

POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND CAMBRIDGESHIRE CONSTABULARY

Annual internal audit report 2023/24

Draft

30 May 2024

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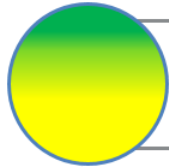


THE ANNUAL INTERNAL AUDIT OPINIONS

This report provides annual internal audit opinions, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinions should contribute to the organisation's annual governance reporting.

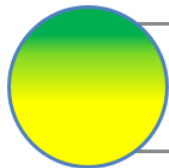
The opinions

For the 12 months ended 31 March 2024, the head of internal audit opinion for Police and Crime Commissioner for Cambridgeshire is as follows:



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.

For the 12 months ended 31 March 2024, the head of internal audit opinion for Cambridgeshire Constabulary is as follows:



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.

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 draft opinions is achieved through a risk-based plan of work, agreed with management and approved by the Joint Audit Committee, our opinions are subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisation;
- 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 boards take into account when preparing the annual governance statement (AGS);
- the opinions are based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual.
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance; and
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINIONS

Governance

Our Governance opinions have been informed through the governance aspects of the audits within the Constabulary and across our BCH reviews, for example; value for money, estates management and cyber security reviews.

Risk Management

Our Risk Management opinions have been informed by our work around the OPCC and Force Risk Management and our risk-based audit approach whereby within individual audit assignments we review how effectively risks are being managed. Furthermore, our internal audit plan is risk-based and included several audits designed to allow the PCC and Chief Constable to take assurance that controls covering some of the strategic risks within the PCC's office and Constabulary risk registers are well designed and operating effectively. We have also relied upon our attendance at all Joint Audit Committee (JAC) meetings where risk registers and risk management issues are regularly discussed and presented.

Internal Control

Cambridgeshire Only - We issued five reports where we concluded that the organisations could take substantial or reasonable assurance (positive opinions):

- Risk Management (OPCC **Reasonable**, Constabulary **Substantial**)
- Equality & Diversity (Constabulary) (**Substantial**)
- Estates Management (OPCC and Constabulary) (**Reasonable**)
- Cash, Bank and Treasury (Constabulary) (**Reasonable**)
- Capital Accounting (Constabulary) (**Reasonable**)

We also issued one advisory report covering Value for Money.

BCH (collaborative) Reports - We issued four collaborative reports where we concluded that the organisations could take substantial or reasonable assurance. These were:

- Firearms Licensing (**Substantial**)
- Chilterns Transport Consortium (**Reasonable**)
- Vetting (**Reasonable**)
- Occupational Health (**Reasonable**)

We also issued one advisory report for BCH covering Vehicle Usage, with no significant findings.

We issued the following reports with **partial** or **minimal assurance** (negative) opinions:

Cyber Security (Minimal Assurance)

Overall, whilst we identified several controls designed to protect the information systems network. We agreed a total of six high, seven medium and one low priority action. Please see the below follow up review undertaken in 2023/24 to determine the action taken by management to address the original issues identified. This concluded with a **Good Progress** opinion.

7Force Procurement (Partial Assurance) – DRAFT

Sample testing of 20 contracts entered into during 2023/24 with a value above £60k identified a number of compliance issues. We also identified instances where evidence was not available to demonstrate that support had been sought from the Commercial Services Team or that a competitive tender exercise had been completed. In a number of instances, these exceptions were a result of the required evidence not being supplied, rather than non-compliance being directly observed.

Further issues identified included Single Tender Action Request Forms not being fully completed and appropriately approved/endorsed, as well as automated reminders not being issued by the Atamis procurement system when contracts are due to expire. Follow up of the six actions agreed during the 2022/23 Procurement Follow Up audit also identified three actions which had only been partially implemented.

