

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

PAPER MARKED

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Report of	OFFICE OF THE POLICE AND CRIME COMMISSIONER AND OFFICE OF THE CHIEF CONSTABLE
Subject	INTERNAL AUDIT OPERATIONAL PLAN 2025/26 AND CHARTER
Date	WEDNESDAY 14 th MAY 2025
Author :	SARAH KNOWLES, MAZARS

Purpose of Report

1. This report seeks to update members of the Joint Audit, Risk and Assurance Panel (JARAP) on the annual proposed Internal Audit Operational Plan and Charter for the period 1st April 2025 to 31st March 2026.

Recommendation

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

Background

3. None

Implications

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

List of Attachments / Appendices

Internal Audit Progress Report – May 2025

Background Papers

None

Person to Contact

Kira Knott– Tel 0116 222 2222 ext. 3307200

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

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Office of the Police & Crime Commissioner for Leicestershire and Leicestershire
Police

Joint Audit, Risk and Assurance Panel – 14 May 2025

Internal Audit Strategy Update – DRAFT Operational Plan 2025/26 and Charter

Date Prepared: March 2025

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Disclaimer
This report (“Report”) was prepared by Forvis Mazars LLP at the request of the Office of the Police & Crime Commissioner for Leicestershire (“OPCC”) and Leicestershire Police (“Force”) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of the OPCC and Force and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.

01

Section 01

Introduction

Introduction

The Internal Audit Strategy (the Strategy) is used to direct Internal Audit resources to those aspects of the organisation that are assessed as generating the greatest risk to the achievement of its objectives. This is subject to review and update on at least an annual basis to ensure it meets the needs of the Office of the Police & Crime Commissioner for Leicestershire (OPCC) and Leicestershire Police (Force) , including taking account of any areas of new and emerging risk within the Risk Register. The purpose of this document is to provide the Joint Audit, Risk and Assurance Panel with a further update of the Strategy and the proposed 2025/26 Internal Audit Plan (the Plan) for consideration.

In considering the document, the Joint Audit, Risk and Assurance Panel is asked to consider:

- whether the balance is right in terms of coverage and focus;
- whether key areas have been captured that would be expected; and
- whether there are any significant gaps.

We have set out how the 2025/26 Plan was prepared in **Section 02**. This section also sets out the proposed Plan along with a proposed high-level scope for each review.

The updated Internal Audit Strategy for 2025/26 to 2027/28 is set out in **Section 03**.

From September 2023, we harmonised the gradings across our Public and Social Sector clients to allow for better benchmarking within the sector. **Section 04** includes the definition for the new assurance levels and recommendation gradings.

In addition, we are also asking for consideration from the Joint Audit, Risk and Assurance Panel for the Internal Audit Charter in **Section 05**, which we request on an annual basis.

Scope and Purpose of Internal Audit



IA's Role

The purpose of internal audit is to provide the Police & Crime Commissioner and Chief Constable, through the Joint Audit, Risk and Assurance Panel , and management, with an independent and objective conclusion on risk management, control and governance and their effectiveness in achieving the OPCC and Force’s agreed objectives.



IA Plan

Completion of the internal audits proposed in the 2025/26 Plan should be used to help inform the OPCC and Force’s statement on the effectiveness of internal control within its annual report and accounts



Objective

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control



Charter

We have included our Internal Audit Charter in **Section 05**. The Charter sets out terms of reference and serves as a basis for the governance of the OPCC and Force’s IA function, establishing our purpose, authority, responsibility, independence and scope, in accordance with the Chartered Institute of Internal Auditor’s (IIA) standards.

