**DRAFT**

|  |  |
| --- | --- |
|  | **Police and Crime Commissioner for Cleveland and the Chief Constable Cleveland Police** |
|  | **Audit Strategy and Annual Internal Audit Plan** |
|  | **2020/21** |

**February 2020**

**Internal Audit**

**Overview**

**Introduction**

The Audit Plan for 2020/21 has been informed by a risk assessment carried out across all our police clients (with members and senior management) and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

**Key Emerging Themes**

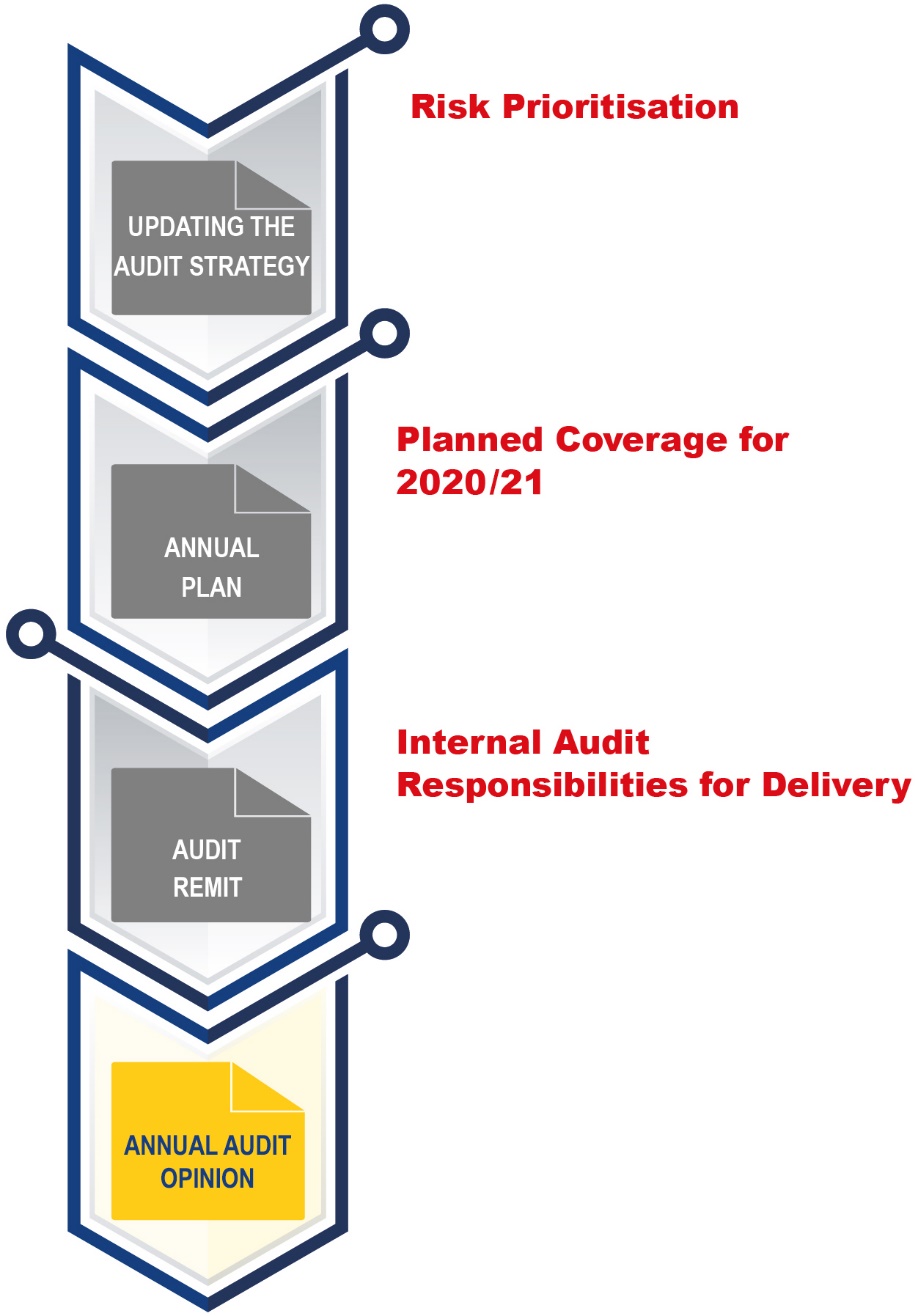
This year will be another challenging year for police forces in terms of income, regulation and also the pressures on service delivery. We have identified a number of key areas which require consideration when planning internal audit coverage.

