



THE POLICE AND CRIME COMMISSIONER FOR CLEVELAND AND THE CHIEF CONSTABLE OF CLEVELAND

Internal Audit Strategy 2020/21- 2022/23 (including the 2020/21 Internal Audit Plan)

Presented at the Joint Audit Committee meeting of: 29 June 2020

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

EXECUTIVE SUMMARY

Our Internal Audit Plan for 2020/2021 is presented for consideration by the Joint Audit Committee. As the developments around Covid-19 will continue to impact on all areas of the organisations' risk profile, we will work closely with management to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs in the current circumstances.

The key points to note from our plan are:



2020/2021 internal audit priorities: Internal audit activity for 2020/2021 is based on analysing your risk registers (Police and Crime Commissioner, Chief Constable, HMICFRS (Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services), and assurances provided by other providers e.g. HMICFRS. We have also considered other factors affecting you in the year ahead including changes within the sector. Our detailed plan for 2020/2021 is included at section two of this report.

On 24 March 2020 we discussed the internal priorities with the Chief Constable's Chief Finance Officer and with the Police and Crime Commissioner's Chief Finance Officer on 3 June 2020. We have also spoken to the Force's executive team as part of the planning process including the Deputy Chief Constable. Following these meetings, further discussions were held in terms of delivery practicalities in light of the Covid-19 pandemic and if lockdown restrictions continued over the longer term. We have detailed below the reviews where on-site work would be needed to ensure a comprehensive review was completed:

Objective of the review (Strategic risk)	Audit days (est. on-site days)
Risk Reference: 1439 <u>Human Resources: Wellbeing</u> Cleveland Police has a duty to protect the health, safety and welfare of its police officers and police staff members. The Blue Light Wellbeing Framework was developed as part of the Oscar Kilo project launched in 2017 and funded by Public Health England. The Framework provides an independent set of standards tailored to meet specialist needs of emergency services staff. Our review will ensure compliance with the Framework.	8 (4)

<p>Risk Reference: 1569</p> <p><u>Domestic Abuse</u></p> <p>Our review will be performed by a police specialist and consider:</p> <ul style="list-style-type: none"> • Review the initial incident; • Review the DASH (Domestic Abuse, Stalking and Harassment) risk assessment; and • Understand what actions measures were but in place. <p>We will also interview members of staff from the IDVA (Independent Domestic Abuse Advisor) service</p>	12 (3)
<p>Risk Reference: 31</p> <p><u>Positive Action</u></p> <p>The HMICFRS PEEL Assessment report highlighted ‘The Force does not treat its workforce with fairness and respect and does not effectively communicate with or engage its workforce.’</p> <p>As a mitigating control the Force will take positive action in terms of recruitment. In late 2018, the National Police Chiefs’ Council (NPCC) issued the 2018-2025 Workforce Representation, Attraction, Recruitment, Progression and Retention Toolkit with the aim to provide guidance to enhance positive action to regional constabularies. Our review will confirm the toolkit used to formulate and direct a positive action delivery and progress plan has been undertaken.</p>	8 (3)
<p><u>Seized Exhibits</u></p> <p>We will ensure that seized exhibits are received, handled and managed in a clear and transparent way and recorded accurately.</p>	8 (6)
<p><u>Data Quality</u></p> <p>The Force’s Crime Integrity Inspection (2018) resulted in an overall judgement of ‘inadequate’. We will consider the internal arrangements of the Force for checking crime records by the Crime Registrar; including the checks performed and training provided to ensure consistency in crime recording. We will assess if the most suitable checks are being performed or if validation is focussed on meeting HMICFRS requirements.</p>	12 (9)
<p><u>HMICFRS: Recommendation Tracking</u></p> <p>Our review will consider how recommendations raised by the HMICFRS are tracked and implemented in a timely manner. We will also consider if decisions are made not to implement a recommendation are formally</p>	7 (4)

documented and approved. Our review will consider recommendations raised by the HMICFRS through PEEL, Crime Integrity Data inspections and thematic reviews.	
<u>ICT</u> The exact nature of the scope will be agreed with management during the course of the year. This review will be scoped and undertaken by our Technology Risk team.	15 (8)
<u>Total</u>	70 (37)

The above reviews will be undertaken if possible during the 2020/2021 programme assuming we can get access to the required records and comply with Government guidelines around safe working. If they cannot all be delivered in 2020/2021 we will discuss this with the CFOs and agree if they are still required and be considered in the 2021/2022 plan if access restrictions to working continue for all of 2020/2021.



Level of resource: The level of resource required to deliver the plan is in section two of this report and our daily rates are in line with our tender submission.



