



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

[Annual internal audit report 2021/22](#)

FINAL

26 September 2022

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# THE ANNUAL INTERNAL AUDIT OPINIONS

This report provides an annual internal audit opinions, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisations' risk management, control and governance processes. The opinions should contribute to the organisations' annual governance reporting.

## The opinion

For the 12 months ended 31 March 2022, the Head of Internal Audit opinion for the Police and Crime Commissioner for Cleveland is as follows:



For the 12 months ended 31 March 2022, the Head of Internal audit opinion for the Chief Constable of Cleveland is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinions.

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*It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.*

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## Scope and limitations of our work

The formation of our opinions is achieved through a risk-based plan of work, agreed with management and approved by the Joint Audit Committee (JAC), our opinions are subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisations.
- the opinions are substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the JAC takes into account in making its annual governance statements (AGSs).
- the opinions are based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual(s).
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- our internal audit work for 2021/22 has been undertaken through the continued operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been a significant impact on both the operations of the organisations and its risk profile, and our annual opinions should be read in this context.

# FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Based on the work we have undertaken on the systems of governance, risk management and internal control across the organisations, our opinions on governance, risk management and control have been informed by the following:

## Governance

We did not perform a specific governance review at the organisations in 2021/22, however we have covered elements of the governance frameworks in place for the following reviews and have used this work to support our governance opinions:

- Data Quality Process (Crime Recording) – Force Audit and Monitoring Mechanisms;
- Equality, Diversity and Inclusion;
- Sickness Absence including Medical Retirement; and
- HMICFRS: Recommendation Tracking.

Each of the above reviews received a positive assurance opinion. We concluded that the governance arrangements in place, for the organisations, were adequate and effective.

## Risk

We did not perform a specific risk management review at the organisations in 2021/22; however, our risk management opinions were informed by the assessment of the risk mitigation controls and compliance with those controls in our risk-based reviews in the following areas:

- Sickness Absence including Medical Retirement (*Risk Reference: 1439*);
- Whistleblowing (*Risk Reference: 1474*);
- Financial Planning (*Risk Reference: 1478 and 1435*); and
- Force Control Room (*Risk Reference: 1523*).

The specific reviews (above) resulted in **two reasonable assurance** opinions (positive) and a **substantial assurance** opinion (positive). The Whistleblowing review was performed on an advisory basis and resulted in five medium actions being agreed with management.

We have also attended all JAC meetings throughout the year and confirmed the organisations' risk management arrangements continued to operate effectively and were adequately reported to and scrutinised by committee members; with regular updates provided and the risk register shared and reviewed, with appropriate oversight.

## Control

We have undertaken 13 audits to date (including the three risk driven reviews mentioned above) of the control environment that resulted in formal assurance opinions. These 13 reviews concluded that the organisations could take two partial assurance (negative), seven reasonable assurance (positive), and four substantial assurance (positive) opinions. We identified the organisations had established control frameworks in place for a number of the audits undertaken, however improvements in their application was required in a number of areas. The headline findings from the two partial assurance opinions were:

### Evidenced Led Prosecution Review (Partial Assurance)

The review considered 20 cases that had been closed as 'outcome 16' (no victim support for prosecution, or victim support withdrawn) and examined each case to ascertain whether force policy had been followed and where there was an opportunity or evidence to support prosecution, this had been collected / developed. In addition, we considered if safeguarding had been undertaken through effective risk assessments and referrals recorded on the Public Protection Notice (PPN). Specifically, we also considered where children were present at the time of abuse or reside at the property with the victim that appropriate processes/referrals had been undertaken to ensure safeguarding requirements had been discharged.

### Victims' Code (Partial Assurance)

The Victims' Code of Practice for Victims of Crime (VCOP) sets out the minimum level of service that victims should receive from the criminal justice system. The Victims' Code applies to all criminal justice agencies including the police, Crown Prosecution Service, and the Courts and Probation Service. A revised version of VCOP was introduced in April 2021 which defined the 12 rights to which the victim is entitled. Our review focused on confirming the Force had adequate and effective systems and procedures in place to ensure that it complies with the requirements of the VCOP. Our reviewed identified two high and three medium management actions. The high management actions related to the Niche system not recording evidence of the Support for Victims of Crime Booklet having been issued to victims; and quality standards reported to the Strategic Performance Improvement Board were low but no action plan was in place to improve the performance figures.