* Brexit - There is continuing uncertainty in relation to legislation which need to be created following the UK’s departure from the European Union.
* Value for Money - The requirement to achieve efficiency and effectiveness through collaborations and potential reforms.
* Health and Wellbeing - Studies have showed that work pressures and the dramatic rise in assaults on police officers are affecting the health and wellbeing of the workforce.
* Professional Standards - HMICFRS inspections have identified issues in relation to the resourcing of counter-corruption units and vetting backlogs, with Forces continuing to have problems in ensuring their workforce is properly vetted.
* Service Pressures - Potential pressures on recruitment and training services due to the government’s recruitment drive for Police Offices.
* IT Security – Cybercrime continues to increase in scale and complexity.

**Adequacy of the planned audit coverage**

The reviews identified in the audit plan for 2020/21 support the Head of Internal Audit’s annual opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control as required by TIAA’s charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

*2020/21 Audit planning process*



**Internal Audit Plan**

**Audit Strategy Methodology**

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2020/21 we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police and those within the sector and has been developed with senior management and Committee. We adopt a proprietary risk based approach (GUARD) to determining your audit needs each year which includes reviewing your risk register and risk management framework, the Regulatory Framework and assessment of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police and those within the sector and has been developed with senior management and Committee. Our approach is based on the guidance stipulated in the Public Sector Internal Audit Standards (PSIAS).

**Risk Prioritisation**

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police. Annex A contains the GUARD assessment of key risks which has been completed, to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed.

**Internal Audit Strategy Plan**

Following the risk prioritisation review, the Audit Strategy has been updated (Annex B) and the Annual Plan (Annex C) sets out the reviews that will be carried out, the planned times and the scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Joint Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of the Annual Plan includes: research, preparation and issue of terms of reference, site work, production and review of working papers and reports. The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police. This number of days is fixed and it is TIAA’s responsibility to deliver the Audit Plan for this number of days. Where the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer and will be clearly set out in the terms of reference for the additional review(s).

**Audit Remit/Charter for Police**

The Audit Remit/Charter (Annex D) formally defines internal audit’s purpose, authority and responsibility. It establishes internal audit’s position within the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police and defines the scope of internal audit activities.

**Reporting**

**Assignment Reports:** A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA’s audit charter and the PSIAS.

**Progress Reports:** Progress reports will be prepared for each Joint Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

**Annual Report:** An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and the PSIAS. The Annual Report will include a summary opinion of the effectiveness of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s governance, risk management and operational control processes based on the work completed during the year.

**Other Briefings:** During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

**Providing Assurance**

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance assessment process is set out in Annex D.

**Liaison with the External Auditor**

We will liaise with the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

**Performance**

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

| **Area** | **Performance Measure** | **Target** |
| --- | --- | --- |
| Achievement of the plan | Completion of planned audits. | 100% |
| Audits completed in time allocation. | 100% |
| Reports Issued | Draft report issued within 10 working days of exit meeting. | 95% |
| Final report issued within 10 working days of receipt of responses. | 95% |
| Professional Standards | Compliance with TIAA’s audit charter and the PSIAS. | 100% |

**Conflict of Interest**

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA’s audit charter and the PSIAS, the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s requirements and TIAA’s internal policies.