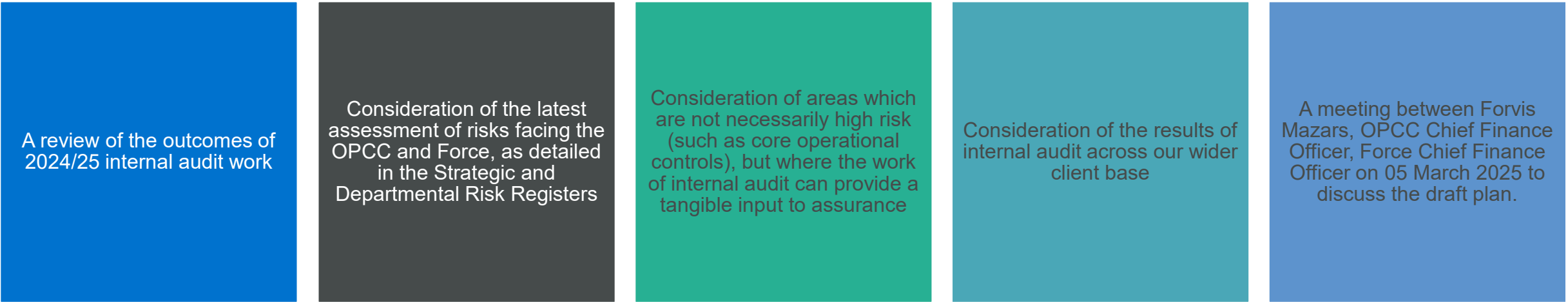
02

Section 02

Internal Audit Operational Plan 2025/26

Preparing the Strategy Update and Operational Plan for 2025/26

As part of our approach, it is important we consider the strategic priorities of the Office of the Police & Crime Commissioner for Leicestershire (OPCC) and Leicestershire Police (Force), as well as the key strategic risks identified, as we seek to align our risk-based approach accordingly. In preparing the Strategy update, the following activities have been undertaken:



This section includes the proposed 2025/26 Plan. This also includes a proposed high-level scope for each review which will be revisited as part of the detailed planning for each review. Fieldwork dates for each of the audits, including presentation of finalised reports at future dates for Joint Audit, Risk and Assurance Panel meetings have been proposed for discussion and approval with the OPCC and Force’s management.

The Plan will be reassessed on a continual basis in light of emerging risks (including issues identified by Internal Audit). Should this result in a need for significant revisions, the plan will be revised and presented for re-approval to the Joint Audit, Risk and Assurance Panel .

Our professional judgement has been applied in assessing the level of resource required to carry out the audits identified in the strategic cycle. This includes consideration of the complexity of the system, volume and frequency of transactions, sources of assurance and the audit approach to the area under review.

Recommendations made as part of our work will be subject to on-going review as part of our Follow up Audit approach.

Internal Audit Operation Plan 2025/26

An overview of the Internal Audit Operational Plan 2025/26 is set out below.

Proposed Summary Operational Plan					
Audit Area	Estimated Days	Strategic Objective	Strategic Risk	Target Start Date	Target JARAP
Business Continuity Follow Up	5	Ensuring an Effective and Efficient Police Force – Resources and Equipment	STR0184 / STR051	Q4	May-26
Core Financials	15	Ensuring an Effective and Efficient Police Force – Financial Sustainability	STR0278 / OPCC031	Q3	Feb-26
IT Audit	15	Ensuring an Effective and Efficient Police Force – Resources and Equipment	STR0081 / OPCC032	Q3	Feb-26
Fleet Management	10	Ensuring an Effective and Efficient Police Force – Resources and Equipment	STR0350	Q2	Nov-25
Environmental Sustainability	10	Ensuring an Effective and Efficient Police Force – The Police Estate	STR0350	Q4	May-26
Governance	10	Ensuring an Effective and Efficient Police Force – Our Workforce		Q4	May-26
Complaints Management	10	Delivering for Victims and Witnesses – Scrutiny and Legitimacy	STR0448	Q1	Aug-25
Redundancy Lessons Learnt	10	Ensuring an Effective and Efficient Police Force – Our Workforce		Q2	Nov-25

Internal Audit Operation Plan 2025/26

An overview of the Internal Audit Operational Plan 2025/26 is set out below.

Proposed Summary Operational Plan					
Audit Area	Estimated Days	Strategic Objective	Strategic Risk	Target Start Date	Target JARAP
Talent Development	10	Ensuring an Effective and Efficient Police Force – Our Workforce	STR0498 / STR0383	Q2	Nov-25
Estates Compliance	10	Ensuring an Effective and Efficient Police Force – The Police Estate		Q1	Aug-25
Force GDPR	10	Ensuring an Effective and Efficient Police Force – Our Workforce		Q1	Aug-25
Management and Reporting Activities					
Contingency	5			As Required	As Required
Collaboration	5	Working in Partnership		TBC	TBC
Management	15			Ongoing	N/A
Total	140				

Internal Audit Operation Plan 2025/26

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2025/26 is detailed below, alongside an indicative high-level scope. Please note that the detailed scope of each review will be discussed and agreed with the relevant OPCC and/or Force sponsor prior to the commencement of fieldwork.

Business Continuity Follow Up (5 Days)

Following a Limited assurance grade in our 2024/25 audit, this audit will be following up on progress made against recommendations raised.

Core Financials (15 Days)

To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the core financial systems. The scope of the work will include, but not be limited to:

- Policies and procedures
- Access controls
- Amendments to standing data
- Reconciliations
- Authorisation routines
- Reporting

IT Audit (15 Days)

Whilst the details of the scope will be agreed with management, the audit will provide assurance with regards to the controls and processes in place over IT systems.

Fleet Management (10 Days)

To provide assurance with regard to the controls in place for managing fleet. Whilst the scope will be agreed with management areas for coverage will consider Medium and Long Term Plans, Progress towards decarbonisation, Telematics, Vehicle Utilisation, Vehicle Repairs and Vehicle Inventory.

