



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

Annual internal audit report 2023/24

FINAL

18 June 2024

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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

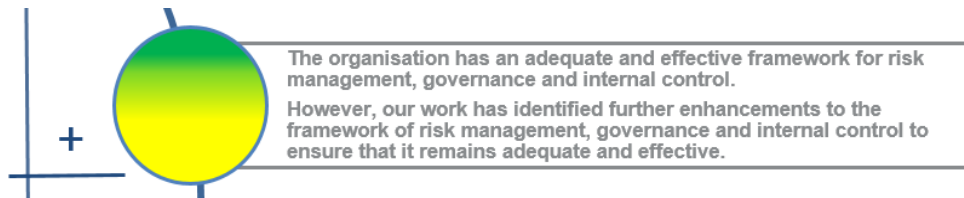


THE ANNUAL INTERNAL AUDIT OPINIONS

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 2024, the Head of Internal Audit opinion for The Police and Crime Commissioner for Cleveland is as follows:



For the 12 months ended 31 March 2024, 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.

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 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 organisations take into account in preparing the 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 2023/24, 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:

- Ethical Standards;
- Data Quality – Monitoring and Audit Compliance Against NCRS and HOCR;
- Sickness Absence; and
- Vetting.

Each of the above reviews received a positive assurance opinion.

Risk Management

We did not perform a specific risk management review at the organisations in 2023/24. 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 ([risk reference: 1439](#));
- Police and Crime Plan ([risk reference: 1485](#));
- Ethical Standards ([risk reference: 1662](#));
- Select Key IT Security Controls ([risk reference: 1685](#)); and
- Vetting ([risk reference: 1724](#)).

The specific reviews ¹ (above) resulted in **four reasonable assurance** opinions (positive) and **one substantial assurance** opinion (positive).

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 12 audits (including the five risk driven reviews mentioned above) of the control environment that resulted in formal assurance opinions. These 12 reviews concluded that the organisations could take **one minimal assurance** (negative), **four partial assurance** (negative), **five 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 findings from the negative assurance opinions are summarised below:

Seized Exhibits: Firearms and Bladed Articles (Minimal Assurance)

Our review focussed on how seized bladed articles and firearms are recorded on Niche, stored at the central store in Middlesbrough, and disposed of. Our review included testing to determine whether exhibits are stored and retained in accordance with the Code of Practice on the Management of Police Information (MoPI) and the Criminal Procedure and Investigations Act 1996 (CPIA). We identified significant non-compliance with regards to the Force's established policies and procedures which resulted in **five high, six medium and one low** management actions being agreed.

HR Training (Partial Assurance)

The Force must ensure that each of its officers is suitably trained to perform the duties required by their role. Our review focussed on confirming training requirements are managed, recorded and refreshed within the required timeframes. Our review identified weaknesses in the design of the controls in place to ensure training requirements are managed, recorded, and refreshed within the required timeframe. Our testing identified non-compliance with the completion of e-learning training and initial and refresher personal safety, first aid and driver training. Our review also identified that the Force does not report on the compliance of mandatory in-person training through the Force's governance structure.

Our testing identified a number of non-compliance with controls and as a result we have agreed **one high, four medium, and 10 low** priority actions and **one advisory** action.

Health and Safety (Partial Assurance)

We reviewed the Force's health and safety arrangements in 2022/23 resulting in a minimal assurance opinion. Our review considered the Force's strengthening arrangements following this review and ensuring statutory responsibilities had been discharged appropriately. Whilst we still noted some significant control weaknesses in 2023/24, there had been an improvement from our previous health and safety review (Sept 2022) and all actions agreed as part of that audit have either been completed or partially completed.

We identified discrepancies regarding the injury reporting form and supervisors reporting form and that these had either not been completed or had not been completed in a timely manner. This resulted in one instance where a RIDDOR report had not been submitted in a timely manner after an accident. Testing identified that all premises reviews were either overdue or had been completed after the set deadline, which resulted in **two high and five low** management actions being agreed.

Victims' Code (Partial Assurance)

The audit covered the Force compliance with its statutory obligations under the Victims' Code which sets out the minimum level of service that victims should receive from the criminal justice system. Our review identified that the Niche system has sections to record evidence of VCOP compliance, discrepancies were identified during our sample testing with officers either not completing these sections or not completing them correctly. We identified discrepancies regarding the completion of the victim contact management module, the agreed contact schedule, the frequency at which officers are contacting victims, contacting victims at the relevant 'trigger points' (such as the arrest or charging of a suspect) and documenting offering victims the opportunity to complete a victim personal statement. This resulted in **two high, four medium, and one low** priority management actions being agreed.

