



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

Draft Internal Audit Strategy 2025/26 to 2027/28 (including the Internal Audit Plan 2025/26)

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

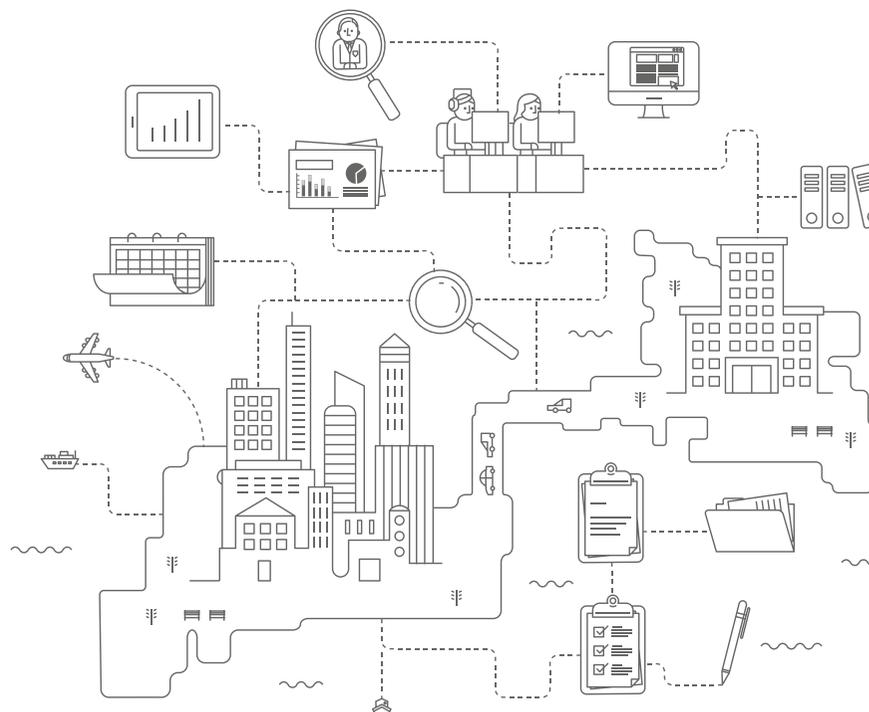
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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EXECUTIVE SUMMARY

Our approach to developing your internal audit plan is based on analysing your Police and Crime Plan, 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.

Our Internal Audit Plan for the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland is presented for approval by the Joint Audit Committee (JAC) at this meeting. The Committee are asked to approve the Internal Audit Plan and associated Internal Audit Charter. During the year, we will continue to work with management and hold regular meetings to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs.

The key points to note from our plan are:



Your core team are Dan Harris (Partner and Head of Internal Audit), Matt Stacey, and Alan Grisley who are supported by a core team and specialists, as required.



Number of deliverables: 16.



Flexible and agile approach to deliver in order to respond to your needs.



The 2025/26 plan is built upon a similar number of days input to 2024/25. This will allow us to provide a range of audits, specialist inputs and the provision of two year end opinions.