Environmental Sustainability (10 Days)

The Force and OPCC are held to deadlines for actions on sustainability and there are increasing risks related to the climate emergency. Whilst the exact scope of the review will be agreed with management, the focus will be on the procedures in place to mitigate the risks being faced, including benchmarking and collaborative work or opportunities in this area.

Internal Audit Operation Plan 2025/26

Governance (10 Days)

Following the PCC elections in May 24, there will be a period of change regarding governance and oversight from the OPCC. This audit will look to provide assurance regarding the role of the PCC and related governance structures, including the scheme of governance.

Complaints Management (10 Days)

Following the change in regulations regarding the requirement for a Legally Qualified Chair, this audit will look to provide assurance that the OPCC and Force have effective complaints management arrangements in place that comply with relevant legislation.

Redundancy Lessons Learnt (10 Days)

Following the recent redundancy exercise, this audit will look to provide assurance regarding the processes followed and to identify any relevant lessons learnt.

Talent Development (10 days)

The Force and OPCC are facing increasing risks associated with a changing workforce. Whilst the exact scope of the review will be agreed with management the focus will be on the procedures in place to manage risks presented in training and talent development.

Estates Compliance (10 days)

Whilst the details of the scope will be agreed with management, the audit will provide assurance with regards to the controls and processes in place to ensure that estates across the Force and OPCC are compliant with their requirements under Health & Safety, Fire, Water and other relevant legislation.

Internal Audit Operation Plan 2025/26

Force GDPR (10 Days)

Whilst the details of the scope will be agreed with management, the audit will provide assurance with regards to the controls, processes and training in place at the Force for GDPR and data protection.

Contingency (5 Days)

Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work requests by management and the JARAC.

Collaboration (5 Days)

Resources have been allocated across each OPCC / Force to provide assurance with regards the systems and controls in place to deliver specific elements of regional collaboration. Consideration will be given to assessing whether the area of collaboration is delivering against its original objectives and what arrangements are in place, from an OPCC / Force perspective, for monitoring and managing the service.

A detailed 25/26 Collaboration Audit plan will be drafted and shared with the JARAP once agreed by the regional CFO's.

Management (15 Days)

Resources for client and external audit liaison.

For example, preparation and attendance at JARAP, strategic and operational planning, meetings with Force Chief Officer Team/Chair of JARAP, preparation of the Internal Audit Annual Conclusion, Annual Internal Audit Plan and other reports to the JARAP, etc

03

Section 03

Updated Internal Audit Strategy 2025/26 – 2027/28

Updated Internal Audit Strategy 2025/26 – 2027/28

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2025/26 is detailed below, alongside an indicative high-level scope. Please note that the detailed scope of each review will be discussed and agreed with the relevant OPCC and/or Force sponsor prior to the commencement of fieldwork.

Strategic Risks	Auditable Area	Previous audits				Strategy		
		2021/22	2022/23	2023/24	2024/25	2025/26	Indicative 2026/27	Indicative 2027/28
Force Risks								
STR0184 - Inability to maintain the power that sustains IT systems and CMD	Business Continuity				Limited	5		✓
STR051 - Risk from failure to manage business continuity								
STR0278 - The Financial Challenge - 24/25-27/28	MTFP			Substantial			✓	
STR0081 - Capacity with IT	Workforce Planning		Moderate		TBC			✓
STR0498 - Lack of DTU Cadre								
STR0383 - Lack of PIP 2 detectives	IT Audit							
STR0339 - Risk of cyber attack		Substantial	Moderate	Limited	TBC	15	✓	✓
STR0490 - Lack of security testing and confidence in Promaps	Complaints Management		Moderate			10		
STR0448 - YoY increase in complaints	Fleet Management					10		
STR0350 - Risk associated with transition to an alternative fuel		Moderate						
STR0515 - Anti-Fraud and Theft risk to the force	Whistleblowing / Counter Fraud	Limited		Limited			✓	

Updated Internal Audit Strategy 2025/26 – 2027/28

Strategic Risks	Auditable Area	Previous audits				Strategy		
		2021/22	2022/23	2023/24	2024/25	2025/26	Indicative 2026/27	Indicative 2027/28
OPCC Risks								
OPCC031 - The Financial Challenge 22/23-25/26	MTFP			Substantial			✓	
OPCC080 - Loss/reduction in fundings streams from the Home Office								
OPCC032 - Risk of cyber-attack	IT Audit	Substantial	Moderate	Limited	TBC	15	✓	✓
OPCC082 - External audit risk of prior period errors	Core Financials	Substantial	Substantial	Substantial	TBC	15	✓	✓
Contingency						5		
Collaboration						5	✓	✓
Management and Control						15	✓	✓

04

Section 04

Definitions of Assurance Opinions and Recommendations

Definitions of Assurance Opinions and Recommendations

Assurance Opinions

From September 2023, we harmonised the gradings across our Public and Social Sector clients to allow for better benchmarking with the sector. This was launched through our new report template.

