



POLICE AND CRIME COMMISSIONER FOR CLEVELAND

Financial Planning

FINAL Internal Audit Report 6.25/26

3 November 2025

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.



CONTENTS

Audit outcome overview 3

Summary of management actions 7

Appendices

Detailed findings and actions 9

Appendix A: Categorisation of findings 11

AUDIT OUTCOME OVERVIEW

In line with our scope, the overview of our findings is detailed below.

Background

As part of the 2025/26 internal audit plan, we have undertaken a review of the planning framework supporting the development of the Office of the Police and Crime Commissioner (OPCC) and Force's budget and long-term financial plans, to determine whether there is a robust and effective planning process in place. As part of the audit, we reviewed the governance, approval, and monitoring processes for the Force and OPCC's 2025/26 budget and long-term financial plans. We have also considered the capital budget, and how this has been developed, evaluated and monitored.

The OPCC's budget is produced by the OPCC Chief Finance Officer (CFO), whereas the Force's budget is produced by the Finance Team, led by the Assistant Chief Officer. From review of the financial reports covering the first two periods of the 2025/26 financial year, we noted the Force are forecast to overspend by approximately £500,000. This is from a total budget of £184,450,000, with the majority of the £500,000 overspend coming from the staff and officer pay and allowances budget (£300,000 total). The most recent financial report highlights that the £300,000 overspend is due to higher starting FTE than anticipated for both police staff and officers.

The remaining £200,000 comes from the External Support budget, which covers costs related to mandated Home Office ICT charges, the Northeast Fingerprint Bureau, mutual aid costs and contributions to collaborations. The most recent financial report highlights this overspend is due to pressure to match grant funding related to the Historical Investigation Unit (HIU), with the funding details not available until after the finalisation of the budget.

In contrast, the capital budget is on track and forecast to meet budget.

Conclusion: We have found there to be a well designed governance framework for developing, approving and monitoring delivery of the budget and long-term financial plans at the Force and the OPCC. We confirmed the capital budget is subject to a selection process, enabling spend to be targeted to areas of highest importance, and is supported by a regular monitoring process.

Working papers supporting the creation of the budget and long-term financial plans are in place, and are supported by reasonable assumptions and stress testing. We verified that the budgets and long-term financial plans have been discussed and approved by the Police and Crime Commissioner for Cleveland.

As part of our audit, we identified no areas that require management actions.

Internal audit opinion:



Minimal Assurance



Partial Assurance



Reasonable Assurance



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.

Audit themes: Our review identified the following controls to be adequately designed and operating effectively:

Corporate Governance Framework

There is a Corporate Governance Framework document in place which is available on the Force's website, and covers the financial planning process for both the Force and the OPCC, and where these link together.

Timetable for the development and approval of financial plans

A comprehensive budget timetable and task list is in place, detailing key deadlines and responsibilities for both capital and revenue budgets. This is primarily regarded as a guiding framework for the budget setting process, rather than a monitoring tool. In addition to this, a separate capital budget timetable has been produced. We confirmed that a formal timetable is not maintained for the OPCC, as statutory deadlines are adhered to in lieu of a step by step schedule.

Training and guidance

Formal training is not provided to staff involved in the financial planning process. Instead, the process is carried out by individuals with relevant experience and qualifications. This includes the OPCC CFO, the Force Assistant Chief Officer, and the Head of Financial and Payroll Services.

Force Management Statement

We confirmed a Force Management Statement (FMS), dated May 2025, has been produced. Each function and department completes an individual FMS template, which is then consolidated into the overarching FMS document. This process is carried out alongside budget setting, helping to identify areas where funding may need to be increased or maintained. We selected 10 values from the FMS and verified that they matched the corresponding figures in the Force's financial planning documents.

Working papers

We confirmed that individual working papers are on file covering specific areas, such as staff and police pay, and equipment costs. These are then incorporated into a budget master working document, which is also updated over the business planning period. We verified that these documents are all retained in a shared folder.