We did, however, confirm that the remaining three actions being followed up had been completed. In addition, we confirmed that the joint Contract Standing Orders (CSO) were up to date, approved, and clearly detailed the procurement process which the three Forces are required to follow, with the CSO embedded into the BCH Combined Financial Regulations. We also confirmed that regular communications were occurring between the Forces and the Commercial Services Team in relation to ongoing and planned procurements, with procurement activity periodically reported to and monitored by the Commercial Executive Board (CEB) and Strategic Procurement Governance Board (SPGB), although it was noted that improvements could be made to the performance reporting to these forums.

Follow Up

Police and Crime Commissioner Follow Up

Our follow up opinion demonstrated **reasonable progress** in implementing agreed management actions. Of the 27 recommendations followed up, we were able to confirm:

- Four medium and 19 low priority actions had been fully implemented.

- One medium priority action had been superseded.
- Three medium priority actions priority actions have been partially implemented.

Cyber Security Follow Up - DRAFT

As a result of the minimal assurance opinion given to the BCH Cyber Security audit completed early in 2023/24, our follow up of actions agreed demonstrated management had made **good progress** in implementing agreed management actions. Of the 13 management actions considered as part of this review (six high and seven medium), we confirmed that:

- 8 (61.5%) management actions were confirmed as being fully implemented/superseded at the time of the audit;
- 4 (30.8%) actions were in the process of being implemented and we have reduced the priority given the action already taken to reduce the risk; and
- 1 (7.7%) management action had not been implemented (one medium action).

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

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

This report should be used to inform your annual governance statements. We consider that the issues referred to above in our partial assurance report, should be considered for inclusion in your annual governance statements, along with any actions already taken to address the issues identified.

The **Angiolini review**, commissioned by the Home Secretary in the wake of Sarah Everard's murder, highlighted a number of significant concerns about the Metropolitan Police's culture, decision making around police vetting and abuse of powers.

In particular, the Part 1 Report states 'Policing needs to grasp fully the extent of the cultural problems it faces and the way that this affects the public it serves. It needs to do more than make further changes to policies, guidance and training, although these are important and worthwhile. All policing leaders need to rethink fundamentally how they lead their organisations to ensure that certain types of behaviour, from the unacceptable to the criminal, are never tolerated.'

As a result, the recommendations made include strengthening recruitment and vetting processes, changes to workplace culture and recommendations with how the police handle sexual offending. The organisations should therefore consider when preparing the annual governance statement, the implementation of those recommendations as part of the Angiolini review, and how these are monitored through the organisations' governance arrangements.

HMICFRS PEEL Inspection

Cambridge has received a PEEL (Police effectiveness, efficiency and legitimacy) inspection (2023-25), which has focused on eight key areas detailed below. The inspection report noted that Constabulary focuses well on preventing crime but requires improvement around responding to calls from the public, management of sexual offenders and violent offenders, and investing indecent images of children.

Outstanding	Good	Adequate	Requires improvement	Inadequate
Police powers and public treatment	Preventing crime	Investigating crime	Leadership and force management	Responding to the public
	Developing a positive workplace	Protecting vulnerable people		Managing offenders

The organisations should therefore consider when preparing the annual governance statement, the implementation of those recommendations as part of the Angiolini review and PEEL inspection, and how these are monitored through the organisations' governance arrangements.

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 most of the findings reported by the internal audit service during 2023/24.

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 audit committee, with the validation of the action status confirmed by internal audit annually.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **reasonable progress** in implementing the agreed actions.

We also undertook a Cyber Security Follow Up as a result of the minimal assurance opinion given at the beginning of 2023/24. The follow up demonstrated **good progress** in implementing actions agreed as part of the original report.

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

As part of our client service commitment, during 2023/2024, we have issued four emergency services sector briefings within our progress reports presented to the JAC, detailed below. We will continue to share our briefings with you during 2024/2025.

