



POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND CAMBRIDGESHIRE CONSTABULARY

[Annual internal audit report 2021/22](#)

21 July 2022

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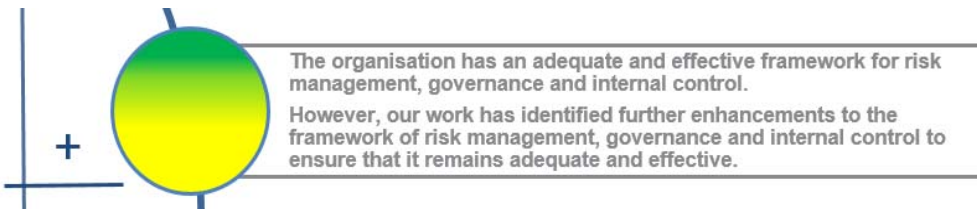
THE ANNUAL INTERNAL AUDIT OPINIONS

This report provides the 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

Police and Crime Commissioner for Cambridgeshire

For the 12 months ended 31 March 2022, the head of internal audit opinion for the Police and Crime Commissioner for Cambridgeshire is as follows:



Cambridgeshire Chief Constable

For the 12 months ended 31 March 2022, the head of internal audit opinion for Cambridgeshire Chief Constable 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 component that the Police and Crime Commissioner and Chief Constable takes into account in making their annual governance statements (AGSs);
- the opinions are based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management;

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- 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; and
 - our internal audit work for 2021/22 has been undertaken through the substantial operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been a significant impact on both the operations of the organisation and its risk profile, and our annual opinion should be read in this context.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINIONS

Our Governance opinions have been informed specifically through our work around the governance aspects of our work including Ethics and Culture, our ICT reviews and our budgetary control coverage.

Our Risk Management opinions have specifically been informed by our risk management reviews and the risk-based audit approach whereby within individual audit assignments we review how effectively risks are being managed. We have also relied upon our attendance at all JAC meetings throughout the year where risk registers and risk management issues are regularly discussed, presented and challenged.

Cambridgeshire Only

We issued three reports where we concluded that the organisations could take **substantial assurance** (positive opinion):

- **Risk Management (OPCC)**
- **Seized/Lost Property and Controlled Drugs**
- **Commissioning and Grants (OPCC)**

We issued five reports where we concluded that the organisations could take **reasonable assurance** (positive opinion):

- **Estates – Project Management**
- **Risk Management (Constabulary)**
- **Budgetary Control**
- **Capital Accounting & Fixed Assets**
- **Covert Human Intelligence Source**

Collaborative Reports

We issued three collaborative reports where we concluded that the organisations could take substantial and reasonable assurance (positive opinions). These were:

- **Payroll (Substantial Assurance)**
- **Proceeds of Crime (Reasonable Assurance)**
- **ICT Data Resilience (Reasonable Assurance)**

We issued the following reports where we concluded that the organisations could take **minimal assurance, partial assurance** or had made **little progress** (all negative opinions) in implementing previously agreed actions:

ICT Distribution of Assets (Partial Assurance)

Our review found a number of issues resulting in one high priority management action concerning the lack of physical verification of laptops and desktops that are not live and not connected to the network, therefore the ICT team are not to verify them remotely, the majority of which are ICT stock. We have also agreed five medium priority management actions, these relate to the following weaknesses:

- Audit procedures do not specify how often audits to verify equipment should take place.
- From our sample of 30 ICT stock items, we could not verify one was in active use by the person to which it had been assigned.
- 1/30 from our sample of disposals could not be verified.
- There was no contract with the company providing a disposal service for the disposal of Bedfordshire ICT equipment.
- We found discrepancies between SNOW and CDMB records of assets; and,
- Our analysis of the purchasing force and user force found discrepancies for both desktops and laptops.

Firearms Licensing (Minimal Assurance)

Our review identified that there were a number of instances of weak control design and non-compliance with controls. In total, we agreed three high, four medium and two low priority management actions, which are due to be completed by management by the end of October 2022.

Procurement BCH Follow up (Little Progress)

In our opinion, the Forces have demonstrated **little progress** in implementing the agreed management actions to date. We found that the agreed solution to the management of £50k procurements within local Forces had not been fully implemented. We were advised that delays occurred due to ongoing discussions between the Forces to agree a joint solution, although this solution could not be agreed, and each Force has therefore identified its own solution to be followed moving forwards.