**Limitations and Responsibility**

Substantive testing will only be carried out where a review assesses the internal controls to be providing ‘limited’ or ‘no’ assurance with the prior approval of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police and additional time will be required to carry out such testing. The Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

**Joint Audit Committee Responsibility**

It is the responsibility of the Joint Audit Committee to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee’s requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

**Release of Report**

The table below sets out the history of this plan.

|  |  |
| --- | --- |
| **Date plan issued:** | **4th February 2020** |
| **Date updated plan issued:** | **5th February 2020** |

**Annex A: GUARD Risk Analysis**

**HIGH RISK**

**LOW RISK**

External factors

Internal factors

Risk Management

Cyber Crime

Infrastructure Management

Business Planning

Health & Safety

Asset Management

Catering/Other Income

Governance Framework

Developing Internal Scrutiny

Commercial Activity

BREXIT

Funding Reductions

Payments and Fraud

Recharge Arrangements

Growth

HR/Staff Retention

HMICFRS

**Annex B: Rolling Strategic Plan**

| **Fundamental Review Areas**  **To support the Head of Internal Audit opinion** | **BAF / Risk Ref.** | **Type** | **Yr1** | **Yr2** | **Yr3** |
| --- | --- | --- | --- | --- | --- |
| **Governance** |  |  |  |  |  |
| Key governance areas will be reviewed on a rotational basis each year such as strategic planning, strategic control, regulatory compliance, performance management, board assurance, partnership working, management of conflicts, health and safety, subsidiary governance and third party assurances. |  | Assurance |  |  |  |
| **Risk** |  |  |  |  |  |
| A robust risk management framework is critical to all organisations to ensure risks are effectively management and emerging risks identified our cyclical annual reviews will cover embedding risk, risk identification, risk mitigation and risk workshops. |  | Appraisal |  |  |  |
| **Financial systems - Cost Control and Income Maximisation** |  |  |  |  |  |
| Cost control, income maximisation and robust financial systems are essential to financial well-being of any organisation. Our reviews of key financial systems are designed to ensure compliance with IIA standards and help protect against potential frauds. We will carry out a high level review of key financial systems each year supported by a rolling programme of financial system reviews such as payments health check, income, payroll, budgetary control/management reporting, cost improvement planning and nominal ledger. |  | Assurance |  |  |  |
| **ICT** |  |  |  |  |  |
| We will use our risk assessment to continue to review ICT risks and controls in place within the organisation. The rolling programme of reviews will include data protection, ICT governance, ICT management and business support, application reviews, network security, data quality and cyber security. The audit areas will be reviewed as systems implementation develops, within areas including Chronicle, ERP upgrade, shared service transaction centre, outcomes of the budget round, impact review of Brexit and the OPCC plan, HR solutions. |  | Assurance |  |  |  |
| **Follow Up** |  |  |  |  |  |
| We will carry out a bi-annual follow up of internal audit recommendations. Updates will be provided bi-annually to the Audit Committee. |  | Follow Up |  |  |  |