Performance and Capability Management (Partial Assurance)

The Force is committed to ensuring all officers achieve and maintain the standards of performance and capability required in order to enable operations and for all activities to be carried out effectively. Through our review we identified weaknesses in the overall control framework from officer understanding of the PDR process, through to the completion of the SMART objectives, mid-year and end of year reviews between officers and line management. We also identified there is currently no review of PDR outcomes between line management and the People Team. There was also no clear link between the PDR process and capabilities management, .

However, we acknowledged the process as a whole is currently in the development stage and the Organisational Development Team was taking action to implement supporting mechanisms to assist in embedding the Performance Excellence Guide across the Force. We also noted, that development plans are in place to assist with the officer understanding and supporting talent succession conversations. This review resulted in **eight medium** priority management actions being agreed.

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 **reasonable** and **good** progress (positive opinions) had been made towards the implementation of those actions agreed. These reviews confirmed that 56 previously agreed management actions had been successfully implemented.

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 one minimal and four partial (negative) assurance opinions in 2023/24. The organisations should therefore consider the minimal and partial assurance opinions given for **Seized Exhibits: Firearms and Bladed Articles, HR Training, Health and Safety, Victims' Code, and Performance and Capability Management**, when completing the annual governance statement, 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. Although, we did note a robust tracking process being in place during 2023/24.

Wider sector-specific considerations the organisations should consider in its AGS are as follows:

Angiolini Review

The Angiolini review, commissioned by the Home Secretary in the wake of Sarah Everard's murder, highlighted a number of significant concerns about the Metropolitan Police's culture, decision making around police vetting and abuse of powers. In particular, the Part 1 Report states 'Policing needs to grasp fully the extent of the cultural problems it faces and the way that this affects the public it serves. It needs to do more than make further changes to policies, guidance and training, although these are important and worthwhile. All policing leaders need to rethink fundamentally how they lead their organisations to ensure that certain types of behaviour, from the unacceptable to the criminal, are never tolerated.'

As a result, the report makes 16 recommendations, including improving the police response to indecent exposure, reforming police recruitment and vetting practices, and addressing workplace culture in policing.

During the delivery of the internal audit plan for 2023/24, the organisations were subject to a re-inspection by the HMICFRS of the causes of concern raised during the inspection held between 17 and 28 October 2022. The review confirmed that the Force continues to make good progress since the PEEL inspection. The HMICFRS confirmed sufficient progress to address concerns in relation to how the Force prevents crime and antisocial behaviour, as well as its strategic planning, organisational management and how it achieves value for money.

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 2023/24.

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 **good 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, including six high priority, 12 medium priority, and 16 low priority management actions. Of the 34 management actions considered in this review, we confirmed 30 actions had been fully implemented or superseded. For four actions we confirmed they had been partially implemented and actions were re-prioritised to reflect the work completed by the organisations.

Follow Up of Previous Internal Audit Management Actions: Visit 2

We followed up 27 management actions as part of this review, there were three high priority, nine medium priority, and 15 low priority management actions. Of the 27 management actions considered in this review, we confirmed 26 actions had been closed accurately and this was supported by appropriate evidence. For one action we confirmed it had been partially implemented and to reflect the work completed this action was re-prioritised from medium to low.

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 **Select Key IT Security Controls**. 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 2023/24, 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 2024/25.

Area of work	How has this added value?
Emergency Services – Sector Update: May 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">• Mental health and policing.• Vetting, misconduct and misogyny in the police service.• Police officer uplift, quarterly update to March 2023.
Emergency Services – Sector Update: August 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 of how effective police forces are in the deployment of firearms.• Police performance: getting a grip.• Crime and policing minister opens new research facility.• UK police data breach.• State of policing.
Emergency Services – Sector Update: November 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">• Police force reports on the effectiveness of vetting and counter-corruption arrangements.• Guidelines on conducting effective investigations.• Race and policing.• Firearms licensing guidance updates.• Letter to chief constables on the police dismissal review.
Emergency Services – Sector Update: March 2024	<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">• Outcome following independent investigations report 2022/23.

Area of work	How has this added value?
	<ul style="list-style-type: none"> • Police must apply safeguards and improve scrutiny to minimise harm when using stop and search. • New code of ethics for policing. • The Angiolini Inquiry part 1 report. • Policing Productivity Review.
Emergency Services Risk Register Analysis	In seeking to understand the key risks faced by our emergency services clients, we examined the contents of 38 emergency services' strategic risk registers. 540 individual risks were analysed from across police and fire services. Key observations were provided to the JAC as part of our report.
Best Practice	Shared best practice across the sector through our work.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs.
RSM's Emerging Risk Radar	We provided our latest Emerging Risk Radar, which analyses the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively.

Conflicts of interest

We provide 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.