Technology toolkit – 4 questionnaires, Alteryx, PowerBi

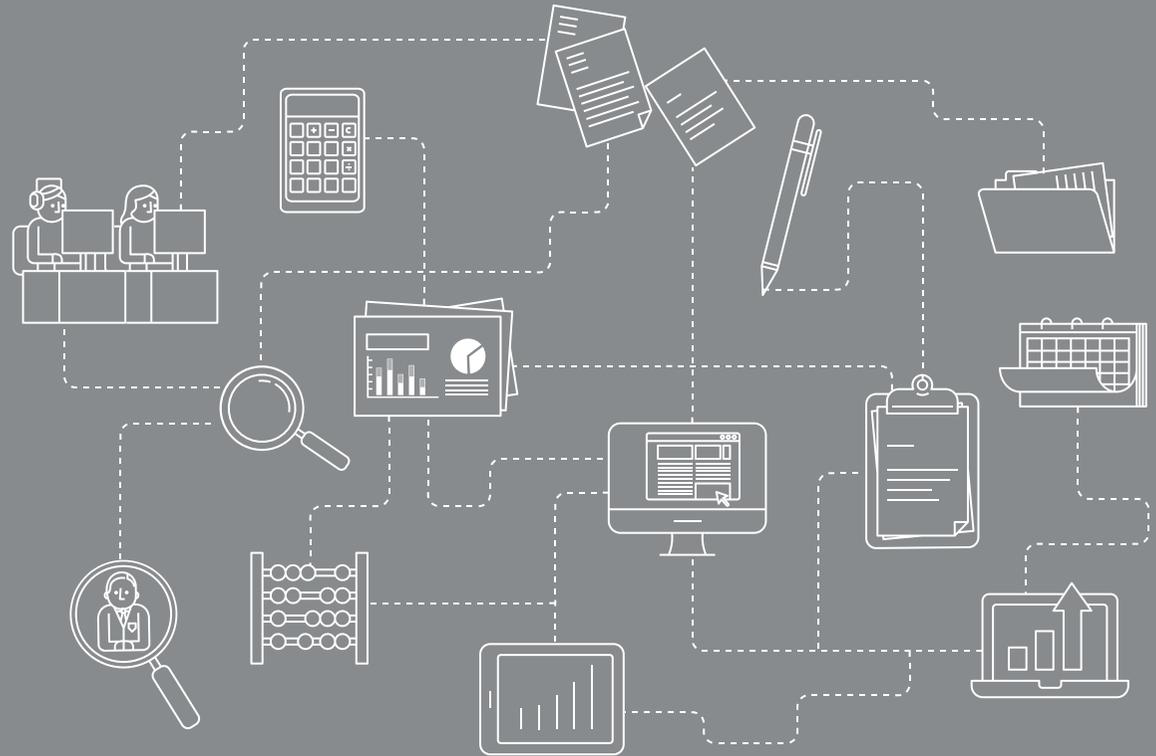


Internal Audit Charter, at Section 3.2.

‘RSM generally conforms to the requirements of the IIA Standards’ and RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics’.

Annual Internal Audit Plan and Methodology

01



1.1 INTERNAL AUDIT PLAN 2025/26

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2025/26. The table details the strategic risks which have focused our internal audit coverage. This review of your risks allows us to ensure that the proposed plan aligns with the organisations' assurance needs for the forthcoming and future years.

| | Audit approach | Chief Constable / PCC | Days | Proposed timing | Proposed JAC Reporting |
|--|----------------|-------------------------|------|-----------------------------------|------------------------|
| Strategic Risk | | | | | |
| <p><i>Risk: SR9 and Risk 1632 - Financial Planning (Police and Crime Commissioner)</i></p> <p>Financial Planning</p> <p>Review of the planning framework to develop the medium-term financial plans, this will include a review of the assumptions that feed into the plan to ensure these have a sound basis. In addition, we will consider the flow / interlinkage between key strategies, the Force Management Statements (FMS) and setting of the local Precept level. We will meet with key department leads as part of the review to understand their financial / delivery processes.</p> | Risk based | Chief Constable and PCC | 10 | Week commencing 30 June 2025 | September 2025 |
| <p><i>Risk 1639: Objectives of the Office of the PCC</i></p> <p>Police and Crime Plan</p> <p>Following the appointment of a new PCC and development of a new Police and Crime Plan, our review will ascertain if there is evidence to support the delivery of the objectives, progress is reviewed at regular intervals and where appropriate remedial action is put in place.</p> | Risk based | PCC | 8 | Week commencing 9 March 2026 | June 2026 |
| <p><i>Risk: SR43</i></p> <p>Vetting</p> <p>RSM reviewed the Force's vetting arrangements in May 2022 resulting in a partial assurance opinion. As a result the Force has undertaken considerable work to reduce the backlog. Our review will focus on processing of vetting and renewal of clearance for officers, staff, and contractors. We will also consider compliance with the new Authorised Professional Practice Guidance.</p> | Risk based | Chief Constable | 12 | Week commencing 15 September 2025 | December 2025 |

