



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

Annual internal audit report year ended 31 March 2023

Revised Draft

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.

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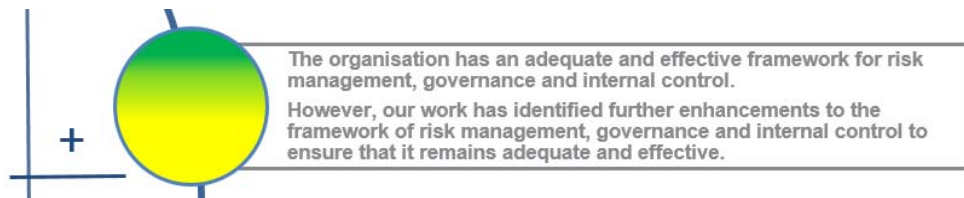


THE ANNUAL INTERNAL AUDIT OPINIONS

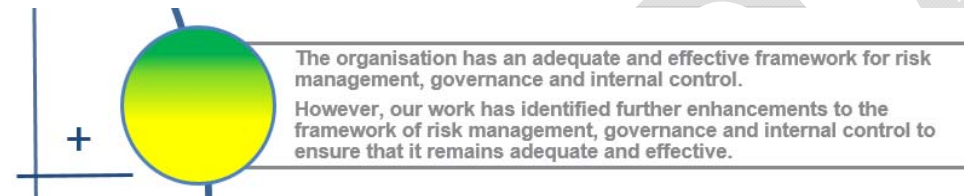
This report provides annual internal audit opinions, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisations' risk management, control and governance processes. The opinions should contribute to the organisations' annual governance reporting.

The opinions

For the 12 months ended 31 March 2023, the DRAFT Head of Internal Audit opinion for The Police and Crime Commissioner for Cleveland is as follows:



For the 12 months ended 31 March 2023, the DRAFT 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 opinion.

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.

Scope and limitations of our work

The formation of our opinions were achieved through a risk-based plan of work, agreed with management and approved by the Joint Audit Committee, 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 frameworks. The assurance frameworks are one component that the organisations take into account in making its annual governance statement (AGS);
- 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; and
- 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.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINIONS

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 2022/23, 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:

- De-collaboration: CDSOU;
- Key Financial Controls; and
- Firearms Licensing.

Each of the above reviews received a positive assurance opinion.

In addition, our review of Health and Safety, which resulted in a minimal assurance opinion, identified an annual health and safety report is presented to the Joint Audit Committee; however, there was no additional reporting on health and safety across the Force in year. Furthermore, the Operational Planning and Safety Manager informed us that there was no clear committee with health and safety within its remit.

Risk

We did not perform a specific risk management review at the organisations in 2022/23; 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:

- GDPR (*risk reference: 1552*);
- Commissioning (*risk reference: 1487*); and
- Cyber Security (*risk reference: 1685*).

The specific reviews (above) resulted in a **reasonable** assurance opinion (positive) and a **minimal assurance** opinion (negative). The GDPR review was performed on an advisory basis and resulted in one high, two medium, and two low priority management 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 nine audits* (including the three risk driven reviews mentioned above) of the control environment that resulted in formal assurance opinions. These nine* reviews concluded that the organisations could take two minimal assurance (negative), two partial assurance (negative), three reasonable assurance (positive), and two 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 were required in a number of areas.

** The Criminal Disclosure review has been issued in draft and is currently with management.*

The findings from the negative assurance opinions are summarised below:

Health and Safety (Minimal Assurance)

We reviewed the health and safety arrangements at the Force with the objective of ensuring that the Force has appropriate systems in place to mitigate risks relating to health and safety. Our review included an assessment of health and safety policies, injury reporting arrangements, annual premises inspections, training, and risk assessment processes. We identified significant weaknesses in areas such as risk assessment management, health and safety training and governance structures, which resulted in five high, three medium, and one low priority management actions being agreed.

Commissioning (Minimal Assurance)

We reviewed the commissioning process which is based in the Office of the Police and Crime Commissioner (OPCC). The objective of the review was to determine whether the OPCC had an appropriate and effective control framework in place to manage the commissioning process from the initial selection of partners all the way through to the monitoring of services provided against the grant agreement. We identified significant discrepancies in the due diligence process, the monitoring of services against grant agreements and ensuring grant agreements are signed only after key documentation is on file, which resulted in four high, four medium, and two low priority management actions being agreed.

Vetting (Partial Assurance)

We reviewed the Force's vetting process to ensure the Force has a thorough and effective vetting regime in place, in line with the requirements of the authorised professional practices (APP) Vetting (March 2021) guidance produced by the College of Policing and the Code of Practice for Vetting (2017). At the time of the review, the Force had a large backlog of expired vetting and vetting statuses which were due to expire, which resulted in one high, two medium, and two low priority management actions being agreed.

