



POLICE AND CRIME COMMISSIONER FOR CLEVELAND

DRAFT Annual internal audit report

19 May 2025

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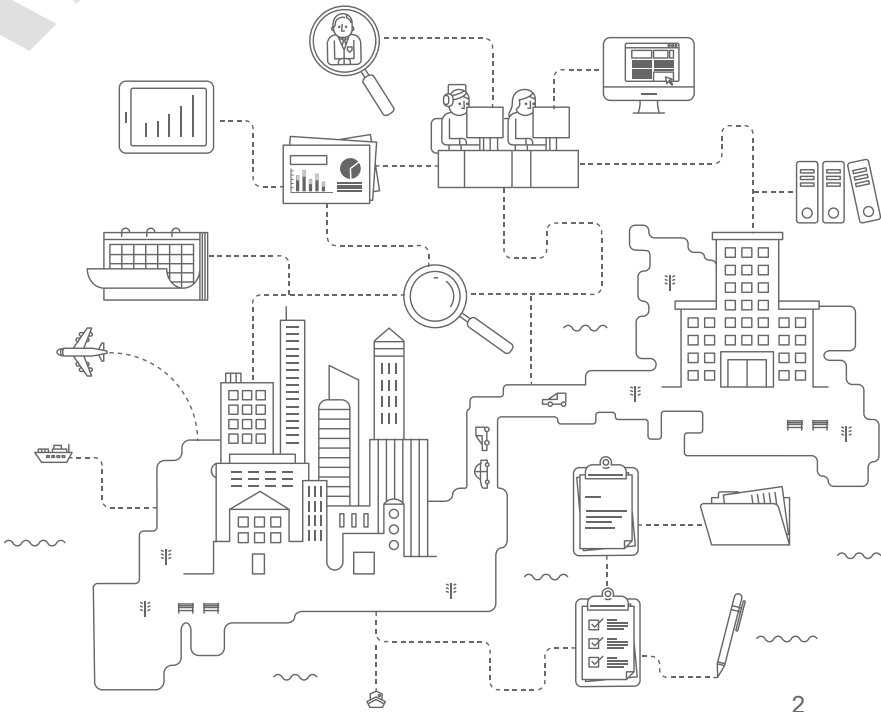
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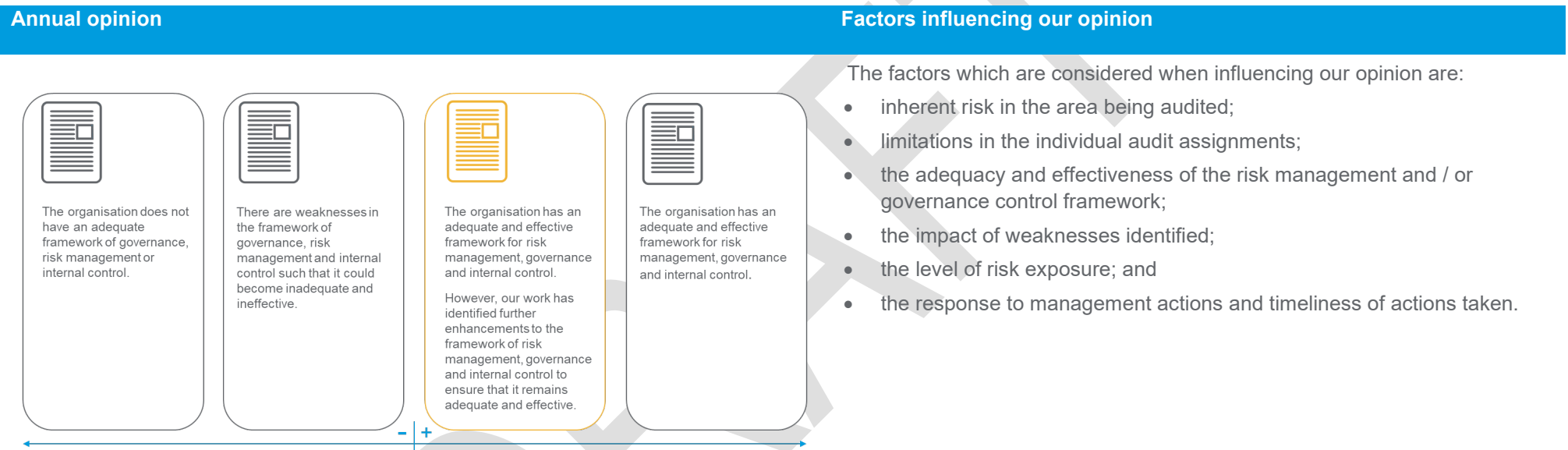
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THE ANNUAL INTERNAL AUDIT OPINIONS