| | Audit approach | Chief Constable / PCC | Days | Proposed timing | Proposed JAC Reporting |
|--|----------------|-----------------------|------|-----------------------------------|------------------------|
| <p><i>Risk: SR42</i></p> <p><u>Human Resources: Recruitment and Selection including Progression and Promotion</u></p> <p>Our review will focus on the Force's Medium Term People Strategy and how this is aligned to demand and challenges of the labour market. We will also consider how career progression is communicated, developed, and monitored through the employees' career cycle with the Force.</p> | Risk based | Chief Constable | 12 | Week commencing 12 January 2026 | March 2026 |
| <p><i>Risk: SR45</i></p> <p><u>Firearms Licensing</u></p> <p>Updated statutory guidance on firearms licencing was issued in February 2023 which includes new sections on social media checks and referees, medical checks, and temporary permits for fire licensing. Our review will confirm compliance with the revised guidance.</p> | Risk based | Chief Constable | 10 | Week commencing 14 July 2025 | September 2025 |
| <p><i>Risk: SR38</i></p> <p><u>Management of Assets / Licensing</u></p> <p>Our review will focus on the management of hardware and software assets are procured, monitored, maintained, and disposed appropriately. Our review will be performed by ICT specialists.</p> | Risk based | Chief Constable | 15 | Week commencing 9 June 2025 | September 2025 |
| <p><i>Risk 1628: Fraud (Commissioner)</i></p> <p><u>Fraud Arrangements</u></p> <p>We will review the arrangements for reporting fraud and how this is acted upon in accordance with established policies and procedures.</p> | Risk based | PCC | 8 | Week commencing 15 September 2025 | December 2025 |
| Core Assurance | | | | | |

| | Audit approach | Chief Constable / PCC | Days | Proposed timing | Proposed JAC Reporting |
|--|----------------|-------------------------|------|-----------------------------------|------------------------|
| <p><u>Vulnerability</u></p> <p>This review will assess how the Force recognises and responds to risks when working with vulnerable people. In particular, our review will focus on the risk assessments performed on children missing from home and the Force's response to domestic abuse e.g. positive action at the scene / response times and reasoning behind victim attrition.</p> | System based | Chief Constable | 12 | Week commencing 12 May 2025 | September 2025 |
| <p><u>Legal Litigation</u></p> <p>Review of the claims and settlement process and reporting through the organisations' governance structure and to the Commissioner.</p> | System based | Chief Constable | 10 | Week commencing 29 September 2025 | December 2025 |
| <p><u>Human Resources: Learning and Development</u></p> <p>We will review the Force's approach to planning, organising, and delivering mandatory training to officers. We will consider how the Force monitors compliance rates and restricted duties if mandatory training is not completed in a timely manner.</p> | System based | Chief Constable | 12 | Week commencing 20 October 2025 | December 2025 |
| <p><u>Contract Management</u></p> <p>This review will focus on whether the Force has effective and robust processes in place to manage key contracts across the Force. Management have indicated that custody, cleaning, and healthcare contracts may be areas of consideration, but the exact scope will be agreed with management nearer the time.</p> | System based | Chief Constable | 15 | Week commencing 9 March 2026 | June 2026 |
| <p><u>Risk Management</u></p> <p>We will review the organisations' risk management arrangements for appropriateness and confirm how they are linked to the achievement of the Police and Crime Commissioner's priorities. We will also consider how areas of assurance e.g. HMICFRS are reflected in the risk profile of the organisations. RSM last reviewed the organisations' risk management arrangements in 2020/2021.</p> | System based | Chief Constable and PCC | 10 | Week commencing 17 November 2025 | March 2026 |
| <p><u>Key Financial Controls – Procurement</u></p> <p>Our review will focus on the organisation's arrangements to procure goods and service under the Procurement Act 2023.</p> | System based | Chief Constable | 12 | Week commencing 2 June 2025 | September 2025 |