Definitions of New Assurance Levels	
Substantial Assurance	The framework of governance, risk management and control is adequate and effective.
Moderate Assurance	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited Assurance	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory Assurance	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Recommendation gradings

We introduced the following recommendation grading approach to align it with the approach utilised by the Government Internal Audit Agency and enable further benchmarking of the number of recommendations raised per audit area across our wider public and social sector client base.

Definitions of Recommendations		
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low (Priority 3)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	Remedial action should be prioritised and undertaken within an agreed timescale.

05

Section 05

Internal Audit Charter

Internal Audit Charter

The Internal Audit Charter sets out the terms of reference and serves as a basis for the governance of the Internal Audit function of the Office of the Police & Crime Commissioner for Leicestershire (OPCC) and Leicestershire Police (Force). It sets out the purpose, authority and responsibility of the function in accordance with the Global Internal Audit Standards (GIAS) of the IIA and the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector. The Charter will be reviewed and updated annually by the Head of Internal Audit.

Nature and Purpose

The OPCC and Force are responsible for the development of a risk management framework, overseen by the Joint Audit, Risk and Assurance Panel , which includes:

- Identification of the significant risks in the operations and allocation of a risk owner to each;
- An assessment of how well the significant risks are being managed; and
- Regular reviews by the OPCC's Senior Staff and the Force's Chief Officer Team and the Joint Audit, Risk and Assurance Panel of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the risk profile.

A system of internal control is one of the primary means of managing risk and consequently the evaluation of its effectiveness is central to Internal Audit's responsibilities.

The OPCC and Force's system of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support the OPCC and Force's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable the OPCC and Force to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the OPCC's Senior Staff and the Force's Chief Officer Team . The OPCC and Force needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the OPCC and Force's business. There are also many assurance providers. The OPCC and Force should, therefore, develop and maintain an assurance framework which sets out the sources of assurance to meet the assurance needs of its stakeholders.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework (IPPF) as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'

Internal Audit carries out assurance and consulting activities across all aspects of the OPCC and Force's business, based on a programme agreed with the Joint Audit, Risk and Assurance Panel , and coordinates these activities via the assurance framework. In doing so, Internal Audit works closely with risk owners, and the OPCC's Senior Staff and the Force's Chief Officer Team .

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the OPCC and Force's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the OPCC's Senior Staff and the Force's Chief Officer Team and management in relevant departments.

The independent assurance provided by Internal Audit also assists the OPCC and Force to report annually on the effectiveness of the system of internal control included in the Annual Governance Statements.

Authority and Access to Records, Assets and Personnel

Internal Audit has unrestricted right of access to all the OPCC and Force's records and information, both manual and computerised, and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter business property and has unrestricted access to all locations and officers where necessary on demand and without prior notice.

Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the Joint Audit, Risk and Assurance Panel .

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities.

Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.

Internal Audit Charter (continued)

Responsibility

The Head of Internal Audit is required to provide an annual conclusion to the OPCC and Force, through the Joint Audit, Risk and Assurance Panel, on the adequacy and the effectiveness of the OPCC and Force's risk management, control and governance processes.

In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers as needed (such as the external auditors) such that the assurance needs of the OPCC and Force, regulators and other stakeholders are met in the most effective way
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the OPCC and Force's business based on a risk-based plan agreed with the Joint Audit, Risk and Assurance Panel. Provide the Police & Crime Commissioner and Chief Constable with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the Joint Audit, Risk and Assurance Panel and the OPCC's Senior Staff and the Force's Chief Officer Team summarising results of assurance activities.
- Assist, when requested, in the investigation of allegations of fraud, bribery and corruption within the OPCC and Force and notifying management and the Joint Audit, Risk and Assurance Panel of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the Joint Audit, Risk and Assurance Panel. Responsibility for remedial action in response to audit findings rests with line management.

There are inherent limitations in any system of internal control and thus errors or irregularities may occur and not be detected by Internal Audit's work.

When carrying out its work, Internal Audit will provide line management with comments and report

breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action.

However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance to the OPCC and Force's policies and standards and will monitor whether such measures are implemented on a timely basis.

The Joint Audit, Risk and Assurance Panel is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Contact

Forvis Mazars

David Hoose

Partner

Tel: +44 (0) 115 964 4779

david.hoose@mazars.co.uk

Sarah Knowles

Manager

Tel: +44 (0) 115 964 4714

sarah.knowles@mazars.co.uk

Statement of Responsibility

We take responsibility to the Office of the Police & Crime Commissioner for Leicestershire and Leicestershire Police for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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