Core assurance: The key priorities and changes within the organisations during the period have been reflected within the proposed audit coverage for 2020/2021 and beyond. During the development of the internal audit plan the following key areas were considered:

HMICFRS findings:

Crime Data Integrity: HMICFRS inspected how the Force records crime in 2018. That inspection revealed several problems and the Force was graded 'inadequate'. HMICFRS issued the Force with a list of recommendations for improvement which were over a three and six-month timeline.

PEEL Assessment: The Force received inadequate gradings across 'Effectiveness', 'Efficiency' and 'Legitimacy'. The Force has established a separate risk register to manage and implement the changes required.

An allocation of days has been included to ensure that **HMICFRS recommendations** are tracked and implemented in a timely manner and that there is a robust evidential sign off process before concluding that an action is fully implemented. We have also included some coverage in relation to **Data Quality** which will cover some of the recommendations made by HMICFRS.

Risk Registers: We have reviewed the Police and Crime Commissioner's (PCC), Chief Constable's and HMICFRS risk registers to inform the basis of the 2020/2021 plan and the wider three-year strategy. This has resulted in five reviews being included within the plan that are driven directly from risks identified by the Force / PCC risk registers.

'Agile' approach: Our approach to working with you is that we will respond to your changing assurance needs. By employing agile or a flexible approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to the Joint Audit Committee during the year.



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1. YOUR INTERNAL AUDIT PLAN

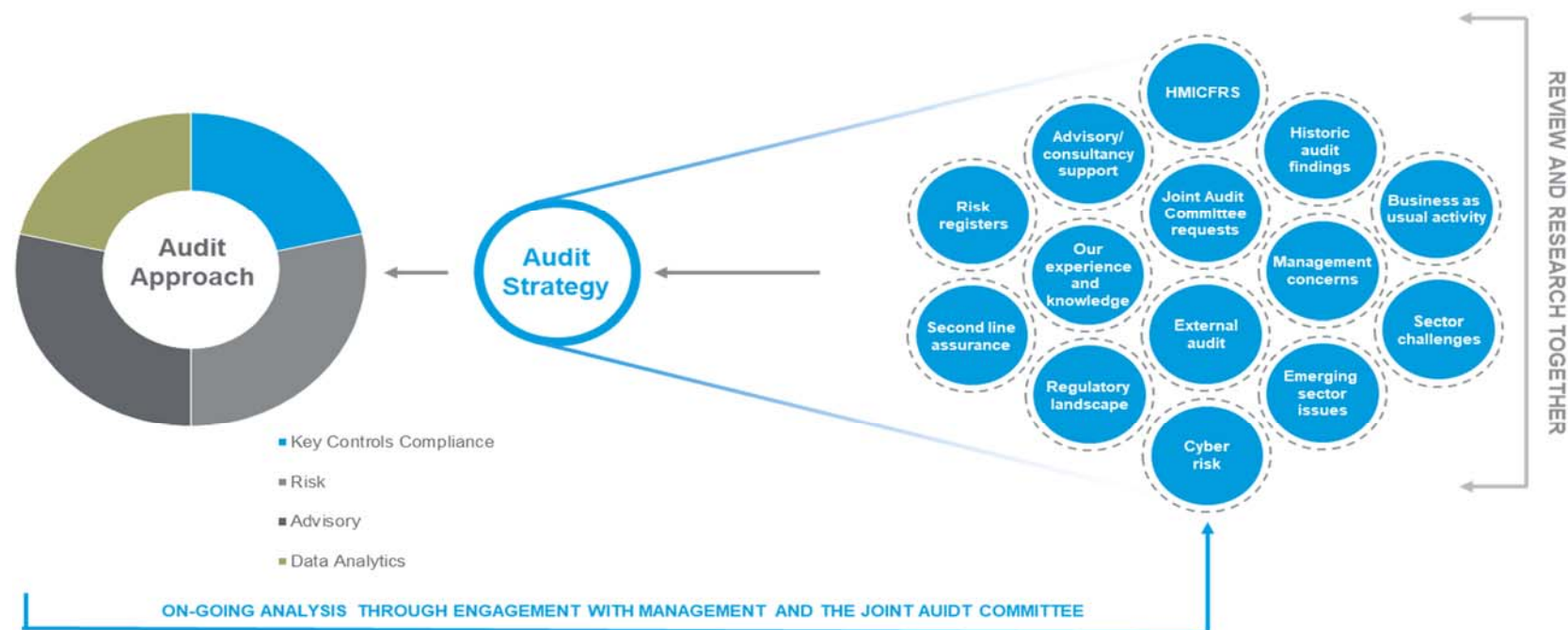
Our approach to developing your internal audit plan is based on analysing your risk profile and assurance framework, as well as other factors affecting the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland in the year ahead, including changes within the sector.