The DRAFT annual internal audit opinions are based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

For the 12 months ending 2024/25 the DRAFT head of internal audit opinion the Police and Crime Commissioner for Cleveland is as follows:




For the 12 months ending 2024/25 the DRAFT head of internal audit opinion for the Chief Constable of Cleveland is as follows:

Annual opinion


Factors influencing our opinion

The factors which are considered when influencing our opinion are:


- 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 weaknesses identified;
- the level of risk exposure; and
- the response to management actions and timeliness of actions taken.



The organisation does not have an adequate framework of governance, risk management or internal control.




There are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective.



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.



The organisation has an adequate and effective framework for risk management, governance and internal control.

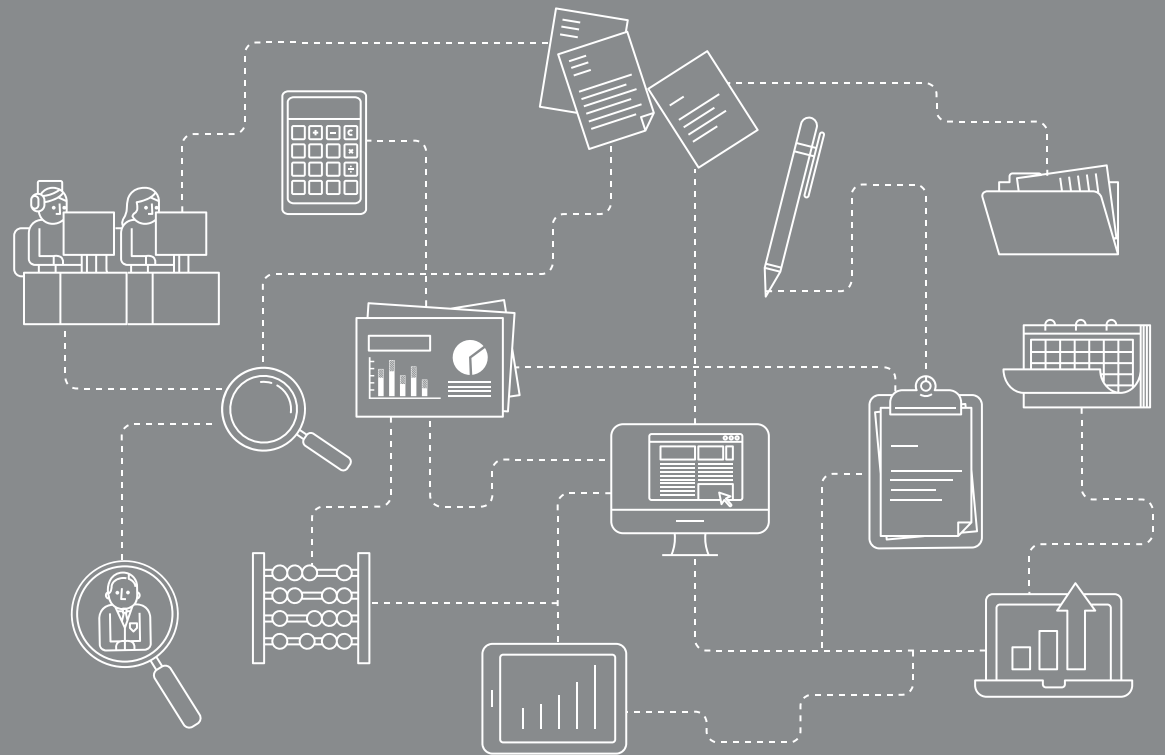
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It remains management's responsibility to develop and maintain a sound system of risk management, internal control, governance, and for the prevention and detection of errors, loss or fraud. The work of internal audit is not and should not be seen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