| **Review Area** | **BAF / Risk Ref.** | **Type** | **2020/21** | **2021/22** | **2022/23** |
| --- | --- | --- | --- | --- | --- |
| **Governance** |  |  |  |  |  |
| Governance – OPCC Contingency  to include: SARC contract  Commissioner Grants  (provider justification of grant/ how effective is the  process/ KPIs and the providers systems) |  | Assurance | 10 | 10 | 10 |
| Governance – Strategic Control and Corporate Governance |  | Assurance | 8 |  |  |
| Governance – Data Quality |  | Assurance |  | 6 |  |
| Governance – Ethical Standards |  | Assurance |  |  | 6 |
| Governance – Performance Management |  | Assurance |  |  | 8 |
| **Risk Management** |  |  |  |  |  |
| Risk Management – Contingency  to include: Mitigating Controls  Embedding Culture | 1439 | Assurance | 6 | 6 | 6 |
| Risk Management – Projects/Property |  | Assurance | 6 |  |  |
| **ICT** |  |  |  |  |  |
| ICT – Disaster Recovery | 1523 | Assurance | 6 |  |  |
| ICT – Data Assurance | 1523/1552/1569 | Assurance | 6 |  |  |
| ICT – Cyber Security |  | Assurance |  | 6 |  |
| ICT – Business Continuity |  | Assurance |  | 6 |  |
| ICT – Network Security |  | Assurance |  |  | 6 |
| ICT – Firewall |  | Assurance |  |  | 6 |
| **Finance** |  |  |  |  |  |
| Key Financial Controls | 1435 | Assurance | 6 | 6 | 6 |
| Payroll |  | Assurance | 6 | 6 | 6 |
| Purchase/Credit Cards |  | Assurance | 6 |  |  |
| Pensions Administration |  | Assurance |  | 4 |  |
| Accounts Payable |  | Compliance |  | 6 |  |
| Overtime, Expenses and Additional Payments |  | Compliance |  |  | 6 |
| Budgetary Control |  | Assurance |  | 6 |  |
| **Estate Management** |  |  |  |  |  |
| Estate Management – Contingency  to include: Procurement  Maintenance and Repairs  Strategy |  | Assurance | 6 | 6 | 6 |
| Estate Management – Value for money out of estate/Benefits Realisation |  | Assurance | 6 |  |  |
| **Fleet Management (Low priority – not planned)** |  |  |  |  |  |
| Fleet Management - Procurement |  | Assurance |  |  |  |
| Fleet Management – Maintenance, Repairs, Disposal & Fuel Use |  | Assurance |  |  |  |
| **HR Management (to include effectiveness of operational outcomes)** |  |  |  |  |  |
| HR Management – The system to manage people | 1439 | Assurance | 6 |  |  |
| HR Management – Change process/Complaints/Grievance (dealing with litigation) | 1439 | Assurance | 6 |  |  |
| HR Management – Recruitment |  | Assurance |  | 6 |  |
| HR Management – Learning and Development |  | Assurance |  |  | 6 |
| HR Management – Absence Management & Occupational Health |  | Assurance |  |  | 6 |
| **Services** |  |  |  |  |  |
| Seized Cash |  | Compliance | 4 | 4 | 4 |
| FOI/Data Protection/Document Security | 1552 | Assurance | 6 |  |  |
| Duty Management System (New ERP system – Benefits realisation) |  | Assurance |  | 8 |  |
| Corporate Communications |  | Appraisal |  | 6 |  |
| Collaborations (low priority) |  | Appraisal |  |  |  |
| Lone/Agile Working |  | Assurance |  |  | 6 |
| Digital Data |  | Assurance |  |  | 6 |
| **Management and Planning** |  |  |  |  |  |
| Follow up (twice a year) |  | F/Up | 6 | 6 | 6 |
| Strategic and Annual Plan |  |  | 1 | 1 | 1 |
| Annual Report |  |  | 1 | 1 | 1 |
| Audit Management |  |  | 8 | 8 | 8 |
|  |  | **Totals** | **110** | **110** | **110** |