| | Audit approach | Chief Constable / PCC | Days | Proposed timing | Proposed JAC Reporting |
|---|----------------|-------------------------|------|--|-----------------------------|
| <p><u>HMICFRS: Tracking and Monitoring</u></p> <p>Our review will consider how recommendations raised by the HMICFRS are tracked and implemented in a timely manner. We will also consider if decisions are made not to implement a recommendation are formally documented and approved.</p> <p>We will also challenge the process to ensure that recommendations are embedded.</p> | System based | Chief Constable | 8 | Week commencing 26 May 2025 | September 2025 |
| <p><u>Equality and Diversity</u></p> <p>All public sector organisations have a legal duty for Equality, Diversity and Inclusion known as the Public Sector Equality Duty (PSED), which came into force in 2011. The Equality Act 2010 protects people from discrimination and covers nine protected characteristics: age, disability, sex, gender reassignment, race, marriage and civil partnership, pregnancy and maternity, religion or belief, and sexual orientation.</p> <p>Our review was to ensure the organisation has an appropriate framework in place to monitor the implementation of the NPCC's Workforce Representation – Attraction, Recruitment, Progression and Retention toolkit.</p> | System based | Chief Constable | 10 | Week commencing 1 September 2025 | December 2025 |
| <p><u>Out of Court Resolutions / Prevention Orders</u></p> <p>This review will consider the use of out of court resolutions and prevention orders (notably the domestic abuse protection and stalking prevention orders) across the Force and compliance with APP guidance.</p> <p>This review will be supported by a police operations specialist.</p> | System based | Chief Constable | 18 | Week commencing 20 October 2025 | March 2026 |
| Other Internal Audit Activity | | | | | |
| <p><u>Follow Up of Previous Internal Audit Management Actions</u></p> <p>To meet internal auditing standards, and to provide assurance on action taken to address actions previously agreed by management.</p> <p>We will perform two visits during the year.</p> | - | Chief Constable and PCC | 16 | Week commencing 21 July 2025 Week commencing 23 February 2026 | September 2025 June 2026 |

| | Audit approach | Chief Constable / PCC | Days | Proposed timing | Proposed JAC Reporting |
|--|----------------|-----------------------|------|-----------------|------------------------|
|--|----------------|-----------------------|------|-----------------|------------------------|

Management

This will include:

- Annual planning.
- Preparation for, and attendance at, JAC.
- Regular liaison and progress updates.
- Liaison with external audit and other assurance providers.
- Preparation of the annual opinions.

| | | | | |
|---|---|----|---------|---|
| - | - | 20 | Ongoing | - |
|---|---|----|---------|---|

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.

Working with other assurance providers

The JAC 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 HMICFRS and external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