We confirmed the implementation of a 7 Force action to add STAs to the pipeline, but found that although progress has been made, actions relating to the inclusion of due diligence on STA forms, the completeness of the contracts register and the internal review of compliance with contract management processes had not been fully implemented.

Further to the above we completed advisory work in the following area:

Remote Working (Advisory)

A remote and mobile working security policy is in place outlining key governance remote working governance requirements, supported by information and acceptable use policies. Overall, the design and scope of the remote working policy framework was found to be satisfactory. However, the corresponding survey conducted as part of the remit of this review, designed to evaluate aspects of the effectiveness of the policies in place, did identify some findings for management attention. However, no significant weaknesses were identified.

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

Based on the work we have undertaken on the system of internal controls we consider that the issues identified above with BCH Procurement, Firearms and ICT Asset Distribution should be considered for inclusion in the annual governance statements, along with any actions already taken to address the issues identified.

However, the COVID19 pandemic and its impact on the operations of the Force and PCC will obviously need to be considered when preparing the annual governance statement.

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 2021/22.

Implementation of internal audit management actions

Taking account of the issues identified in our work, in our opinion Cambridgeshire Police and Crime Commissioner and Cambridgeshire Constabulary has demonstrated **good** progress in implementing agreed management actions.

Of the 13 management actions agreed and followed up, we confirmed:

- 10 management actions had been implemented; and,
- Three had been superseded by system or process changes.

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 IT audits. 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 2021/2022, 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 2022/2023.

Area of work	How has this added value?
BCH Collaborative audit plan	The Collaborative audit plan has been developed across BCH to maximise the assurance across the organisations and reduce duplication of efforts in auditing as these are completed once rather than across each of the three organisations where possible.
Managing risk in a changing environment – analysis of police risk registers	Our paper, published in April 2021, reviewed the 31 strategic risks registers and examined 461 individual risks in total. Our analysis considered the risks registers from police forces, offices of the police and crime commissioner (OPCC) and police, fire and crime commissioners (PFCC). This provided an insight into the persistent challenges, together with some new and emerging risks facing the sector.
Emergency Services – Sector Update: June 2021	<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"> • Policing in the pandemic; • Police officer uplift; • Policing inspection programme and framework 2020/21; and • Independent investigation outcomes.
Emergency Services – Sector Update: August 2021	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • State of policing; • Police remuneration review body report; • National crime agency inspection; and • Demand capacity and welfare survey.
Emergency Services – Sector Update: November 2021	<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 response to violence against women and girls; • Cyber and information security;

	<ul style="list-style-type: none"> • Police and local authorities given extra funding for safer streets; and • Firearms licensing.
Emergency Services – Sector Update: March 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Strategic review of policing; • Value for money profiles; and • A joint thematic inspection of the criminal justice journey for individuals with mental health needs and disorders.
Best Practice	We have shared best practice across the sector through our work.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.
Briefings	Issued non-sector specific briefings to all of our clients, including Cambridgeshire Constabulary and OPCC.

Conflicts of interest

We have undertaken work to support the Police and Crime Commissioner and Chief Constable in updating the latest Annual Governance Statements (AGSs) for the Constabulary and for the Office of the Police and Crime Commissioner, based on the evidence provided and discussions with a number of key individuals. We also provide risk management software to the Constabulary.

All of the above work has been completed under a 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 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (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

