



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

Draft Internal Audit Strategy 2022/23 - 2024/25 (including the Internal Audit Plan 2022/23)

Presented at the Joint Audit Committee meeting of: 30 June 2022

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

To the fullest extent permitted by law, RSM UK 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 2022/2023 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:



**2022/23 internal audit priorities:** internal audit activity for 2022/2023 is based on analysing your risk registers (Police and Crime Commissioner and Chief Constable), 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 2022/2023 is included at section two of this report.

The internal audit priorities have been discussed at the Force's COT meeting in January 2022 and more detailed discussion has also been held with the Police and Crime Commissioner's Chief Finance Officer.



**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 2022/2023 and beyond. During the development of the internal audit plan the following key areas were considered:

### HMICFRS findings:

**Integrated Vulnerability Inspection Review:** Between 2017 and 2019 the HMICFRS carried out three inspections of the Force:

- National Child Protection;
- Crime Data Integrity; and

- Police Effectiveness, Efficiency and Legitimacy (PEEL).

A common theme identified from these inspections was the Force's ability to protect vulnerable people, including children. The Integrated Vulnerability Inspection identified the Force had made progress in most areas relating to the protection of vulnerable people, but the Force needed to continue to improve to achieve a good standard of service.

**Custody Inspection Review:** in May 2021, the HMICFRS and HMIP performed a joint review of the Force's custody suite. The report highlighted three causes for concern and a number of areas for improvement. The causes for concern related to detainee safety; use of force; and detainee care.

**PEEL Assessment:** the Force received inadequate gradings across 'Effectiveness', 'Efficiency' and 'Legitimacy'. During 2021, the HMICFRS have issued a series of cause for concern revisit letters on the progress made towards the implementation of those causes for concern.

**Risk Registers:** we have reviewed the Police and Crime Commissioner's (PCC) and Chief Constable's risk registers to inform the basis of the 2022/2023 plan and the wider three-year strategy. This has resulted in a number of 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 an '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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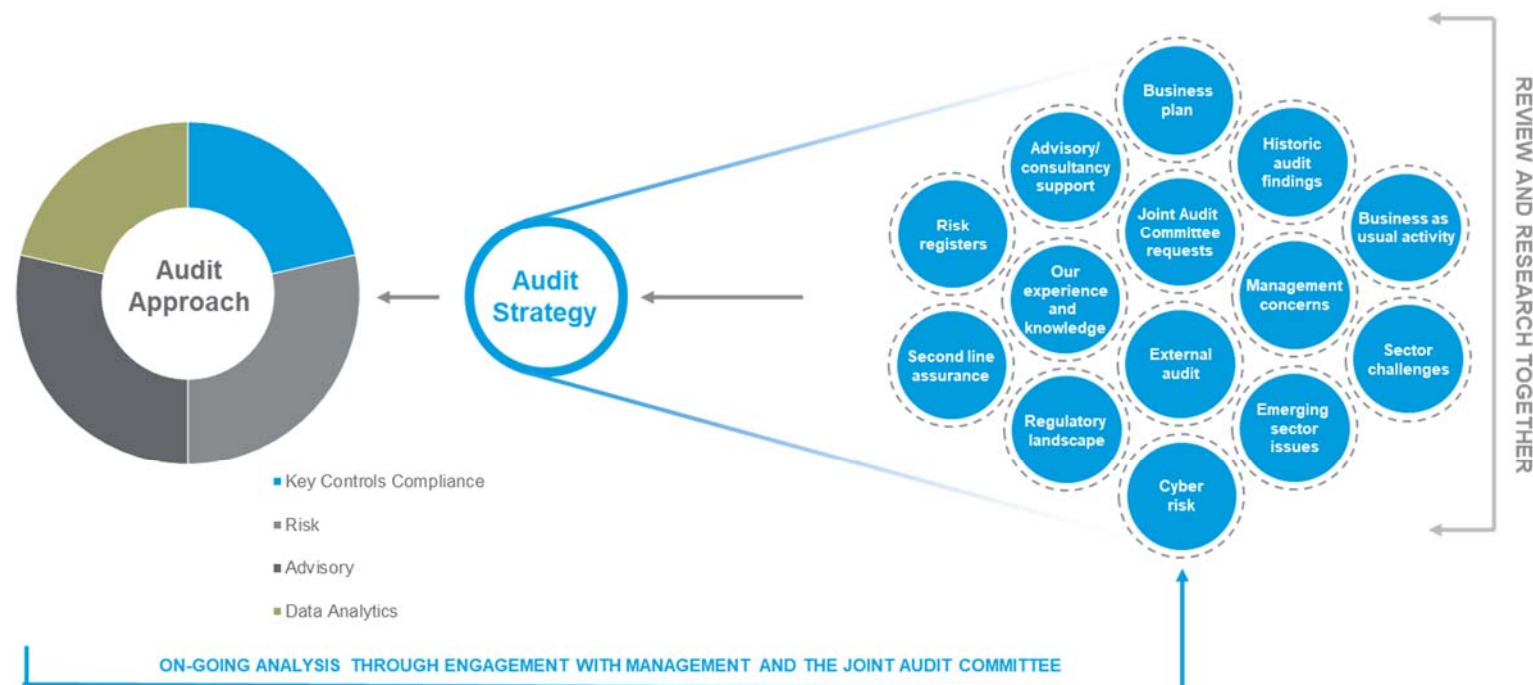
# 1. YOUR INTERNAL AUDIT PLAN