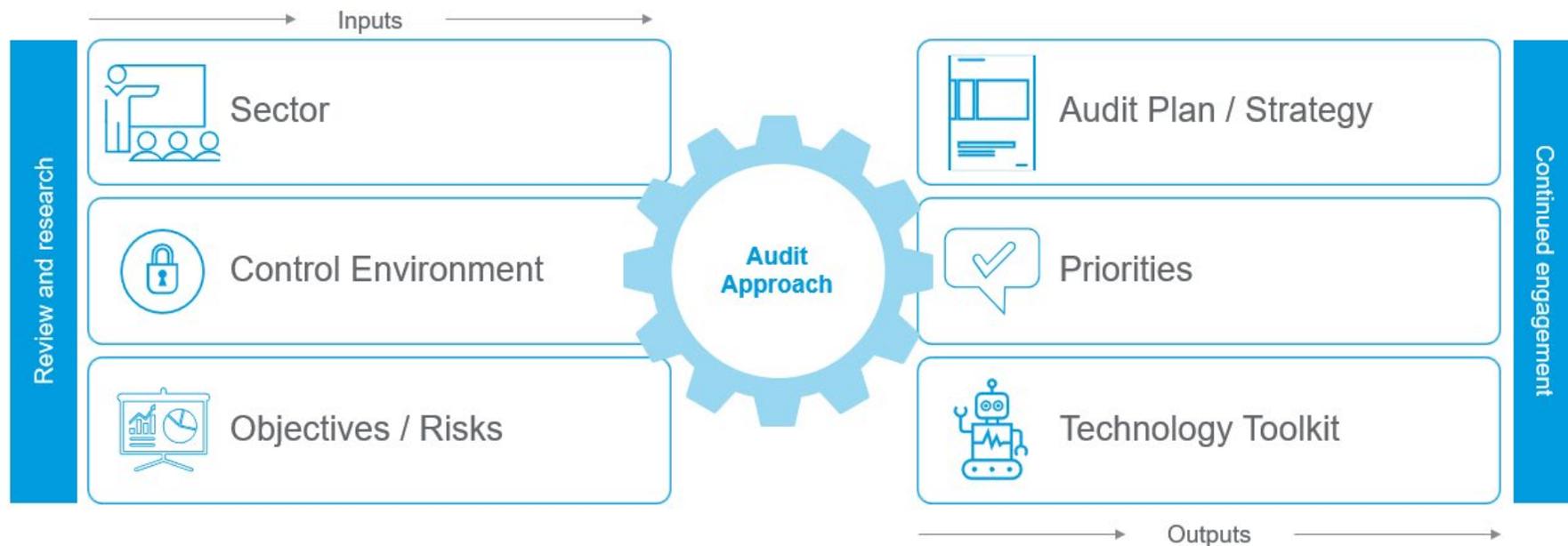
1.2 INTERNAL AUDIT METHODOLOGY

Our approach to developing your internal audit plan is based on analysing your Police and Crime Plan, 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. We also discuss audit priorities and coverage with management and the JAC.

Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers 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 JAC to develop your annual audit plan and high-level strategic plan (See Section 2.1 and 3.2).

Figure A: Audit considerations when developing the Internal Audit Strategy.



Your Internal Audit Strategy 2023/24 – 2027/28

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2.1 INTERNAL AUDIT STRATEGY 2025/26

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 1.1 above, as well as our own view of the risks facing the sector as a whole.

| Strategic Risks | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|--|--|------------------------------|----------------------------|---------|---------|
| Commissioner Risks | | | | | |
| Risk 1626: Organisational Governance | <i>Governance and reporting considered as part of individual internal audit assignments.</i> | | | | |
| Risk 1628: Fraud | | | ✓ (Fraud Arrangements) | | |
| Risk 1632: Financial Planning | | | ✓ (Financial Planning) | | |
| Risk 1639: Objectives of the Office of the PCC | | Police and Crime Plan | ✓ (Police & Crime Plan) | | |
| Risk 1640: Holding the Chief Constable and the Force to Account | | | | | ✓ |
| Risk 1641: Commissioning of services | | Commissioning | | ✓ | |
| Risk 1644: Complaints against the Chief Constable | | | | | |
| Risk 1868: Failure to provide competent Complaints Model 3 service | | Complaints | | | |
| Risk 1899: Working with Partners | | | | | ✓ |