**Annex C: Annual Plan – 2020/21**

| **Quarter** | **Audit** | **Type** | **Days** | **Rationale and Scope** |
| --- | --- | --- | --- | --- |
| 1 | Purchase/Credit Cards | Assurance | 6 | Rationale  This is a high risk area which has both reputational and financial risks due to potential misuse by staff  Scope  To assess the adequacy and effectiveness of the internal controls in place for the distribution, monitoring and managing of the Purchasing/Credit Cards.  The audit will focus on the following key areas:   * Adequate and effective procedures are in place for the appropriate management of Purchasing Cards to include the authorisation of credit card expenditure, * Spending limits are proportionate and appropriate; * Purchases are in accordance with agreed procedures; * Purchases for Officer and staff expenses are in accordance with approved expenses procedures * Credit card statements are reconciled and correctly allocated to budgets on a timely basis.   Lead Officers  CFO |
| 2 | Risk Management – Contingency  to include: Mitigating Controls  Embedding Culture | Assurance | 6 | Rationale  Risk Management is a fundamental part of corporate governance and appropriate processes/systems need to be in place that manage risk  Scope  TBA  Lead Officers  OPCC /CFO’s and Risk Manager/ Head of Corporate Services/OPCC Assistant Chief Executive |
| 2 | ICT – Disaster Recovery | Assurance | 6 | Rationale  Disaster recovery is an essential requirement to enable services to continue and a periodic audit will test these arrangements  Scope  The audit will review the following for adequacy and effectiveness of the key controls for disaster recovery:   * a disaster recovery plan exists with the exact steps to be covered if a disaster occurs * identification of the critical systems to be recovered * single points of failure have been identified * the general Force business continuity plans are fully linked to the ICT disaster recovery arrangements * server infrastructure includes testing of the ability to recover systems * backups are completed and taken off site and have been proven to work if needed   Lead Officers  OPCC/CFO’s/Head of ICT/ Business Continuity Manager |
| 2 | ICT – Data Assurance | Assurance | 6 | Rationale  Following the recent introduction of the EU regulations for Data Protection a regular audit is important to provide assurance that processes and procedures remain compliant  Scope  The audit will include a review of the following:   * Records management * Subject access requests * Training and awareness * Data sharing * Information risk management * Data quality   Lead Officers  OPCC/CFOs/Head of ICT |
| 2 | HR Management – The system to manage people | Assurance | 6 | Rationale  Following the many staff/officer changes to include the HR department a review of the system to manage people would be of benefit  Scope  The audit will review the system for managing people to include:   * A centralised administration system for employee management * Application management * Payroll management * Cloud based documentation * Mobile functionalities * Employee self-service facility * Real time analytics * Data security and audit log * Employee performance management   Lead Officers  CFOs/Head of HR/ OPCC Assistant Chief Executive |
| 2/3 | Governance – OPCC Contingency  Commissioner Grants  (provider justification of  grant/ how effective is  the process/ KPIs and  the providers systems) | Assurance | 10 | Rationale  Commissioners grants is both high risk and high profile with funds being directly nominated by the PCC to bona fide organisations.  Scope  The audit will review the following key areas:   * The grant recipients justification for receiving grant * The process under which the grant is awarded and how effective this is * The Key Performance Indicators for the provider and how these are monitored * The system(s) the provider has in place to manage grant money received   Lead Officers  OPCC/ CFO and OPCC Assistant Chief Executive |
| 3 | Payroll | Assurance | 6 | Rationale  Payroll is a significant cost to the organisation and is seen as a key audit risk.  Scope  The review considers the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries. The scope of the review does not include determination of salary scales, appointment and removal of staff, severance payments or reimbursement of travel and subsistence expenses, or pension arrangements.  Lead Officers  CFO |
| 3 | Estate Management – Contingency  to include: Procurement  Maintenance and Repairs  Strategy | Assurance | 6 | Rationale  The Estate is an important area for the Force and needs to be able to support an agile workforce. A periodic audit will provide assurance in the management of the Estate  Scope  TBA  Lead Officers  OPCC/CFOs/Head of Estates/ OPCC Assistant Chief Executive |
| 3 | Estate Management – Value for money out of estate/Benefits Realisation | Assurance | 6 | Rationale  As projects complete and the Estate evolves to meet the changing requirements of the Constabulary the benefits that should arise need to be confirmed. A regular audit is therefore required to assess that actual benefits and value for money have been achieved  Scope  The audit will review the following areas:   * The expected benefits and functionality that was derived from the change to the estate * The lesson learned review following the conclusion to the changes * An understanding and confirmation of the value for money that the changes to the Estate have delivered   Lead Officers  OPCC/CFOs/Head of Estates/ OPCC Assistant Chief Executive |
| 3 | Seized Cash | Compliance | 4 | Rationale  This is a focus area of the Audit Committee with concerns having been raised in previous years.  Scope  The review will consider the arrangements for the receiving, handling and disposal of seized cash to ensure that processes adopted by the organisation are being complied with.  Lead Officers  CFO |
| 3 | FOI/Data Protection/Document Security | Assurance | 6 | Rationale  This is an important area for the Constabulary and a periodic audit will provide assurance regarding its processes  Scope  The review will consider the following areas:   * the effectiveness of managing freedom of information requests, * data protection and document security * the resources allocated throughout the Constabulary to ensure that requests for information are handled in accordance with the Freedom of Information Act * the adequacy and the distribution of the available resources, and * the timeliness of the completion of requests.   Lead Officers  CFO/Head of Information and data security |
| 3/4 | HR Management – Change process/Complaints/Grievance (dealing with litigation) | Assurance | 6 | Rationale  The cost of staffing issues is significant and an audit to review how this is managed regarding efficiency and effectiveness would be of value.  Scope  The review will include the following areas:   * Examination of the policy and procedures * The roles and responsibilities of those involved * Timeliness, Monitoring and Reporting * The cost verse outcome   Lead Officers  CFOs/Head of HR/Head of Standards and Ethics/ Head of Legal Services/ OPCC Assistant Chief Executive |
| 4 | Strategic Control and Corporate Governance | Advisory | 8 | Rationale  With the Police and Crime Commissioner elections in May 2020 a new Police and Crime Plan will be produced, setting out the objectives for the Police and Crime Office and Police.  Scope  The audit will review the objectives for meeting the Police and Crime Plan.  Lead Officers  OPCC / CFO’s / OPCC Assistant Chief Executive / Head of Corporate Governance |
| 4 | Risk Management – Projects/Property | Assurance | 6 | Rationale  Risk Management is a fundamental part of corporate governance and appropriate processes/systems need to be in place that manage risk  Scope  The audit will review and focus upon the following key areas:   * the project assurance process built into the project * risk and issues that have been identified and how these have been resolved/managed * change management * reporting and governance * benefits realisation   Lead Officers  OPCC / CFO’s and Risk Manager/Head of Corporate Services/OPCC Assistant Chief Executive |
| 4 | Key Financial Controls | Assurance | 6 | Rationale  This is a key audit risk area. The full audits for the financial systems will be undertaken on a systematic basis, however, to provide assurance that the key financial systems are adequately controlled an annual audit will be undertaken selecting a number of key financial systems.  Scope  To assess the adequacy and effectiveness of the internal controls in place at the Constabulary for managing the following key financial systems.   * Accounts Receivable * Accounts Payable * General Ledger * Treasury Management   Lead Officers  CFO |
| 1-4 | Follow-up (twice a year) | Follow up | 6 |  |
| 1-4 | Management and Planning/Reporting | Management | 10 |  |
|  |  | **Total days** | **110** |  |