Scope and Limitations

01



1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our DRAFT opinions are 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 frameworks are one component that the board take into account in preparing its annual governance statement (AGS).
- The opinions are based on the findings and conclusions of the agreed work which was limited to the area under review and agreed with management / lead individual(s).
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the board and senior management of the Police and Crime Commissioner for Cleveland, Cleveland Police and the JAC.
- At the beginning of the year, we have in recent years agreed an internal audit plan which is over-subscribed with ideas for internal audit reviews. We have agreed a half year review (and as needed throughout the year) to formally consider the audit priorities, any emerging risks, HMICFRS inspection results etc with the Chief Finance Officer (Commissioner) and Director of Finance and Assets (Force) to ensure the remaining audits still reflect the risk profile of the organisations.

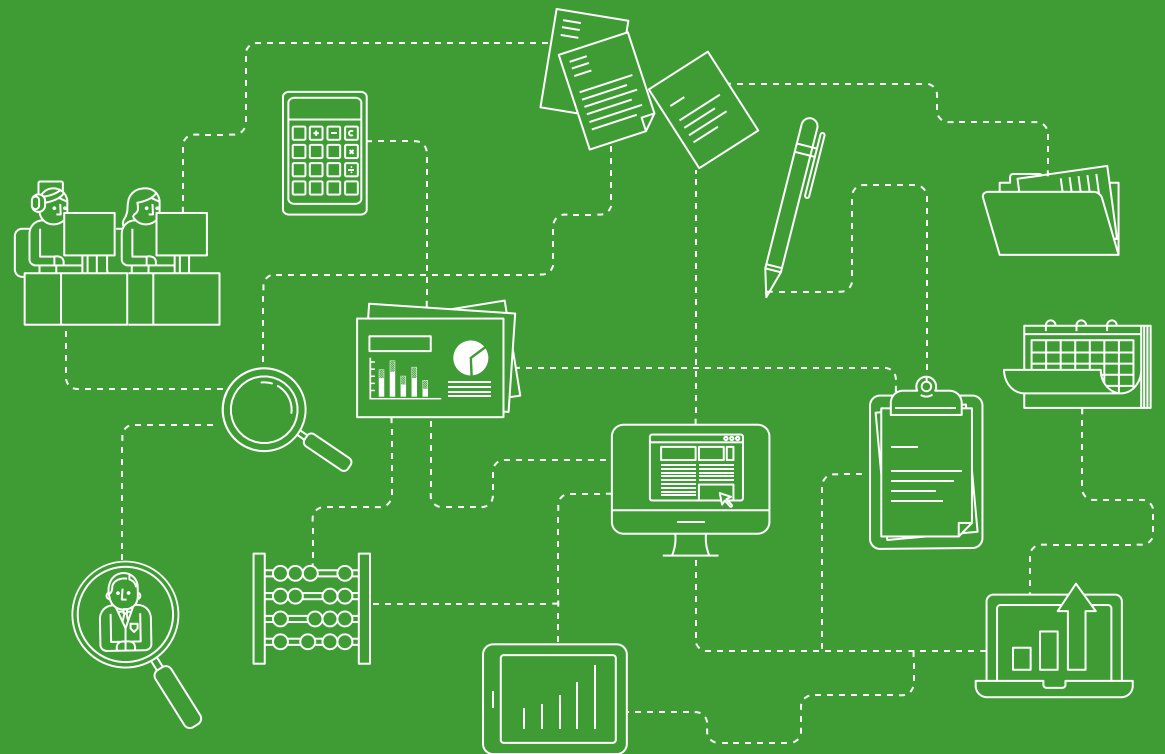
Through our discussions in 2024/25, we confirmed the Vulnerability, Contract Management, and Out of Court Resolutions / Prevention Orders reviews could be deferred to the 2025/26. It should be noted that both the Chief Finance Officer and Director of Finance and Assets did not want the audits removed from the internal audit programme, but just deferred into 2025/26. The Integrated Offender Management audit was removed from the internal

audit programme at request of the Force as it formed part of the PEEL inspection. We are satisfied that we still have sufficient coverage to be able to provide Head of Internal Audit opinions for 2024/25

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Informing Our Opinions

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2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINIONS

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

Governance	Risk Management	Internal Control
<p>We did not perform a specific governance review at the organisations in 2024/25, however we have covered elements of the governance frameworks in place for a number of our reviews and have used this work to support our governance opinions, notably for:</p> <ul style="list-style-type: none">• Commissioning• Data Protection• Business Continuity Planning <p>While Data Protection was an advisory review, it still contributes to our overall annual opinion. Commissioning and Business Continuity Planning both received positive assurance opinions.</p>	<p>We did not perform a specific risk management review at the organisations in 2024/25. 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:</p> <ul style="list-style-type: none">• Complaints (Risks 1490 and 1720)• Commissioning (Risks 1487)• Data Protection (Risks 1753 and 1552)• HR: Wellbeing Framework / Medical Retirement (Risk 1439) <p>We have also attended all JAC meetings throughout the year and confirmed the organisation's 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.</p>	<p>We have undertaken ten audits (including the risk driven reviews mentioned) of the control environment, with nine resulting in formal assurance opinions. These reviews concluded that the organisations could take one minimal assurance (negative), three reasonable assurance (positive), and three substantial assurance (positive) opinions. Further, two good progress opinions were provided in relation to our Follow Up visits where only one medium priority action was in progress.</p> <p>One review is still in progress at the time of preparing the report.</p> <p>We identified the organisations had established control frameworks in place for a number of the audits undertaken, with Evidence-led Prosecution an area where a number of further enhancements were required.</p> <p>In relation to the minimal assurance on Evidence-led Prosecution, our review identified that a framework was in place for officers to build a case using an evidence-led prosecution approach, however there were a number of instances in which supporting, positive action had not been undertaken or had not been completed correctly. As a result of the audit, we agreed two high and seven medium priority management actions.</p>

As well as the headline findings discussed above, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix A.



Acceptance of internal audit management actions

Management have agreed actions to address most of the findings reported by the internal audit service during 2024/25.



Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the JAC, with the validation of the action status confirmed by internal audit on specific follow up.

We conducted two follow up visits to validate the implementation of internal audit actions. Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **good progress** in implementing the agreed actions for both of the follow up reviews conducted.



Working with other assurance providers

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



Topics judged relevant for consideration as part of the annual governance statement

We have issued one minimal assurance opinion in 2024/25. The organisation should therefore consider the minimal assurance opinion for Evidence-led prosecution, when completing their annual governance statements, together with any actions already taken and action planned by management to address the actions agreed.

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

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

The **HMICFRS undertook a PEEL** (police, efficiency, effectiveness and legitimacy) inspection of Cleveland Police for 2023 – 2025, which was published on 10 April 2025. The HMICFRS inspected how well the Force performed in nine areas of policing, which resulted in graded judgements being provided in eight areas. To note, the final overall area does not receive a graded judgement by the HMICFRS.

The HMICFRS categorised these eight areas as good (four areas), adequate (two areas) and requires improvement (two areas), with the HM Inspector summarising that they were pleased with the Force's response to the findings in 2021 – 2022. It references significant improvement to the Force's