| Strategic Risks | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|--|--|--|---------|---------|
| Risk 1900: Sexual Assault Referral Centre | Assurance has not been provided by internal audit in relation to this specific risk. | | | | |
| Risk 1901: Data Protection | | | | ✓ | |
| Chief Constable Risks | | | | | |
| Risk: SR9 | | | ✓ | | |
| | | | (Financial Planning) | | |
| Risk: PD29 | Sickness Absence | ✓ | | | ✓ |
| | | (HR: Wellbeing Framework / Medical Retirement) | | | |
| Risk: PD35 | Assurance has not been provided by internal audit in relation to this specific risk. | | | | |
| Risk: SR22 | | ✓ | | | |
| | | (Data Protection) | | | |
| Risk: SR38 | Select Key IT Security Controls | | ✓ | | ✓ |
| | | | (Management of Assets / Licensing) | | |
| Risk: L18 | Assurance has not been provided by internal audit in relation to this specific risk. | | | | |
| Risk: SR39 | | | | | ✓ |
| Risk: SR42 | | | ✓ | | ✓ |
| | | | (Human Resources: Recruitment & Selection incl | | |

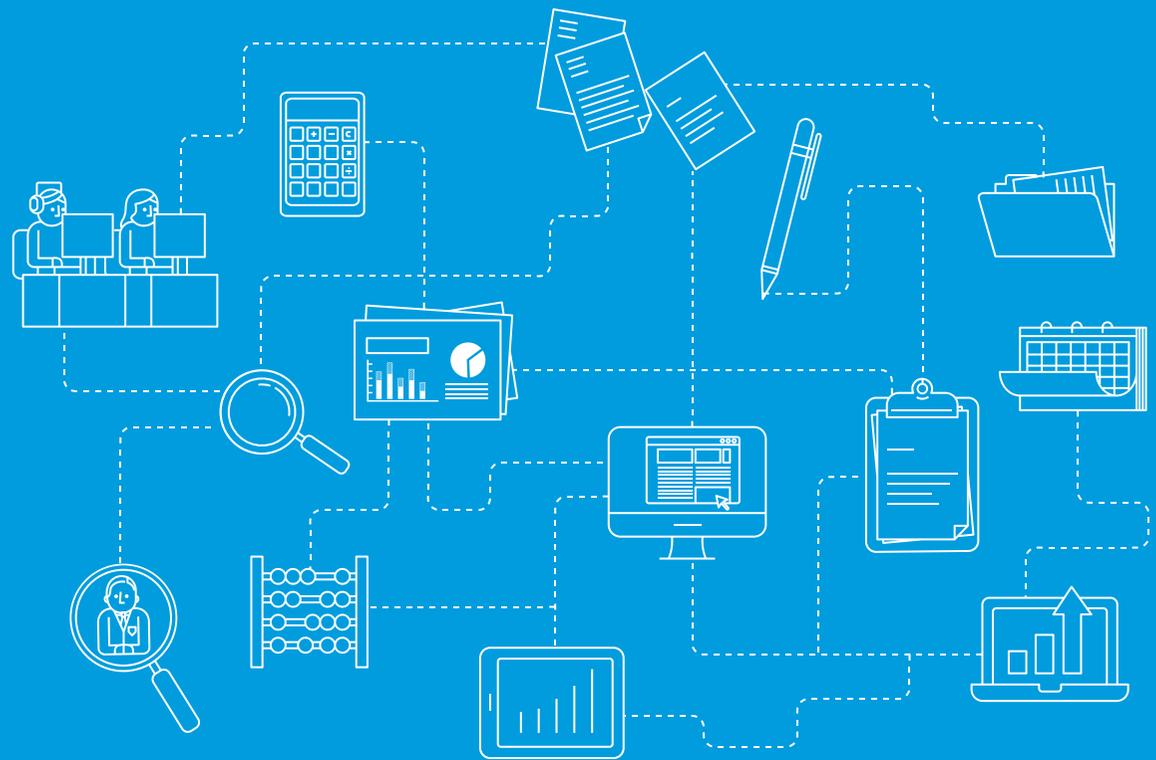
| Strategic Risks | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-----------------------|---------|--|----------------------------|---------|---------|
| | | | Progression and Promotion) | | |
| Risk: SR43 | | Vetting | ✓ (Vetting) | | ✓ |
| Risk: SR45 | | | ✓ (Firearms Licensing) | | |
| Risk: CR85 | | | | ✓ | |
| Risk: SR47 | | | ✓ (Data Quality) | | ✓ |
| Risk: SR48 | | Assurance has not been provided by internal audit in relation to this specific risk. | | | |
| Risk: EX14 | | | | ✓ | |
| Core Assurance | | | | | |
| Ethical Standards | | Ethical Standards | | | |
| Health and Safety | | Health and Safety | | ✓ | |
| Victims' Code | | Victims' Code | | ✓ | |
| Criminal Disclosure | | | | | ✓ |
| Collaborations | | | | | ✓ |
| Risk Management | | | ✓ | | |
| Overtime | | Overtime | | ✓ | |