Assumptions

We confirmed both the OPCC and Force long term financial plan and budget documents clearly set out assumptions, risks and changes to the sector. We confirmed that the key assumptions within these documents are reasonable, and are based on relevant and up to date information.

Strategic alignment

The Police and Crime Commissioner (PCC) has a Police and Crime Plan that sets out the strategy for both the OPCC and the Force. We verified that budget and financial planning documentation for both the OPCC and the Force aligns to the Police and Crime Plan.

Approval

A decision record form is available on the OPCC website confirming the 2025/26 budget and capital plans have been approved by the Police and Crime Commissioner and OPCC Chief Executive. The Force and OPCC budget and long-term financial plans were presented to the Joint Internal Audit Committee (JIAC), and whilst they do not provide approval to these documents, both have been presented for transparency and scrutiny purposes.

Savings

Savings have been incorporated in the Force's 2025/26 budget, with a list of agreed areas clearly documented. While the savings target for 2025/26 is £256,000 across the Force, an additional £524,000 in specific savings was approved as part of the 25/26 budget, partly through the reduction of three full-time posts.

Monitoring

The OPCC CFO produces a quarterly OPCC budget monitoring report that summarises spend against budget for the period, and we confirmed this is in place for a sample of three periods, and is provided in a timely manner. The Force conducts monthly budget monitoring, where Finance Team members meet with budget holders to review performance. A Corporate Financial Monitoring Report is produced and submitted to the Chief Officer Team and Executive Management Board. We confirmed these were in place for the final two months of 2024/25 and the first two months of 2025/26. Following each meeting, the Finance Team provides departmental leadership with a summary highlighting key areas for consideration.