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 and reviewed your risk management arrangements in 2020/21 and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. 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 two and Appendix B for full details).

## 2. INTERNAL AUDIT PLAN 2022/23

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2022/23. The table details the strategic 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 JAC
<b>Strategic Risk</b>			
<b>(Chief Constable) Risk Reference: 1552</b> <b><u>GDPR</u></b> We will review the organisation's approach to compliance with the GDPR, in relation to the use of personal data, and the Police and Criminal Justice Data Protection Directive ('the Police Directive') in relation to the processing of personal data for preventing, investigating, detecting and prosecuting crimes. We will not provide a formal opinion as part of this review.	10	Week commencing (w/c) 3 October 2022	December 2022
<b>(Chief Constable) Risk Reference: 1559</b> <b><u>Vulnerable People</u></b> The HMICFRS performed an Integrated Vulnerability Inspection in November 2020 which highlighted the Force needs to improve how it assesses, safeguards and investigates cases involving children, such as children who go missing from home, domestic abuse against a child, child abuse and child exploitation. The exact nature of the review will be agreed with management during the course of the year. This review will be performed by an operational policing specialist.	12	W/c 14 November 2022	March 2023
<b>(Police and Crime Commissioner) Risk Reference: 1487</b> <b><u>Commissioning</u></b> We will undertake a review to provide assurance that commissioned services are delivering value in order to deliver the PCC's priorities.	10	W/c 16 January 2023	March 2023
<b>(Chief Constable) Risk Reference: 1685</b> <b><u>ICT: Vulnerability and Incident Response</u></b> Our review will focus on the Force's technical vulnerability management and ICT incident management. This review will be undertaken in accordance with Annex A of the ISO/IEC 27001 Information Security Standard as a framework. ISO/IEC 27001 defines a technical vulnerability as "a weakness of an asset	15	W/c 23 January 2023	March 2023

Objective of the review (Strategic risk)	Days	Proposed timing	Proposed JAC
<p>or control that could potentially be exploited by one or more threats” and further defines a threat as a “potential cause of an unwanted incident, which may result in harm to a system or organisation.”</p> <p>This review will be performed by an IT specialist.</p>			
<b>Core Assurance</b>			
<p><b><u>Human Resources: Suspension and Restrictive Duties</u></b></p> <p>It may be necessary for the Force to remove a police officer or member of police staff from duty or restrict them while an investigation into a conduct matter is conducted. Our review will focus on the controls once a decision has been made to suspend or restrict the duties of a police officer or member of police staff.</p> <p>Our review will take into consideration adherence with the Police (Conduct) Regulations 2012, the Home Office Guidance on Police Officer Misconduct, Unsatisfactory Performance and Attendance Management Procedures and the Code of Ethics.</p>	12	W/c 25 July 2022	September 2022
<p><b><u>Human Resources: Agency Staff</u></b></p> <p>Our review will focus on the use of agency staff to supplement the Force's establishment and how this is approved and monitored on an on-going basis. The review will take into consideration the potential impact on equal pay legislation.</p>	12	W/c 11 July 2022	September 2022
<p><b><u>Health and Safety</u></b></p> <p>To ensure the Force has appropriate systems in place to mitigate risks relating to health and safety.</p>	10	W/c 19 September 2022	December 2022
<p><b><u>Key Financial Controls</u></b></p> <p>To assess the adequacy and effectiveness of the internal controls in place at the Force for managing its key financial systems.</p>	15	W/c 19 September 2022	December 2022
<p><b><u>HMICFRS: Recommendation Tracking</u></b></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 documented and approved. We will also challenge the process to ensure that recommendations are embedded.</p>	7	W/c 23 January 2023	March 2023