**Role**

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s framework of governance, risk management and control. TIAA is responsible for giving assurance to the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s “Governing Body” (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s risk management, control and governance processes.

**Scope**

All Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions. However, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Joint Audit Committee or the nominated officer (being the post responsible for the day to day liaison with the TIAA), provided such reviews do not compromise the audit service’s objectivity or independence, or the achievement of the approved audit plan.

**Access**

TIAA has unrestricted access to all documents, records, assets, personnel and premises of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA’s professional standards, Information Security and Information Governance policies.

**Standards and Approach**

TIAA's work will be performed with due professional care, in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).

**Annex D: Audit Remit**

**Independence**

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day to day administrative purposes only, TIAA reports to a nominated officer within the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Joint Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA’s professional judgement, responsibility for implementing audit recommendations rests with the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police’s management.

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

**Irregularities, Including Fraud and Corruption**

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

**Corporate Assurance Risks**

We consider four corporate assurance risks; directed; compliance; operational and reputational, and tailor the type of audit accordingly. For all types of audit we also taken into account value for money considerations and any linkages to the organisational Assurance Framework. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

**Assurance Assessment Gradings**

We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.



**Benchmarking**

Where a similar review is carried out at a number of our clients we will subsequent to the completion of the review at each of the clients we will where relevant provide a benchmarking and lessons learned digest. This digest will include Operational Effectiveness Matters for the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland Police to consider.

**Annex E: Providing Assurance**

**Types of Audit Review**

The Annual Plan includes a range of types of audit review. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.