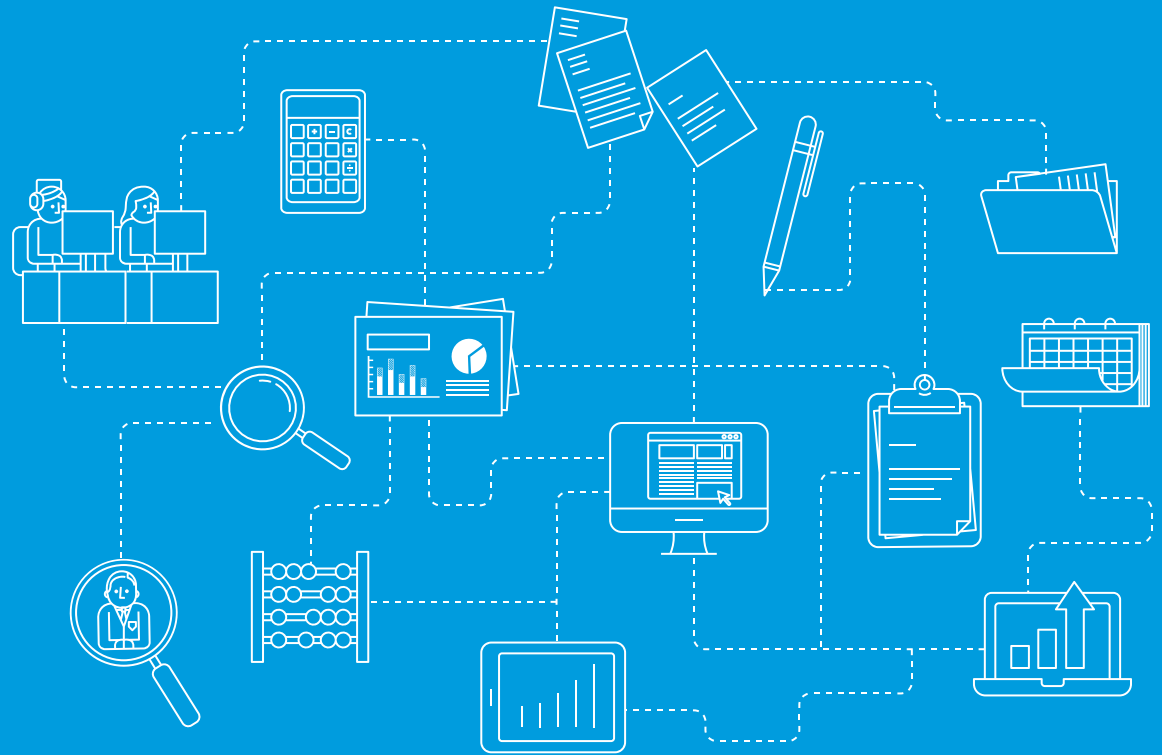
approach to prevention and commends the commitment to a problem-solving approach. Themes where these improvements can still be made included achieving appropriate outcomes for victims, improving safeguarding and domestic abuse practices, and process efficiency.

A summary update on the progress made should also be considered in the AGS.

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Our Performance

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3.1 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. Further examples of added value are shown below:

Area of work	How has this added value?
Issue of Emergency Services and general briefings	In our regular news briefings, we drew attention to some of the key developments and publications in the sector, such as the policing response to antisocial behaviour: police effectiveness, efficiency and legitimacy (PEEL) spotlight report, the Police workforce statistics, the amendments to the Police Regulations 2003, The Independent Office for Police Conduct (IOPC) has published its monthly performance framework.
Emergency Services benchmarking of internal audit findings 2023/24	<p>This paper provided a benchmark for our individual clients, allowing for self-assessment against all of our emergency services clients. At the assignment level, benchmarking provided:</p> <ul style="list-style-type: none">• a comparison against the numbers of actions agreed;• the assurance opinions provided across the sector in our client base;• a summary of the key areas where high internal audit management actions were agreed; and• a comparison of Head of Internal Audit (HOIA) opinions.
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 designed specifically for our NED community.
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.
Emergency Services Risk Register Analysis	Analysis of the risk facing the fire and rescue services across the country to enable the organisation to compare and benchmark your risks and identify any potential gaps in risk identification.
Emerging Risk Radar	The emerging risk radar is based on 129 survey responses from board members and professional advisors from across all industries and highlights key emerging risks and emerging risk considerations
Attendance at JAC	We have attended every JAC throughout the year to present our papers and contribute to the wider agenda items as required.

3.2 Conflicts of interest

We provide the risk management software (Insight), to the Police and Crime Commissioner and the Chief Constable. Our work has been completed under separate Letters of Engagement and has been independently undertaken by separate management teams and partners, independent of the internal audit team. Therefore, we do not consider any conflicts of interests need to be declared. Internal audit remains independent and there have been no threats to our independence when delivering the audit plan during 2024/25.

3.3 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.

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.

3.4 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.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, 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.