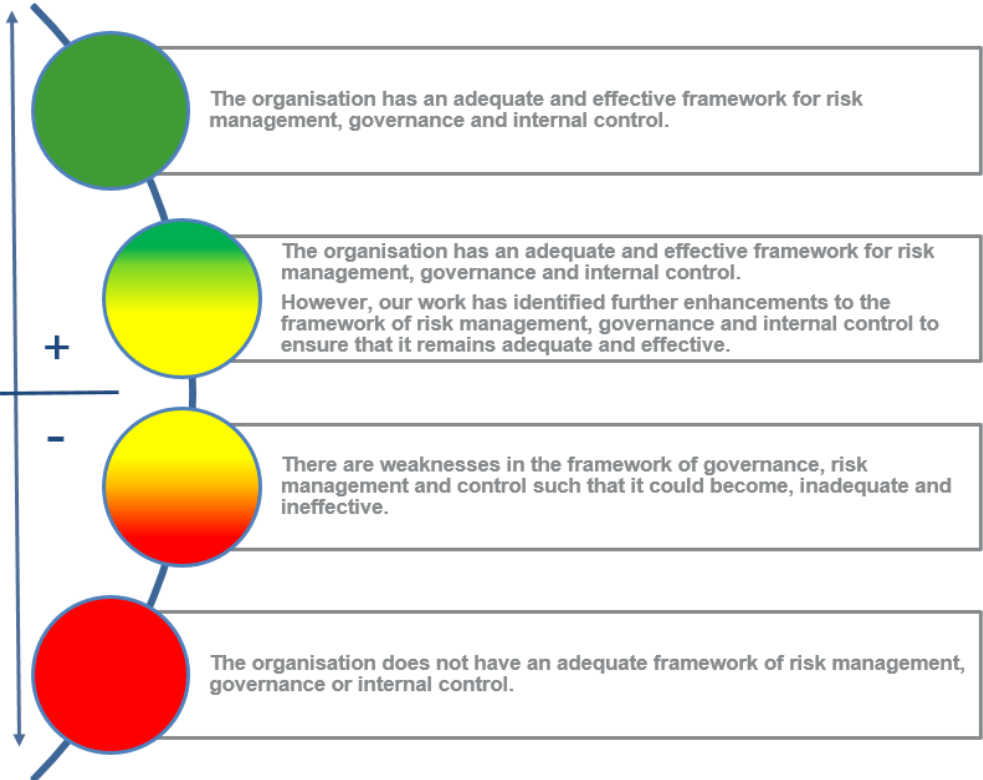
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

Resulting from the programme in 2021/22, 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.

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 opinions.

Annual opinions	Factors influencing our opinions
 <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 2021/22

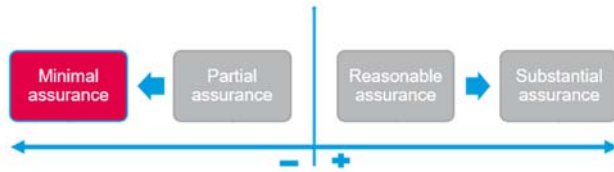
All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment – Cambridgeshire only	Assurance level	Actions agreed		
		L	M	H
Estates – Project Management	Reasonable Assurance [●]	2	3	0
Risk Management (Constabulary)	Reasonable Assurance [●]	2	1	0
Budgetary Control	Reasonable Assurance [●]	3	4	0
Capital Accounting & Fixed Assets	Reasonable Assurance [●]	4	2	0
Covert Human Intelligence Source (CHIS) Payments and Covert Accounts	Reasonable Assurance [●]	4	4	0
Risk Management (OPCC)	Substantial Assurance [●]	3	0	0
Seized/Lost Property and Controlled Drugs	Substantial Assurance [●]	2	0	0
Commissioning and Grants (OPCC)	Substantial Assurance [●]	0	0	0
Follow Up	Good Progress [●]	0	0	0

Assignment – Collaborative including BCH	Assurance level	Actions agreed		
		L	M	H
Firearms Licencing (Lead Hertfordshire)	Minimal Assurance [●]	2	4	3
Procurement Follow up (Lead Cambridgeshire)	Little Progress [●]	1	2	1
ICT – Distribution of Assets (Lead Hertfordshire)	Partial Assurance [●]	0	5	1
ICT Data Resilience (Lead Hertfordshire)	Reasonable Assurance [●]	0	1	0
Proceeds of Crime (Lead Bedfordshire)	Reasonable Assurance [●]	8	2	0
Payroll (Lead Cambridgeshire)	Substantial Assurance [●]	0	1	0
Remote Working (Lead Hertfordshire)	Advisory [●]	0	2	0

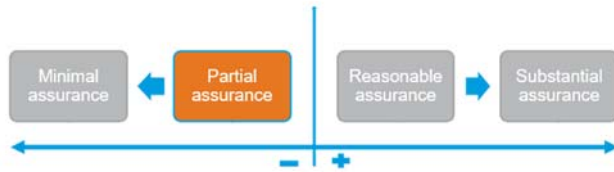
APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the police and crime commissioner and chief constable can take:



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).



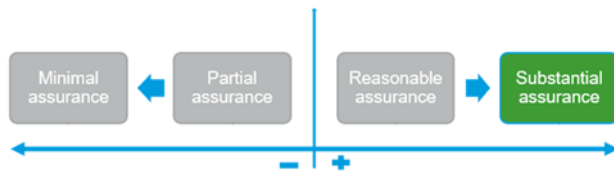
Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



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).



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.

YOUR INTERNAL AUDIT TEAM

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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 Cambridgeshire and Cambridgeshire Chief Constable, 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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