| Strategic Risks | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---------------------------------------|---|--|--------------------|---------|---------|
| Business Continuity Planning | | ✓ | | | ✓ |
| Integrated Offender Management | | | ✓ | | |
| Key Financial Controls | | Payroll | ✓ (Procurement) | ✓ | ✓ |
| Seized Exhibits | Seized Exhibits: Firearms & Bladed Articles | ✓ | | ✓ | |
| Subject Access Requests | | | | ✓ | |
| HMICFRS: Recommendation Tracking | | | ✓ | | ✓ |
| Data Quality | | Data Quality: Monitor & Audit Compliance Against NCRS and HOCR | | | |
| Bail Management | | | | | ✓ |
| Evidence Based Prosecution Review | | ✓ | | ✓ | |
| Management of RSOs | | | | ✓ | |
| Vulnerability | | | ✓ | | |
| Performance and Capability Management | | Performance and Capability Management | | ✓ | |
| Legal Litigation | | | ✓ | | |
| Force Management Statements | | | | | ✓ |

| Strategic Risks | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|--|---------------------|---------------|---------------------------------|---------|---------|
| Equality and Diversity | | | ✓ | | |
| Human Resources | Training | | ✓ (Learning and Development) | | |
| Contract Management | | | ✓ | | |
| Out of Court Resolutions / Prevention Orders | | ✓ | | ✓ | |
| Other Internal Audit Activity | | | | | |
| Follow Up of Previous Internal Audit Management Actions: Visit 1 | Reasonable Progress | Good Progress | ✓ | ✓ | ✓ |
| Follow Up of Previous Internal Audit Management Actions: Visit 2 | Good Progress | ✓ | ✓ | ✓ | ✓ |

Your Internal Audit Service and Internal Audit Charter

03



3.1 YOUR INTERNAL AUDIT SERVICE

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS) and the Global Internal Audit Standards. Our next external quality assessment (EQA) will take place in 2026.

Under PSIAS, internal audit services are required to have an EQA 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.

3.2 INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, mandate, authority, role 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 the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements.

Approval of the charter is the responsibility of the JAC. The internal audit service is provided by RSM UK Risk Assurance Services LLP ('RSM').

Purpose

The purpose of the internal audit function is to strengthen the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland's ability to create, protect, and sustain value by providing the JAC and management with independent, risk-based, and objective assurance, advice, insight, and foresight. We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisations have in place, focusing in particular on how these arrangements help you to achieve its objectives.

Mandate

Authority

In approving this Charter, the Police and Crime Commissioner for Cleveland and the Chief Constable of Cleveland grants RSM the mandate to provide the JAC and senior management with objective assurance, advice, insight and foresight.

The internal audit team is authorised by the JAC to:

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

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

- Perform any operational duties associated with the organisations.

-
- Initiate or approve accounting transactions on behalf of the organisations.
 - Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

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 Chief Constable and Police and Crime Commissioner, with further reporting lines to the Chief Finance Officer (Commissioner) and Director of Finance and Assets (Chief Constable).

Through this charter, RSM confirms the organisational independence of internal audit annually. Should any changes in governance structure arise during the year, limiting independence, this will be brought to attention and the safeguards put in place communicated.