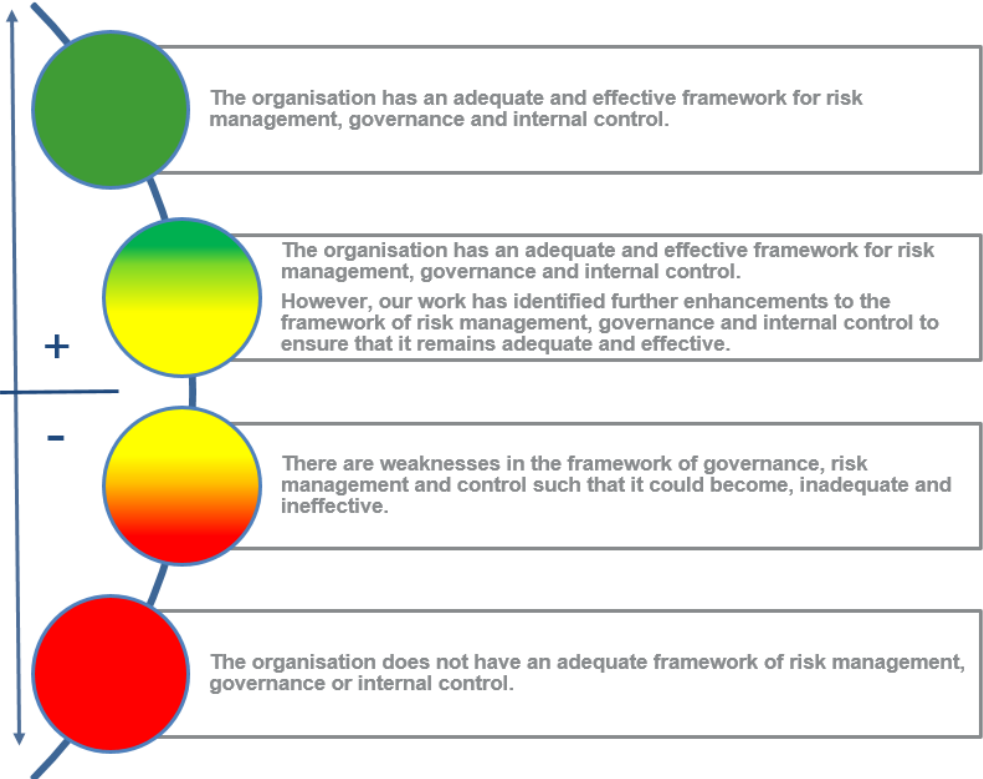
Resulting from the programme in 2023/24, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you. In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training 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
Draft reports issued within 10 working days of debrief meeting	10 days	11 days (average)
	Conformance with PSIAS and IIA Standards	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
	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 2023/24

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
Seized Exhibits: Firearms and Bladed Articles (Police and Crime Commissioner and Chief Constable)	Minimal Assurance [●]	1	6	5
Health and Safety (Chief Constable)	Partial Assurance [●]	5	0	2
HR Training (Chief Constable)	Partial Assurance [●]	10	4	1
Victims' Code (Chief Constable)	Partial Assurance [●]	1	4	2
Performance and Capability Management (Chief Constable)	Partial Assurance [●]	0	8	0
Overtime (Chief Constable)	Reasonable Assurance [●]	6	1	0
Police and Crime Plan (Police and Crime Commissioner)	Reasonable Assurance [●]	3	3	0
Sickness Absence (Police and Crime Commissioner and Chief Constable)	Reasonable Assurance [●]	1	2	0
Vetting (Police and Crime Commissioner and Chief Constable)	Reasonable Assurance [●]	0	3	0
Select Key IT Security Controls (Chief Constable)	Reasonable Assurance [●]	3	4	0
Data Quality: Monitor and Audit Compliance Against NCRS and HOCA (Chief Constable)	Substantial Assurance [●]	1	1	0
Ethical Standards (Chief Constable)	Substantial Assurance [●]	1	0	0
Follow Up of Internal Audit Management Actions: Visit 1 (Police and Crime Commissioner and Chief Constable)	Reasonable Progress [●]	2	2	0
Follow Up of Internal Audit Management Actions: Visit 2 (Police and Crime Commissioner and Chief Constable)	Good progress [●]	1	0	0

APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:

	<p>Taking account of the issues identified, the board can take minimal assurance that the controls upon which the organisation 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(s).</p>
	<p>Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation 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(s).</p>
	<p>Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation 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(s).</p>
	<p>Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>

YOUR INTERNAL AUDIT TEAM

Dan Harris

Partner, 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

Philip Church

Associate Director

RSM UK Risk Assurance Services LLP

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

M: +44 (0)7528 970082 | **W:** www.rsmuk.com

Hollie Adams

Assistant Manager

RSM UK Risk Assurance Services LLP

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

DL: +44 191 255 7027 | **W:** www.rsmuk.com

rsmuk.com

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.

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 UK 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.