Risk management processes

We have evaluated your risk management processes and risk registers, but we have not performed a detailed review of your risk management framework. This will be one of the first audits undertaken in June 2020 and will confirm if we can place full reliance on the risks to drive the internal audit plan'

We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management and the Joint Audit Committee.

Figure A: Audit considerations – sources considered when developing the internal audit strategy.



Based on our understanding of the organisations, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (see Section 2 and Appendix B for full details).

2. INTERNAL AUDIT PLAN 2020/2021

The table below shows each of the reviews that we have discussed with management for potential inclusion as part of the internal audit plan for 2020/2021. The table details the strategic and HMICFRS risks which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisations' assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes time for tracking the implementation of actions and an audit management allocation.

Objective of the review (Strategic risk)	Days	Proposed timing	Proposed Joint Audit Committee
Strategic Risks			
Risk Reference: 1487 <u>Commissioning</u> We will undertake a review to provide assurance that commissioned services are delivering value in order to deliver the PCC's priorities.	8	Week commencing 16 November 2020	March 2021
Risk Reference: 1474 <u>Whistleblowing</u> A review of the organisations' policies and procedures to confirm they meet current legislative requirements. We will also consider how arrangements are promoted and embraced by staff.	8	Week commencing 16 November 2020	March 2021
Core Assurance			
<u>Risk Management</u> We will review the organisations' risk management arrangements for appropriateness and confirm how they are linked to the achievement of the Police and Crime Commissioner's priorities. We will also consider how areas of assurance e.g. HMICFRS are reflected in the risk profile of the organisations.	9	Week commencing 8 June 2020	September 2020
<u>Subject Access Requests (SARs)</u> Under article 15 of GDPR an individual has the right to obtain from a data controller confirmation as to whether or not personal data concerning him or her are being processed, and, where that is the case, access to the personal data. The Force has seen an increase of SARs in the advent of GDPR and a number of requests are made internally.	8	Week commencing 29 June 2020	September 2020

<u>Business Continuity Planning</u> Review of the Force's business continuity arrangements for continued service delivery in the event of an incident or crisis.	10	Week commencing 18 May 2020	September 2020
<u>Overtime</u> Review of overtime claimed in accordance with the Police Regulations.	10	Week commencing 29 June 2020	September 2020
<u>Key Financial Controls</u> To assess the adequacy and effectiveness of the internal controls in place at the Force for managing the following key financial systems: <ul style="list-style-type: none"> • Accounts Receivable; • General Ledger; and • Treasury Management. 	10	Week commencing 11 January 2021	March 2021
<u>Payroll</u> The review will consider the arrangements for: the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and payment of salaries. We will use our data analytics software, IDEA, to interrogate the underlying information to confirm: <ul style="list-style-type: none"> • Duplicate payments have not been made to employees; • Starters have been paid timely after joining; • Leavers have not been paid after leaving the organisations; and • Ghost employees are not present in the payroll system, including review of the validity of National Insurance Numbers (NINOs). 	8	5 October 2020	December 2020
<u>Purchases and Credit Cards</u> Purchases have been made in accordance with the organisation's Standing Orders and for legitimate business purposes. We will use our data analytics software, IDEA, to interrogate the underlying information to confirm: <ul style="list-style-type: none"> • Supplier payments have not been duplicated; • Paid invoice values do not exceed the value of matched purchase orders; • Invoice payments have been authorised within delegated authority limits; • Supplier payments are made within acceptable timeframes, based on client targets; and 	8	Week commencing 17 August 2020	December 2020

- Purchase orders are raised for supplier payments whenever possible.

Other Internal Audit Activity

<u>Follow Up of Previous Internal Audit Management Actions</u>	8	Week commencing 12 October 2020 & Week commencing 1 March 2021	December 2020 July 2021
To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management. We will undertake two visits during the year.			
<u>Management</u>	13	Throughout the year	-
This will include:			
<ul style="list-style-type: none"> • Annual planning; • Preparation for, and attendance at, Joint Audit Committee; • Regular liaison and progress updates; • Liaison with external audit and other assurance providers; and • Preparation of the annual opinion. 			
Total:	100		

A detailed planning process will be completed for each review, and the final scope will be documented in an assignment planning sheet. This will be issued to the key stakeholders for each review.

The total plan if it is possible to be delivered in 2020/2021 will be 170 days.

2.1 Working with other assurance providers

The Joint Audit Committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisations.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Angela Ward as your Senior Manager and Philip Church as your Client Manager.

