved in the investigation of crime.</p> <p>A Commissioner's Update Report is taken to every Police and Crime Panel meeting which contains updates on performance and office activity for which minutes are shared on the LCC website. The Force are currently working on sharing this information in a new format that is more engaging and relevant to the public, which should be available on their website later in 2025.</p> <p>The OPCC maintain a Policy for Records Management which lays out the conditions for the effective management of all records by the OPCC through compliance with agreed standards for the retention of records which is essential to effective decision-making, quality customer service, and performance.</p> <p>Benchmarking is undertaken with other Police Forces through a variety of metrics and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) dashboards. Any findings are reported through the IPQR as needed.</p> <p>The HMICFRS PEEL inspection reports on the PCC's and CC's effectiveness, efficiency and legitimacy, against the PEEL Assessment Framework in which its outcome this year was lower overall compared to the previous inspection in 2021/22. We have therefore raised the recommendation that it is crucial for the Force to implement robust performance management reporting process to support delivery of the Peel inspector's recommendations to effectively demonstrate to the PCC and public that the issues raised are being dealt with effectively.</p>	A
evaluate the services they provide to assess performance and identify areas for improvement	<p>The HMICFRS PEEL inspection 2023-2025 published in December 2024 highlighted that the Force requires improvement in two key areas: responding to the public and investigating crime. The report evidenced a worse outcome overall. However, the Force are evidencing that they are actively working on improving and evidently does place priority on preventing crime. Governance processes were reported to be clear and aligned to Force priorities, and provide effective scrutiny of performance, but that the Force should continue to develop qualitative performance management within its governance structure.</p> <p>The Chief Executive meets the Chief Financial Officer on a weekly basis as part of the annual budget-setting process to discuss strategic priorities and cost-effectiveness, alongside the bi-monthly Corporate Governance Board meetings which drill into more detail on efficiency savings and expected pressures, to continue to improve overall performance.</p>	G

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 No significant weaknesses in arrangements identified or improvement recommendation made.
- A

 No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness

We considered how the audited bodies:

Commentary on arrangements

Assessment

<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 PCC's and CC's partnerships are wide-ranging and allow them to increase the focus on crime prevention, the early diversion of young people from the criminal justice system, and robust offender management programmes. They are a partner in the East Midlands Special Operations Unit (EMSOU) working with Derbyshire, Lincolnshire, Northamptonshire and Nottinghamshire police forces in tackling the most serious, organised and violent crime, countering terrorism and extremism and providing forensic services on behalf of the region. The PCC and CC also work with Community Safety Partnerships to deliver strategies and interventions most likely to prevent the types of crime that are most impacting their areas. This includes advocacy for increased community involvement including drawing on the innovation and expertise of the VCSE sector.</p> <p>The Police and Crime Plan sets out the PCC's commitment to working in partnership and collaboration to meet priorities; working with communities and partner agencies at every level to deliver its goals. The PCP also outlines a several of areas in which partnerships are key to achieving the objectives outlined, these range from other emergency responders to community safety partnerships, these relationships are broadly reciprocal in nature.</p> <p>To remain compliant with legislative requirements, the PCC and CC operate with the Strategic Partnership Board (SPB) to fulfil the duty for cooperative working as per the Police Reform and Social Responsibility Act.</p>	<p>G</p>
<p>Commission or procure services, assessing whether they are realising the expected benefits</p>	<p>Arrangements are in place to assess and monitor key contracts and service providers with commercial and contract management services being delivered in-house by the Force's procurement team. The Force has a contract management process in place for higher-value contracts, such as those for custody detention officers, cleaners, and waste collection. In terms of benefits realisation, these contracts have specific contract managers who monitor them closely, ensuring that the service delivered meets the tender specifications and that the Force is paying the correct prices. The Contracts Register is shared publicly on their website, evidencing all current contracts, including the supplier used, framework used and total value of the contract.</p> <p>Regular meetings and communications with suppliers are held to verify that the Force is receiving the agreed-upon services and to address any issues that arise. This includes monitoring key performance indicators (KPIs) and service level agreements (SLAs).</p> <p>There is a Procurement Strategy in place, however it covered the period up to 2023 and is yet to be updated. The team are currently working on updating the strategy document in line with the Procurement Act 2023, but it has not been done yet. Furthermore, contract management activity and review of current contracts is done through face-to-face meetings with no formal action log recorded. Therefore, we raise an improvement recommendation around ensuring that the Force's processes, key meetings and decisions made are documented, and that key documents are kept up to date and made publicly available in a timely manner.</p>	<p>A</p>

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

No significant weaknesses in arrangements identified, but improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

1. Improve monitoring and evaluation of performance management progress

The PCC and CC received more challenging outcomes in the 2023-2025 PEEL assessment by HMICFRS compared to their previous inspection in 2021/22. This trend has been observed across several police forces nationwide, reflecting the tightening of police standards in recent years. Nonetheless, it is crucial for the Force to implement robust performance management processes to effectively demonstrate proactiveness in achieving progress against the challenges they face in the short and long term. It is crucial for the Force to implement robust performance management reporting process to support delivery of the Peel inspector's recommendations to effectively demonstrate to the PCC and public that the issues raised are being dealt with effectively with the target of all area's being graded as 'Adequate' or above, before the next PEEL assessment is conducted.

Improvement recommendation 1:

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.

2. Improve documentation of key processes and documents within Procurement function

There is a Procurement Strategy in place, however it covered the period up to 2023 and is yet to be updated. The team are currently working on updating the strategy document in line with the Procurement Act 2023, but it has not been done yet. Furthermore, contract management activity and review of current contracts is done through face-to-face meetings with no formal action log recorded. Therefore, we raise an improvement recommendation around ensuring that the Force's processes, key meetings and decisions made are documented, and that key documents are kept up to date and made publicly available in a timely manner.

Improvement recommendation 2:

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.

**Value for Money
Recommendations raised in
2023/24**



Recommendations raised in 2023/24

	Recommendation	Type of recommendation *	Criteria impacted	Impact or possible future impact
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.	Improvement	Improving economy, efficiency and effectiveness	It is crucial for the Force to implement robust performance management processes to effectively demonstrate proactiveness in achieving progress against the challenges they face in the short and long term.
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.	Improvement	Improving economy, efficiency and effectiveness	The lack of adequate documentation and recording of procurement and contracts review progress meetings could impact the Force's ability to effectively manage their contracts portfolio.

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



Value for Money arrangements work

All Police and Crime Commissioners (PCCs) and Chief Constables (CCs) 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. The audited body's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 we are required to satisfy ourselves that the PCC and the CC have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. 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 Council 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 Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

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

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

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

Information which informs our risk assessment

Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

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 PCC's and CC's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at a public meeting and a public response.
- **Key recommendations** – actions which should be taken by the PCC and CC where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the PCC's and CC's arrangements.