3.5 Performance indicators

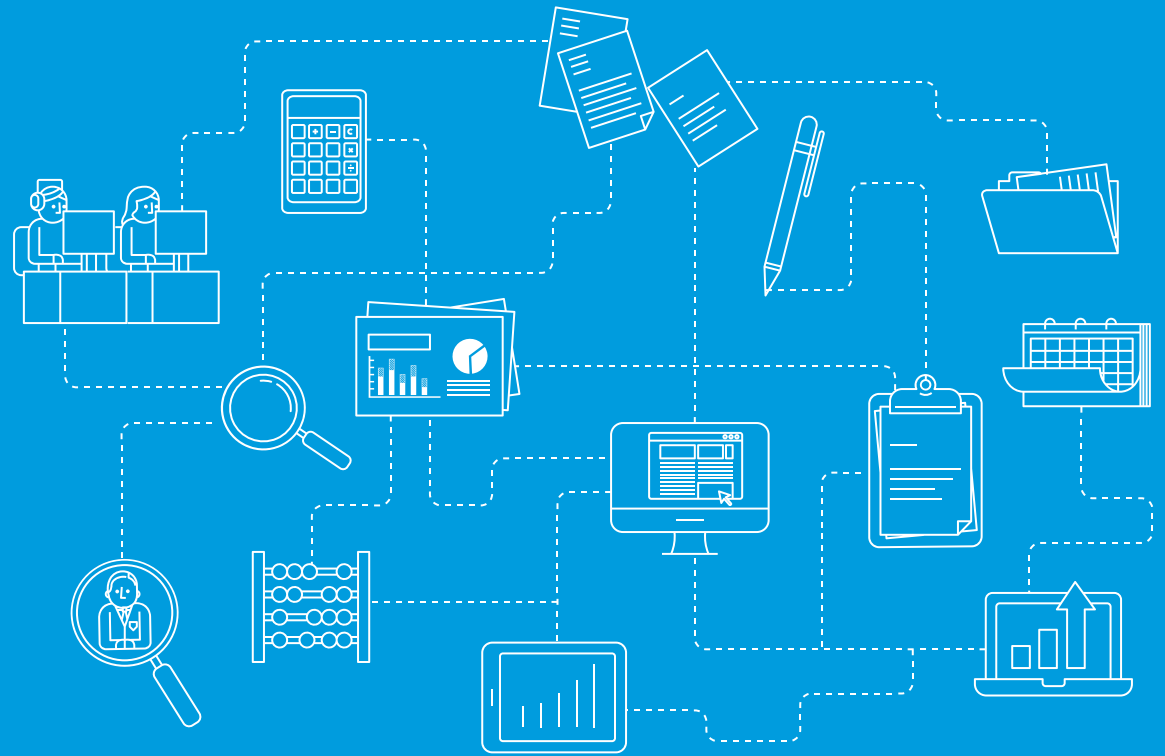
	Delivery				Quality		
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	No*		Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 days	11 days (average)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Final report issued within 3 days of management response	3 days	1 day (average)		Response time for all general enquiries for assistance	2 working days	100%	
				Response for emergencies and potential fraud	1 working day	Not applicable	

Notes

* This takes into account changes agreed by management and JAC during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

Appendices

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APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

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

Assignment	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
Evidence-led Prosecution	Detective Chief Inspector (Domestic Abuse Unit and Domestic Solutions Team)	Minimal Assurance	0	7	2
Seized Exhibits	Detective Chief Inspector - Intelligence	Reasonable Assurance	2	3	0
Complaints	Chief Finance Officer for the OPCC	Reasonable Assurance	6	1	0
Commissioning	Chief Finance Officer for the OPCC	Reasonable Assurance	4	3	0
HR: Wellbeing Framework / Medical Retirement	Head of People Services	Substantial Assurance (DRAFT)	0	1	0
Key Financial Controls	Chief Finance Officer, Chief Constable	Substantial Assurance	3	0	0
Business Continuity Planning	Chief Finance Officer, Chief Constable	Substantial Assurance	1	1	0
Follow Up – Visit 1	HMIC Liaison Officer	Good Progress	0	1	0
Follow Up – Visit 2	HMIC Liaison Officer	Good Progress	0	0	0
Data Protection	Director of Finance and Assets, Chief Constable	No opinion / Advisory	0	2	0
Data Quality	Head of ICT	Ongoing			
Total to date			16	19	2

APPENDIX B: OPINION CLASSIFICATION

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



Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies 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(s).



Partial Assurance

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.

Action is needed to strengthen the control framework to manage the identified risk(s).



Reasonable Assurance

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.

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).



Substantial Assurance

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.

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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 Police and Crime Commissioner for 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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