Criminal Disclosure (Partial Assurance)

We reviewed the Force's processes for ensuring they have disclosed the relevant information in accordance and in line with the Force's policy and with the College of Policing Authorised Professional Practice. Our review identified issues with the completion of the information management document, identifying and recording lines of inquiry and the completion of MG5s, which resulted in two high management actions being raised.

Follow Up

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 two '**good progress**' (positive opinions) had been made towards the implementation of those actions agreed. This included the successful implementation of all of the actions agreed in the vetting partial assurance opinion noted above.

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 statement

We issued two minimal and one partial (negative) assurance opinions in 2022/23. The organisations should therefore consider the minimal and partial assurance opinions given for Health and Safety, Commissioning, and Vetting, when completing their annual governance statements, together with any actions already taken and action planned by management to address the actions agreed.

Please note the Criminal Disclosure review fieldwork is at the final quality assurance stage ahead of issuing the draft report, but at the debrief stage, the indications are that this will also be a negative assurance opinion and will also need to be noted in the annual governance statement.

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. In addition, the organisations should consider the high management action agreed as part of the GDPR advisory review.

During the delivery of the internal audit plan for 2022/23, the Force was subject to a PEEL review and the HMICFRS identified the organisation required improvement in the area of 'investigating crime', 'protecting vulnerable people', and 'developing a positive workplace'. Further to this, the Force received inadequate in relation to 'preventing crime' and 'good use of resources'.

The Baroness Louise Casey's review, commissioned in the wake of Sarah Everard's murder and a further incident involving a serving Metropolitan Police officer, highlighted a number of significant concerns about the Metropolitan Police's culture and standards. The review focussed on whether the Met's leadership, recruitment, vetting, training, culture and communications supported the standards the public expect, and raised recommendations of how high standards should be routinely met, and how high levels of public trust in the Met could be restored and maintained. As a result, the following national action on standards has been highlighted for all forces to address:

- Identifying wrongdoing;
- Strengthening vetting and misconduct investigations;
- Toughening sanctions;
- Police Race Action Plan; and
- Action on Violence Against Women and Girls.

The organisations should therefore consider when preparing the annual governance statement the implementation of those recommendations as part of the Casey review and the HMICFRS reviews, and how these are monitored through the organisations' governance arrangements.

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 2022/23.

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 **good progress** had been made in implementing the agreed actions.

Follow Up of Previous Internal Audit Management Actions: Visit 1

We followed up 35 management actions as part of this review, including one high priority, 19 medium priority, and 15 low priority management actions. Of the 35 management actions considered in this review, we confirmed 31 actions had been fully implemented. For three actions we confirmed they had been partially implemented and we agreed new management actions, where appropriate, and implementation dates. The remaining action was superseded.

Follow Up of Previous Internal Audit Management Actions: Visit 2

We followed up 38 management actions as part of this review, there were three high priority, 21 medium priority, and 14 low priority management actions. Of the 38 management actions considered in this review, we confirmed 34 actions had been closed accurately and this was supported by appropriate evidence. For two actions we confirmed they had been partially implemented and we agreed new management actions, where appropriate, and implementation dates. The two remaining actions were superseded.

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 **Cyber Security** and **Criminal Disclosure**. 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 2022/23, we have issued four emergency services sector briefings within our progress reports presented to the JIAC, detailed below. We will continue to share our briefings with you during 2023/24.

Area of work	How has this added value?
Emergency Services – Sector Update: June 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">• State of policing;• An inspection of the service provided to victims of crime;• Impact of the pandemic on the Criminal Justice System; and• National Stop and Search learning report.
Emergency Services – Sector Update: September 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">• The police uplift programme;• Police uplift programme new recruits onboarding survey;• The police response to burglary, robbery and other acquisitive crime; and• How effective is the National Crime Agency at protecting vulnerable people?
Emergency Services – Sector Update: December 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">• Police dismissals to be reviewed;• Fore management statement template and guidance; and• An inspection of vetting, misconduct, and misogyny in the police service.
Emergency Services – Sector Update: March 2023	<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">• An inspection into how well the police and other agencies use digital forensics in their investigations;• Police requests for third part material;• Review of police dismissal launched;

	<ul style="list-style-type: none"> • Policing receive up to £287m funding boost next year; • Safer Streets Fund is building confidence in the police; • Government supports a new public sexual harassment office; and • Police Officer Uplift, quarterly update to December 2022.
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.
Briefings	Issued non-sector specific briefings to all of our clients, including Cleveland Police and OPCC.

Conflicts of interest

RSM has not undertaken any work or activity during 2022/23 that would lead us to declare any conflict of interest.