Core team

The delivery of the 2020/2021 internal audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required, for example, IT auditors, fraud solutions and policing specialists.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.” RSM was found to have an excellent level of conformance with the IIA’s professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

Conflicts of interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

APPENDIX B: INTERNAL AUDIT STRATEGY 2020 / 2023

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Internal Audit – Third Line of Assurance

(Independent review / assurance)

2020/2021

2021/2022

2022/2023

Audit Area

Strategic Risks

Risk Reference: 1439

✓

(Human Resources: Wellbeing)

(Review will be undertaken
subject to Covid-19
restrictions easing)

Risk Reference: 1523

✓

(Force Control Room)

Risk Reference: 1552

✓

(GDPR)

Risk Reference: 1487

✓

(Commissioning)

✓

(Commissioning)

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Internal Audit – Third Line of Assurance

(Independent review / assurance)

2020/2021

2021/2022

2022/2023

Audit Area

Risk Reference: 1478

✓

(Financial Planning)

Risk Reference: 1474

✓

(Whistleblowing)

Risk Reference: 1569

✓

(Domestic Abuse)

(Review will be undertaken
subject to Covid-19
restrictions easing)

HMICFRS Risks

Risk Reference: SR31

✓

(Positive Action)

(Review will be undertaken
subject to Covid-19
restrictions easing)

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Internal Audit – Third Line of Assurance

(Independent review / assurance)

2020/2021

2021/2022

2022/2023

Audit Area

Risk Reference: SR33

✓

(Victims' Code)

Risk Reference: SR34

✓

(Ethical Standards)

Core Assurance

Human Resources

✓

✓

(Sickness and Absence
including Medical
Retirement)

(Training)

Collaborations

✓

Risk Management

✓

Overtime

✓

Business Continuity Planning

✓

Integrated Offender Management

✓

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Internal Audit – Third Line of Assurance

(Independent review / assurance)

2020/2021

2021/2022

2022/2023

Audit Area

Key Financial Controls

✓

✓

✓

(Key Financial Controls)

✓

(Payroll)

✓

(Purchases and Credit Cards)

Seized Exhibits

✓

✓

✓

(Review will be undertaken
subject to Covid-19
restrictions easing)

Subject Access Requests / Freedom of Information
Requests

✓

✓

(Subject Access Requests)

(Freedom of Information)

HMICFRS: Recommendation Tracking

✓

✓

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Internal Audit – Third Line of Assurance

(Independent review / assurance)

2020/2021

2021/2022

2022/2023

Audit Area

(Review will be undertaken
subject to Covid-19
restrictions easing)

ICT

✓

✓

✓

(Review will be undertaken
subject to Covid-19
restrictions easing)

Data Quality

✓

✓

✓

(Review will be undertaken
subject to Covid-19
restrictions easing)

Bail Management

✓

Policies and Procedures

✓

Performance Management

✓

Transport Utilisation

✓

ANPR

✓

Assurance Provided	
	Red - Minimal Assurance / Poor Progress
	Amber/red - Partial Assurance / Little Progress
	Amber/green - Reasonable Assurance / Reasonable Progress
	Green - Substantial Assurance / Good Progress
	Advisory / AUP
	IDEA

Internal Audit – Third Line of Assurance

(Independent review / assurance)

2020/2021

2021/2022

2022/2023

Audit Area

Other Internal Audit Activity

Follow Up of Previous Internal Audit Management
Actions: Visit 1

✓

✓

✓

Follow Up of Previous Internal Audit Management
Actions: Visit 2

✓

✓

✓

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Joint Audit Committee.

The internal audit service is provided by RSM Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisations have in place, focusing in particular on how these arrangements help you to achieve its objectives. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to Dan Harris (acting as your Head of Internal Audit). The independence of RSM is assured by the internal audit service reporting to the Police and Crime Commissioner and the Chief Constable, with further reporting lines to the Chief Finance Officer, the Force and the Chief Finance Officer, Police and Crime Commissioner.

The Head of Internal Audit has unrestricted access to the Chair of the Joint Audit Committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the Joint Audit Committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the Joint Audit Committee. Equally we do not want the organisations to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the Joint Audit Committee for review and approval each year.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the Joint Audit Committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the Joint Audit Committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'audit committee'.

- Internal audit - a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Senior management team - who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.

- Audit committee - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable.

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope four weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 10 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Sharefile.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the Joint Audit Committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisations where audits will be performed, including other specialised services from within or outside the organisation.

The Head of Internal Audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the Joint Audit Committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the Joint Audit Committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisations during the year are part of the framework of assurances that assist the Joint Audit Committee in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisations' governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Joint Audit Committee is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisations by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Joint Audit Committee to inform the organisations' annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the Joint Audit Committee.

Fraud

The Joint Audit Committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Joint Audit Committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the Joint Audit Committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

Daniel Harris

Head of Internal Audit

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of **The Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland**, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.