Objective of the review (Strategic risk)	Days	Proposed timing	Proposed JAC
<b><u>Seized Exhibits</u></b> We will ensure that seized exhibits are received, handled and managed in a clear and transparent way and recorded accurately. Our review will focus on the arrangements for the disposal of weapons (e.g. guns and blades).	10	W/c 26 September 2022	December 2022
<b><u>HR: Training</u></b> The Force must ensure that each of its officers is suitably trained to perform the duties required by their role. Training requirements are often mandated by a number of governing bodies, such as the College of Policing (CoP) or National Police Chiefs' Council (NPCC), or government legislation (such as the Health and Safety at Work (Police) Act), and much of the training must be refreshed within a certain timeframe (often annually, as for officer safety training which is a requirement for all officers). Our review will confirm training requirements are managed, recorded and refreshed within the required timeframe.	10	W/c 5 December 2022	March 2023
<b><u>Criminal Disclosure</u></b> The disclosure process is a statutory duty under the Criminal Procedures and Investigations Act and its code of practice. Our testing will be directed following discussions with management. This review will be performed by an operational policing specialist.	12	W/c 20 March 2023	June 2023
<b><u>Vetting</u></b> The purpose of management vetting is to provide a degree of assurance as to the reliability and trustworthiness of those who have wider access to Force intelligence, financial or operational assets, including documents and information held on computer databases. The procedure serves to reduce the risks of unauthorised disclosure or loss of sensitive police assets. Sir Tom Winsor's annual state of policing report identified that vetting needed to be improved following the rape and murder of Sarah Everard.	10	W/c 4 April 2022	September 2022
<b><u>Bail Management</u></b> In late 2014, the then Home Secretary consulted on measures to limit the use of pre-charge bail, as well as supporting changes such as allowing the police to release low-risk suspects without bail while an investigation is ongoing. These measures were enacted by the Policing and Crime Act, which came into effect in April 2017.	10	W/c 23 March 2023	June 2023



Objective of the review (Strategic risk)	Days	Proposed timing	Proposed JAC
Up until April 2017, all suspects arrested were under the expectation that they will be entitled to be bailed after a period of 24 hours detention. From April 2017, there is a presumption in law that the expectation is they will be released from detention without bail.			
Legislation is currently under review with new measures proposed including the removal against the use of pre-charge bail. Our review will confirm the Force's policies and procedures have been updated appropriately and have been applied consistently in light of the changes.			
<b><u>Firearm Licensing</u></b>	10	W/c 4 July 2022	September 2022
The Home Office issued new statutory guidance for Chief Officers of Police in October 2021 in relation to firearms licensing with a particular focus on streamlining the firearms and shotgun licensing process to ensure there is more of a consistent process for the police, medical professionals and applicants. Our review will confirm the Force's processes and controls are operating in accordance with the new Home Office guidance.			
<b><u>De-collaboration: CDSOU</u></b>	8	W/c 13 February 2023	June 2023
The Chief Constable gave notice in May 2021 that the Force would be withdrawing from the Cleveland and Durham Special Operations Unit (CDSOU) collaboration but will continue with the firearms element. Our review will consider the governance arrangements in place and the capabilities of the unit have been maintained.			
<b><u>Other Internal Audit Activity</u></b>			
<b><u>Follow Up of Previous Internal Audit Management Actions</u></b>	10	W/c 15 August 2022	September 2022
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.		W/c 16 January 2023	March 2023
<b><u>Management</u></b>	20	Throughout the year	-
This will include: <ul style="list-style-type: none"> <li>• Annual planning;</li> <li>• Preparation for, and attendance at, Joint Audit Committee;</li> <li>• Regular liaison and progress updates;</li> <li>• Liaison with external audit and other assurance providers; and</li> </ul>			

Objective of the review (Strategic risk)	Days	Proposed timing	Proposed JAC
<ul style="list-style-type: none"> <li>Preparation of the annual opinions.</li> </ul>			
<b>Total</b>	<b>203</b>		

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.

## 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 UK Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Philip Church as your Senior Manager and Mike Gibson as your Client Manager.