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 2022 / 2023, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

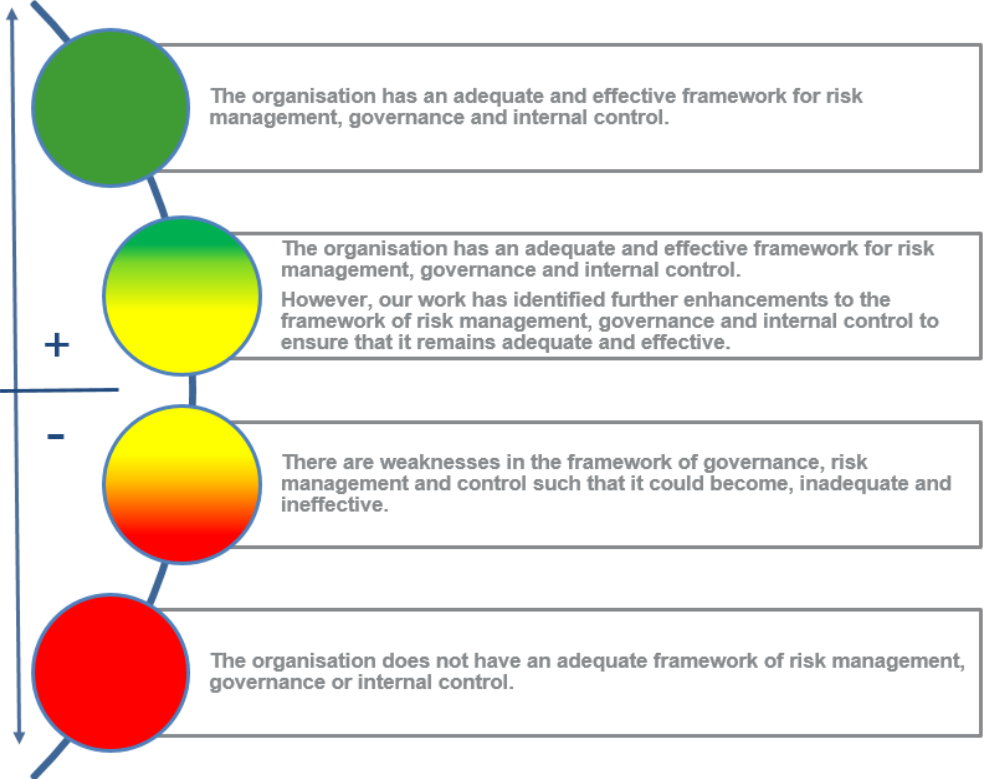
In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Performance indicators

Delivery			Quality		
	Target	Actual		Target	Actual
Draft reports issued within 10 working days of debrief meeting	10 days	7 working days (average)	Conformance with PSIAS and 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 working days of management response	3 days	1 working 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 opinion.



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 opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2022/2023

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
Health and Safety	Minimal Assurance 	2	3	5
Commissioning	Minimal Assurance 	2	4	4
Vetting	Partial Assurance 	2	2	1

Assignment	Assurance level	Actions agreed		
		L	M	H
Criminal Disclosure (draft)	Partial Assurance 	0	0	2
Firearms Licensing	Reasonable Assurance 	2	2	0
Cyber Security Review	Reasonable Assurance 	0	1	1
Human Resources: Suspension and Restrictive Duties	Reasonable Assurance 	4	3	0
Key Financial Controls	Substantive Assurance 	1	0	0

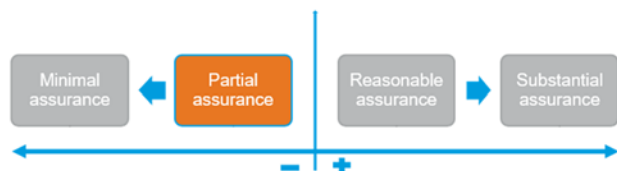
Assignment	Assurance level	Actions agreed		
		L	M	H
				
De-collaboration: CDSOU (draft)	Substantive Assurance	3	0	0
				
GDPR	Advisory	2	2	1
Follow Up of Previous Internal Audit Management Actions: Visit 1	Good Progress	2	1	0
Follow Up of Previous Internal Audit Management Actions: Visit 2	Good Progress	0	2	0

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 the Chief Constable can take:



Taking account of the issues identified, the Police and Crime Commissioner of Cleveland and the Chief Constable of Cleveland **cannot take assurance** that the controls upon which the organisations rely on to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk.



Taking account of the issues identified, the Police and Crime Commissioner of Cleveland and the Chief Constable of Cleveland can take **partial assurance** that the controls upon which the organisations rely on to manage this risk are suitably designed, consistently applied or effective. Action is needed to strengthen the control framework to manage the identified risk.



Taking account of the issues identified, the Police and Crime Commissioner of Cleveland and the Chief Constable of Cleveland can take **reasonable assurance** that the controls upon which the organisations rely on to manage this risk are suitably designed, consistently applied and effective. 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.



Taking account of the issues identified, the Police and Crime Commissioner of Cleveland and the Chief Constable of Cleveland can take **substantial assurance** that the controls upon which the organisations rely on to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

Dan Harris

Head of Internal Audit

RSM UK Risk Assurance Services LLP

1 St. James' Gate, Newcastle Upon Tyne, NE1 4AD

M: +44 (0)7792 948767 | **W:** www.rsmuk.com

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

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