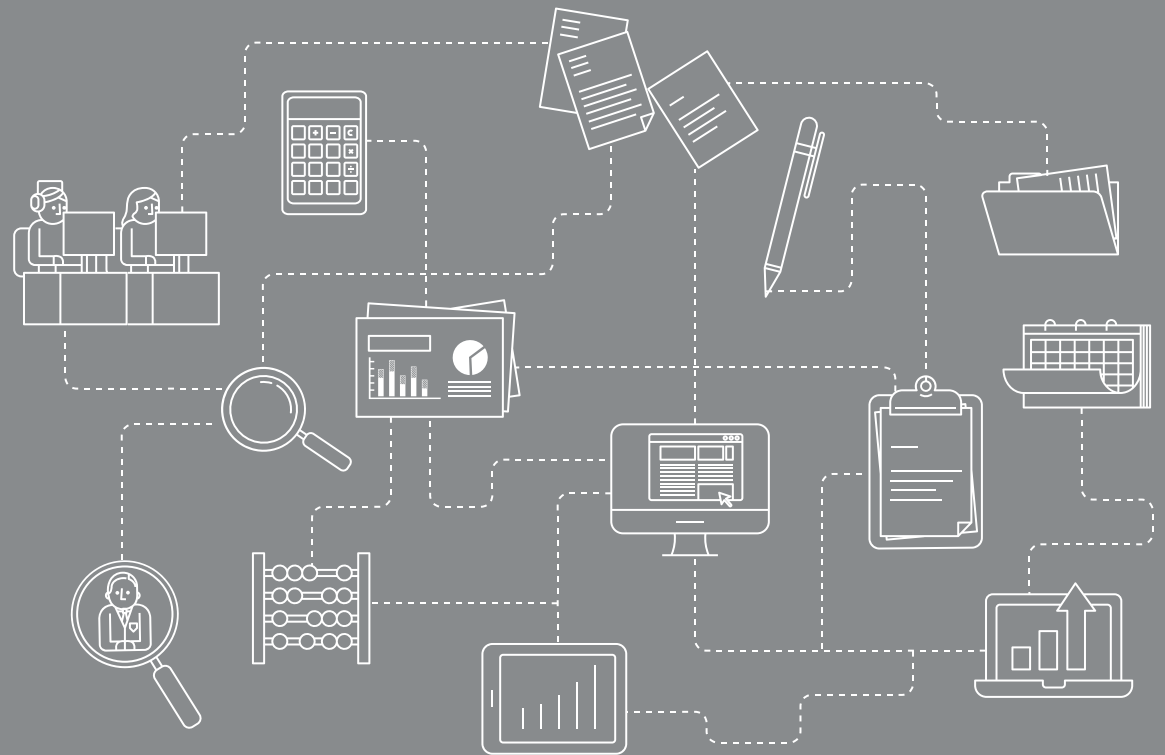
Capital budget

We confirmed capital expenditure is limited to approved projects selected through an annual bidding process, ensuring alignment with strategic priorities and financial planning. Bids are reviewed and RAG rated by support services, with final decisions made by the Assistant Chief Officer. The evolving Capital Plan tracks all decisions and supports budget setting with the OPCC CFO. Monthly reporting and monitoring of spend to the OPCC CFO and the Assistant Chief Officer provides assurance and oversight, enabling effective management of high-value projects and future financial planning.

We identified no management actions from this review.

Summary of Actions for Management

01



SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High

Immediate management attention is necessary.

Medium

Timely management attention is necessary.

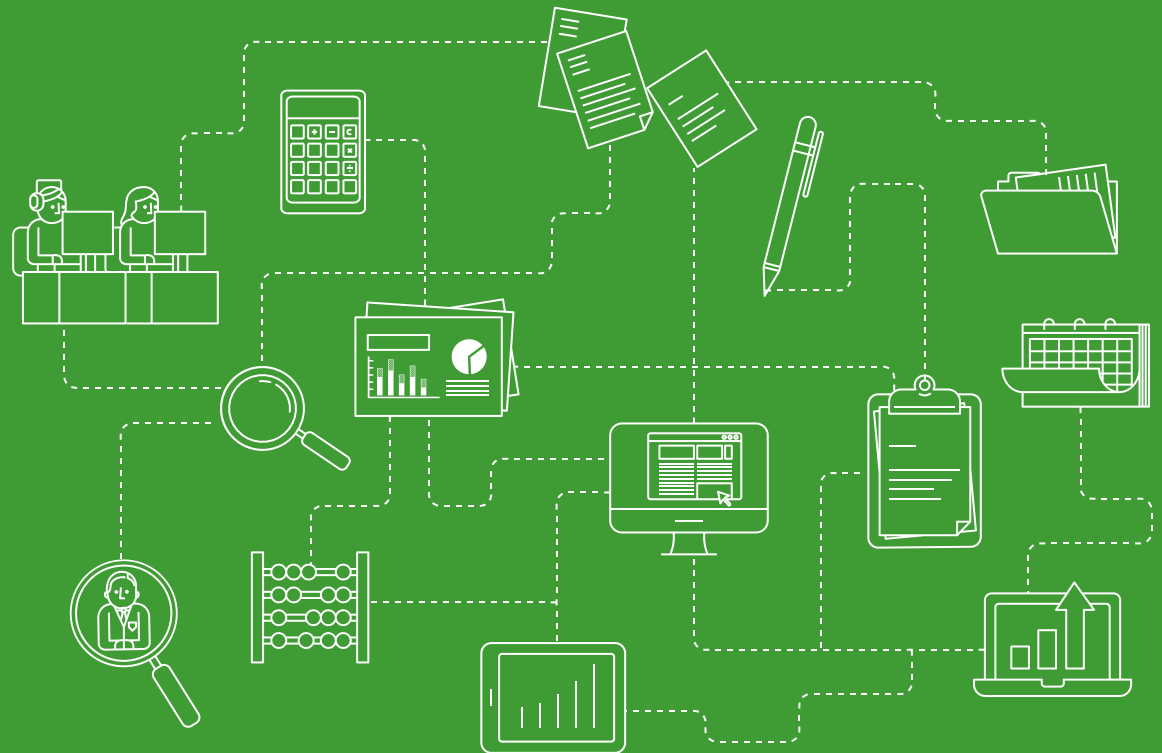
Low

There is scope for enhancing control or improving efficiency.