Furthermore, the implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinions on control. We have performed two Follow Up reviews during the year which concluded in **reasonable** (positive) and **poor** (negative) progress being made towards the implementation of those actions agreed.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

## Topics judged relevant for consideration as part of the annual governance statements

We issued two partial assurance and a 'poor progress' opinions (negative) in 2021/2022. The organisations should therefore consider the negative assurance opinions given for Evidence Led Prosecution, Victims' Code and the Follow Up of Previous Internal Audit Management Actions: Visit 2 when completing their annual governance statements, together with any actions already taken and action planned by management to address the actions agreed.

Management should also continue to pay particular attention to the action tracking process in place and ensure that the actions from the negative assurance reviews are tracked, to ensure these weaknesses identified are addressed.

# THE BASIS OF OUR INTERNAL AUDIT OPINIONS

As well as those headlines previously discussed, the following areas have helped to inform our opinions. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

## Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2021/22.

## Implementation of internal audit management actions

We have performed two follow up reviews to determine the organisations' implementation of internal audit findings and we have reported that **reasonable** and **poor progress** had been made in implementing the agreed actions.

### Follow Up of Previous Internal Audit Management Actions: Visit 1

We followed up 34 management actions as part of this review. This comprised of 24 actions agreed by RSM and 10 actions agreed by the previous internal audit provider. We were supplied with satisfactory evidence for 23 out of the 34 actions of the actions declared as complete by the respective action owner with a further one action being superseded. Out of the remaining 10 actions, we concluded six have been partially but not fully completed with a further four actions having not been completed at all.

The organisations have demonstrated **reasonable progress** towards the implementation of internal audit management actions.

### Follow Up of Previous Internal Audit Management Actions: Visit 2

We followed up 28 management actions as part of this review. Of the 28 agreed management actions, 12 comprised of low priority, 10 medium priority and six high priority management actions. We were supplied with satisfactory evidence for 13 out of the 28 actions of the actions declared as complete by the respective action owner with a further two actions being superseded. Out of the remaining 13 actions, we concluded four have been partially but not fully completed with a further nine actions having not been implemented. Out of the nine actions concluded to have not been implemented, eight can be attributed to a lack of information received.

The organisations have demonstrated **poor progress** towards the implementation of internal audit management actions.

## Working with other assurance providers

In forming our opinions we have not placed any direct reliance on other assurance providers.

# OUR PERFORMANCE

## Wider value adding delivery

We have used subject matter experts to review the organisations arrangements for **Victims' Code, Integrated Offender Management** and **Evidence Led Prosecution**. We will continue to use subject matter experts when appropriate to ensure true value is added to the organisations.

As part of our client service commitment, during 2021/2022, we have issued four emergency services sector briefings within our progress reports presented to the JAC, detailed below. We will continue to share our briefings with you during 2022/2023.

Area of work	Areas covered
Managing risk in a changing environment – analysis of police risk registers	Our paper, published in April 2021, reviewed 31 strategic risks registers and examined 461 individual risks in total. Our analysis considered the risks registers from police forces, offices of the police and crime commissioner (OPCC) and police, fire and crime commissioners (PFCC). This provided an insight into the persistent challenges, together with some new and emerging risks facing the sector.
Emergency Services – Sector Update: June 2021	The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas: <ul style="list-style-type: none"><li>• Policing in the pandemic;</li><li>• Police officer uplift;</li><li>• Policing inspection programme and framework 2020/21; and</li><li>• Independent investigation outcomes.</li></ul>
Emergency Services – Sector Update: August 2021	The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas: <ul style="list-style-type: none"><li>• State of policing;</li><li>• Police remuneration review body report;</li><li>• National crime agency inspection; and</li><li>• Demand capacity and welfare survey.</li></ul>
Emergency Services – Sector Update: November 2021	The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas: <ul style="list-style-type: none"><li>• Police response to violence against women and girls;</li><li>• Cyber and information security;</li><li>• Police and local authorities given extra funding for safer streets; and</li><li>• Firearms licensing.</li></ul>

Emergency Services – Sector Update: March 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> <li>• Strategic review of policing;</li> <li>• Value for money profiles; and</li> <li>• A joint thematic inspection of the criminal justice journey for individuals with mental health needs and disorders.</li> </ul>
Best Practice	Shared best practice across the sector through our work.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.
<b>Briefings</b>	Issued non-sector specific briefings to all of our clients, including Cleveland Police and OPCC.