## Fees

The delivery of the 2022/2023 internal audit plan will be based around a core team and the fees are based on the day rates quoted within our tender. 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 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms\*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

\* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model

## Conflicts of interest

We provide the risk management software (Insight), to the Police and Crime Commissioner and the Chief Constable. We were also previously requested by the Police and Crime Commissioner to carry out a separate review of a commissioned service provider. All of this work has been completed under separate Letters of Engagement and has been independently undertaken by separate management teams and partners, independent of the internal audit team. Therefore, we do not consider any conflicts of interests need to be declared.

## APPENDIX B: INTERNAL AUDIT STRATEGY 2022 / 2025

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	Internal Audit – Third Line of Assurance (Independent review / assurance)				
	2020/21	2021/22	2022/23	2023/24	2024/25
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					

Audit Area					
Strategic risk					
Risk Reference: 1439	✓ (Human Resources: Wellbeing)	✓ (Sickness and Absence including Medical Retirement)		✓	
Risk Reference: 1523		✓ (Force Control Room)			✓
Risk Reference: 1552			✓ (GDPR)		
Risk Reference: 1487	✓ (Commissioning)		✓ (Commissioning)		
Risk Reference: 1478 and 1435		✓ (Financial Planning)			
Risk Reference: 1474		✓			✓

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)

2020/21

2021/22

2022/23

2023/24

2024/25

## Audit Area

(Whistleblowing)

Risk Reference: 1485

✓

(Performance  
Management)

Risk Reference: 1569

✓

(Domestic Abuse)

✓

(Vulnerable People)

Risk Reference: 1661

✓

(HR:  
Recruitment  
and Section)

Risk Reference Risk: 1662

✓

(Ethics Standards)

Risk Reference: 1685

✓

(ICT)

✓

(ICT: Vulnerability  
and Incident  
Response)

✓

(ICT)

✓

(ICT)

Risk Reference: 1706

✓

(Civil Orders)

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)

2020/21

2021/22

2022/23

2023/24

2024/25

### Audit Area

#### Core assurance

Health and Safety			✓		
Complaints		✓		✓	
Victims' Code		✓		✓	
Criminal Disclosure			✓		
Positive Action	✓				
Collaborations		✓ (Tactical Training Centre (TTC) / CDSOU: Inventory Management)	✓ (CDSOU)		✓
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)

2020/21

2021/22

2022/23

2023/24

2024/25

## Audit Area

Key Financial Controls

✓

✓

✓

✓

✓

(Purchases and  
Credit Cards)

(Key Financial Controls)

✓

(Payroll)

✓

(KFC)

Seized Exhibits

✓

✓

✓

✓

✓

Subject Access Requests

✓

✓

HMICFRS: Recommendation Tracking

✓

✓

✓

✓

✓

Data Quality

✓

✓

(DQ Process (Crime  
Recording) – Force Audit  
and Monitoring  
Mechanisms)

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)

2020/21

2021/22

2022/23

2023/24

2024/25

### Audit Area

Bail Management

✓

Evidence Based Prosecution Review

✓

✓

Policies and Procedures

✓

Vetting

✓

Transport Utilisation

✓

ANPR

✓

✓

Force Management Statements

✓

Firearm Licensing

✓

Police and Crime Plan

✓

Equality, Diversity and Inclusion

✓

(Draft)

Human Resources

✓

(Agency Staff)



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)

2020/21

2021/22

2022/23

2023/24

2024/25

## Audit Area

✓

(Suspension and  
Restrictive Duties)

✓

(Training)

## Other Internal Audit Activity

Follow Up of Previous IA Management Actions: Visit 1



✓

✓

✓

✓

Follow Up of Previous IA 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 UK 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 organisation has 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.

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

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## 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.

To assist the assessment; RSM is able to remain independent for the following reasons:

- As an outsourced provider of internal audit services to the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland, independence is inherent in our delivery and audit methodology.
- Our internal auditors do not have any operational responsibilities across the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland.
- No member of the audit team is employed by the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland.
- The Head of Internal Audit reports to the Police and Crime Commissioner and the Chief Constable and Joint Audit Committee chair.
- RSM methodology includes a second partner review (by another head of internal audit who does not work on the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland) of the annual plan, the year-end annual report and opinion.
- The Internal Audit Charter details our role and responsibilities and the authority we have which enables us to undertake our internal audit service.

The Head of Internal Audit has unrestricted access to the Chair of 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 organisation 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 committee responsible for enhancing public trust and confidence in the governance of the office of the police and crime commissioner and police force. In addition, assisting a police and crime commissioner in discharging statutory responsibilities in holding a police force to account.

## 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 organisation 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 opinions will be provided to the organisations by RSM UK Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinions, 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

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