No management actions were identified as part of this review.

Detailed Findings and Actions

02



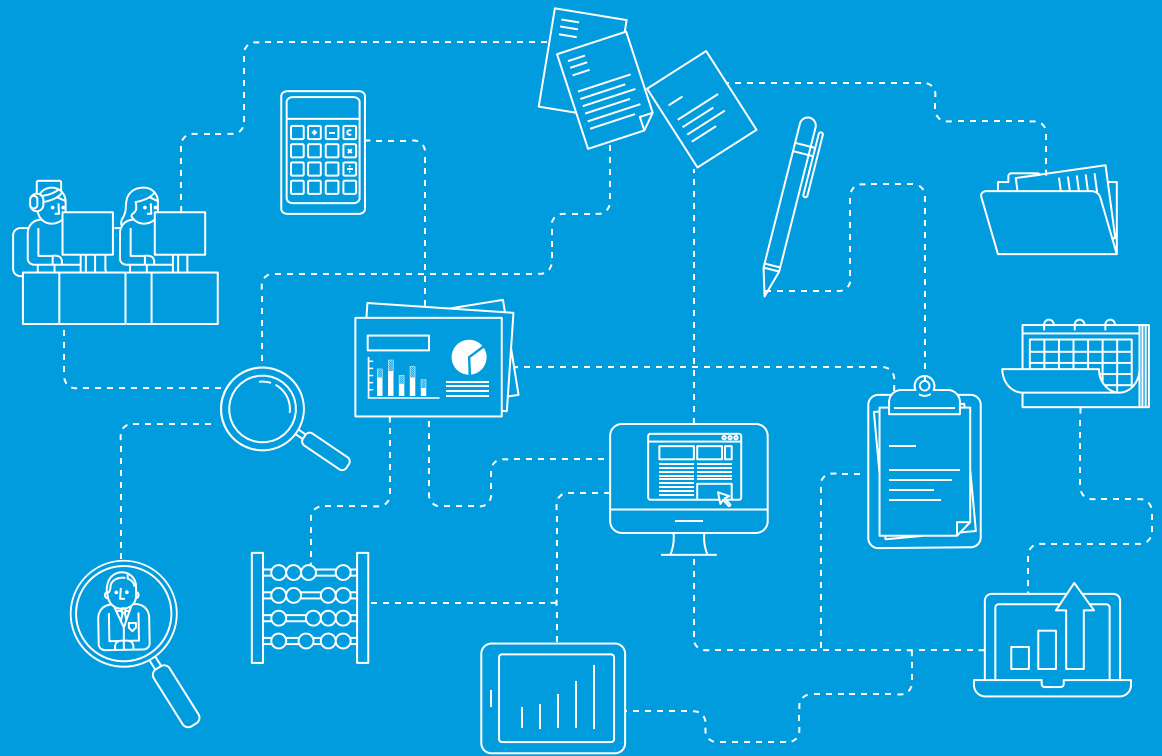
DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

No management actions were identified as part of this review.

Appendices

03



APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low

There is scope for enhancing control or improving efficiency.

Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
Financial Planning	0 (13)	0 (13)	0	0	0
Total			0	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

Debrief held	5 September 2025
Draft report issued	30 September 2025
Responses received	3 November 2025

Final report issued	3 November 2025
----------------------------	-----------------

Internal audit Contacts	Dan Harris, Head of Internal Audit Matt Stacey, Managing Consultant Alan Grisley, Principal Consultant Oliver Gascoigne, Senior Consultant
--------------------------------	---

Client sponsor	Assistant Chief Officer Chief Finance Officer (OPCC)
-----------------------	---

Distribution	Assistant Chief Officer Chief Finance Officer (OPCC)
---------------------	---

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

FOR FURTHER INFORMATION CONTACT



Dan Harris, Head of Internal Audit

Email: daniel.harris@rsmuk.com

Telephone: 01908 687915



Matthew Stacey, Manager

Email: matthew.stacey@rsmuk.com

Telephone: 01179 452137

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 **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.

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.