## Conflicts of interest

We provide the risk management software (Insight), to the Police and Crime Commissioner and the Chief Constable. Our 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.

## 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.

## Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.



Resulting from the programme in 2021/22, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

## Performance indicators

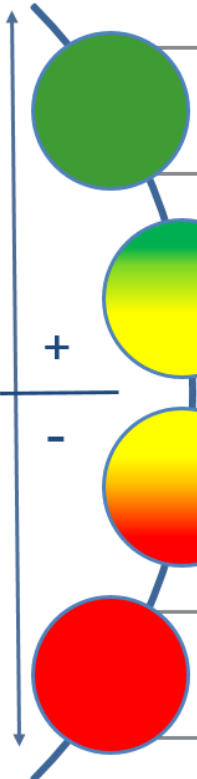
### Delivery

### Quality

	Target	Actual		Target	Actual
Draft reports issued within 10 days of debrief meeting	10 days	9 days (average)	Conformance with IIA Standards	Yes	Yes
			Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	As and when required
Final report issued within 3 days of management response	3 days	1 day (average)	Response time for all general enquiries for assistance	2 working days	2 working days (average)
			Response for emergencies and potential fraud	1 working day	-





# APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinions.



Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p> <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	<p>The factors which are considered when influencing our opinions are:</p> <ul style="list-style-type: none"> <li>• inherent risk in the area being audited;</li> <li>• limitations in the individual audit assignments;</li> <li>• the adequacy and effectiveness of the risk management and / or governance control framework;</li> <li>• the impact of weakness identified;</li> <li>• the level of risk exposure; and</li> <li>• the response to management actions raised and timeliness of actions taken.</li> </ul>

## APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Assurance level	Actions agreed		
		L	M	H
Evidence Led Prosecution Review		1	1	1
Victims' Code		0	3	2
Equality, Diversity and Inclusion		1	1	0
Sickness Absence including Medical Retirement		3	1	0
HMICFRS: Recommendation Tracking		0	1	0

Assignment	Assurance level	Actions agreed		
		L	M	H
Data Quality Process (Crime Recording) – Force Audit and Monitoring Mechanisms		3	1	0
Complaints		7	2	0
Force Control Room		1	2	0
Integrated Offender Management		1	2	0
Seized Cash Spot Checks		2	0	0
Key Financial Controls		1	0	0

Assignment	Assurance level	Actions agreed		
		L	M	H
Collaborations: Tactical Training Centre (TTC) / CDSOU: Inventory Management		1	0	0
Financial Planning		0	0	0
Whistleblowing Arrangements	Advisory	0	5	0
Follow Up of Previous Internal Audit Management Actions: Visit 1	Reasonable Progress	3	7	0
Follow Up of Previous Internal Audit Management Actions: Visit 2	Poor Progress	4	9	1

## APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Police and Crime Commissioner and Chief Constable can take:

	<p>Taking account of the issues identified, the Police and Crime Commissioner and the Chief Constable can take <b>minimal assurance</b> that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk.</p>
	<p>Taking account of the issues identified, the Police and Crime Commissioner and the Chief Constable can take <b>partial assurance</b> that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action is needed to strengthen the control framework to manage the identified risk.</p>
	<p>Taking account of the issues identified, the Police and Crime Commissioner and the Chief Constable can take <b>reasonable assurance</b> that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied and effective.</p> <p>However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk.</p>
	<p>Taking account of the issues identified, the Police and Crime Commissioner and the Chief Constable can take <b>substantial assurance</b> that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied and effective.</p>

# YOUR INTERNAL AUDIT TEAM

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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 UK 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 UK 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.

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