Circumstances may justify a follow-up discussion between the Head of Internal Audit, JAC, and senior management on the internal audit mandate or other aspects of the charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the head of internal audit, board, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

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

Internal audit conforms with the Global Internal Audit Standards which includes the principles and standards of ethics and professionalism. Internal auditors maintain an unbiased mental attitude. This allows auditors to perform engagements objectively, and without their judgment on audit matters impacted by others, either in fact or appearance.

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 JAC. 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 JAC. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Board oversight

In establishing the internal audit function, ensuring it is positioned independently and overseeing performance, the JAC will:

- Support and champion the mandate of internal audit, enabling it to fulfil its objectives, and working with senior management, enable unrestricted access to information and records.
- Discuss with the Head of Internal Audit and senior management internal audit's authority, role, responsibilities, scope and types of services (assurance / advisory).
- Establish and protect the internal audit function's independence and ensure a direct reporting relationship, allowing the Head of Internal Audit to discuss matters with the JAC without senior management present.
- Review, discuss other topics for inclusion, and approve annually the internal audit charter. This includes approving the mandate, the scope and internal audit services.
- Participate in discussions with the Head of Internal Audit and senior management about the 'essential conditions' in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review the internal audit charter annually with the Head of Internal Audit to consider changes affecting the organisations, such as changes in the type, severity, and interdependencies of risks.
- Approve the risk-based internal audit plan.
- Appoint and remove the internal audit function and approve our fee.
- Collaborate with senior management to determine the competencies, experience and qualifications required of the Head of internal Audit.
- Review internal audit performance and receive communications from the Head of Internal Audit on performance relative to plan.
- Discuss the quality assurance and improvement programme (QAIP) and review the QAIP annual briefing sharing themes and learning from reviews undertaken across our client base.
- In collaboration with senior management, ensure internal audit has the resource to fulfil the mandate and internal audit plan. At least annually, discuss with the Head of Internal Audit whether internal audit scope and resource is sufficient.

Internal audit 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 JAC and senior management for review. The plan will be approved each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the JAC. The plan will be updated in response to organisational changes including risks, operations, programmes, systems and controls. All significant changes are communicated to the JAC and senior management.

- Ensure the internal audit team consists of professional audit staff with the competencies, knowledge, skills, and experience to meet the requirements of the Global Internal Audit Standards and enable internal audit to fulfil its mandate.
- Establish a quality assurance and improvement programme 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 and improving the efficiency of governance, risk management and internal control processes.
- 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.
- Identify themes, trends and emerging issues that could impact the organisations and where appropriate communicate matters to the JAC and senior management.
- Communicate the impact of resource limitations on the internal audit plan to the JAC and senior management.
- Report regularly to the JAC to demonstrate the performance of the internal audit service.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Head of Internal Audit cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the JAC.

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

- 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 - who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Board - The highest-level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, 'board' may refer to a committee or another body to which the governing body has delegated certain functions (eg an Audit Committee).

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 six weeks before the agreed audit start date.
- Key information such as the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 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 / client portal.
- 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.

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 JAC. 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 JAC 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 JAC in taking decisions and managing its risks.

As the provider of the internal audit service, we are required to provide annual opinions on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinions, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the JAC 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 Board 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. Internal auditors are accountable for confidentiality and safeguarding records and information.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. We have in place a quality assurance and improvement programme, consisting of both internal and external assessments. Internal assessments are led by a dedicated Quality Assurance Department who undertake these reviews. Under the standards, internal audit services are required to have an external quality assessment every five years. 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 JAC.

The Head of Internal Audit will report annually to the JAC and senior management regarding the internal audit function's conformance with the Standards, which is assessed through a quality assurance and improvement programme. Themes and learning from Quality Assurance Department reviews undertaken across our client base will be shared. This includes how the principles in the Internal Audit Code of Practice have been applied.

Fraud

The JAC recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the JAC 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 JAC is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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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 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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