Area of work	How has this added value?
Emergency Services News Briefings	In our regular news briefings, we drew attention to some of the key developments and publications in the sector, such as Police performance and effectiveness.
Emergency Services Risk Register Analysis	In seeking to understand the key risks faced by our emergency services clients, we examined the contents of 38 emergency services' strategic risk registers. 540 individual risks were analysed from across police and fire services. Key observations were provided to the JAC as part of our report.
Emergency Services Benchmarking of Internal Audit Actions	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: <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.
Best Practice	Shared best practice across the sector through our work.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs.
Use of specialists	We have utilised specialists to support the delivery of the Internal Audit plan throughout 2023/24. Such as the use of technology risk auditors in the Outsourced Data Centre Processes review.
RSM's Emerging Risk Radar	We provided our latest Emerging Risk Radar, which analyses the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively.

Conflicts of interest

We provide risk management software to the Constabulary. This 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 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

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

Resulting from the programme in 2023/24, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Performance indicators

Delivery

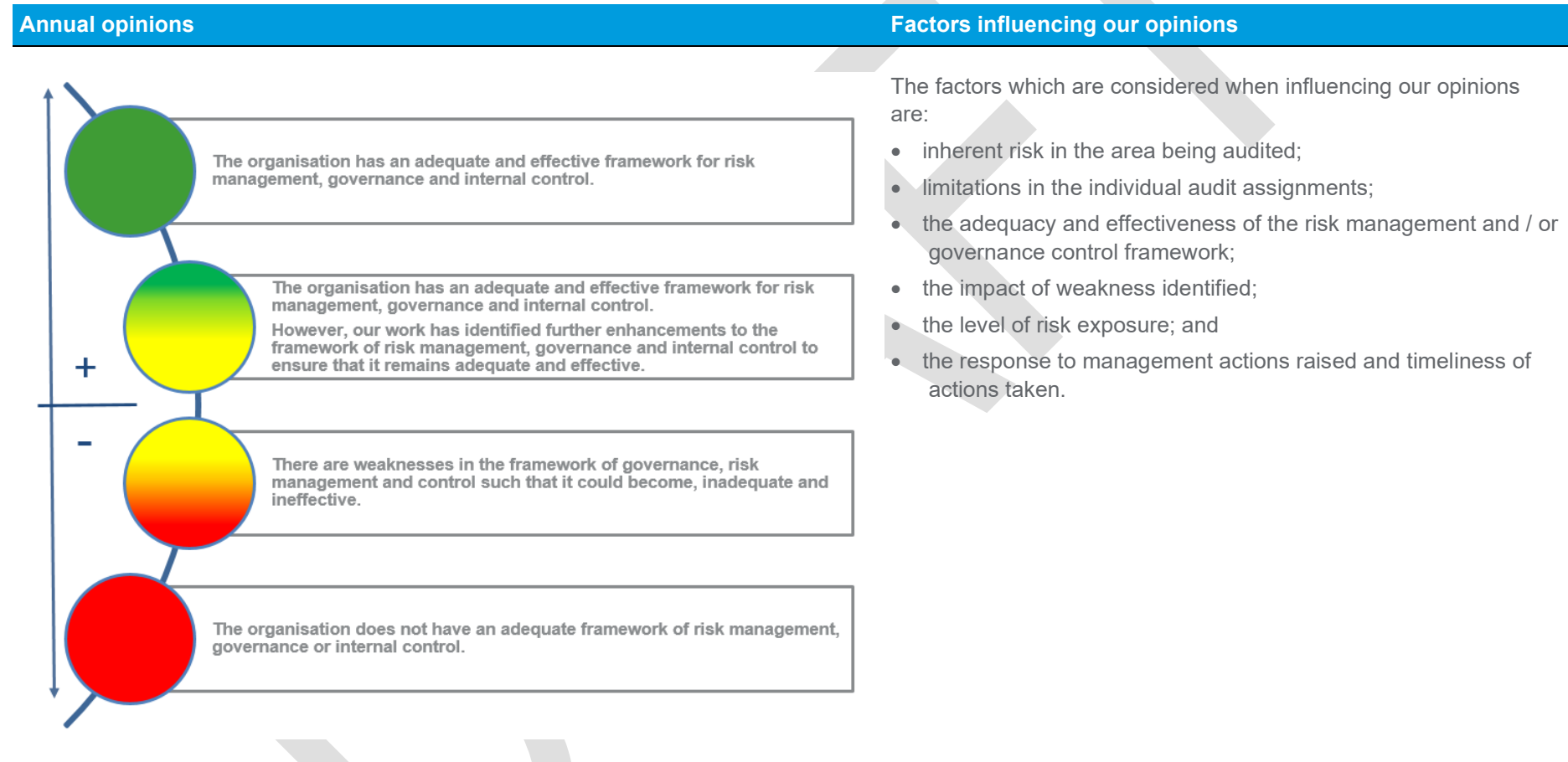
Quality

	Target	Actual		Target	Actual
Audits commenced in line with original timescales*	Yes	Yes	Conformance with PSIAS and IIA Standards	Yes	Yes
Draft reports issued within 10 days of debrief meeting	10 days	10 days	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes
Management responses received within 10 days of draft report	10 days	16 days	Response time for all general enquiries for assistance	2 working days	2 working days
Final report issued within 3 days of management response	3 days	2 days	Response for emergencies and potential fraud	1 working days	N/A

* This takes into account changes agreed by management and audit committee during the year; reflecting our 'agile' / 'flexible' approach to our service delivery.

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.



APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2023/24

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

Assignment	Assurance level	Actions agreed		
		L	M	H
Cambridgeshire Only Reports				
Estates Management (Chief Constable)	Reasonable Assurance [●]	6	1	0
Cash, Bank and Treasury (Chief Constable)	Reasonable Assurance [●]	2	3	0
Capital Accounting (Chief Constable)	Reasonable Assurance [●]	3	1	0
Risk Management OPCC	Reasonable Assurance [●]	1	1	0
Risk Management Constabulary	Substantial Assurance [●]	1	0	0
Equality and Diversity (Chief Constable)	Substantial Assurance [●]	1	0	0
Value for Money (Chief Constable)	Advisory [●]	4	2	1
BCH Collaboration Reports				
Collaboration – Cyber Security (Chief Constables and Commissioners)	Minimal Assurance [●]	1	7	6
Collaboration – 7F Procurement (DRAFT) (Chief Constables and Commissioners)	Partial Assurance [●]	5	6	1
Collaboration - Chiltern Transport (Chief Constables)	Reasonable Assurance [●]	3	5	0
Collaboration – Vetting (Chief Constables)	Reasonable Assurance [●]	1	2	0
Collaboration – Occupational Health (Chief Constables)	Reasonable Assurance [●]	4	1	0

Collaboration – Firearms Licensing (Chief Constables)	Substantial Assurance [●]	2	0	0
Collaboration – Fleet Vehicle Usage (Chief Constables and Commissioners)	Advisory	0	1	0
Collaboration – Cyber Security Follow Up (DRAFT) (Chief Constables and Commissioners)	Good Progress [●]	3	2	0
Collaboration – Planning (DRAFT TO BE ISSUED) (Chief Constables and Commissioners)	In progress with a 24/25 audit. Draft to be issued shortly			

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APPENDIX C: OPINION CLASSIFICATION

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

<p>A horizontal scale with four boxes: Minimal assurance (red), Partial assurance, Reasonable assurance, and Substantial assurance. A vertical line is between Partial and Reasonable. A blue arrow points left from the line, and another points right. Below the line are '-' and '+' signs.</p>	<p>Taking account of the issues identified, the board can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
<p>A horizontal scale with four boxes: Minimal assurance, Partial assurance (orange), Reasonable assurance, and Substantial assurance. A vertical line is between Partial and Reasonable. A blue arrow points left from the line, and another points right. Below the line are '-' and '+' signs.</p>	<p>Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action is needed to strengthen the control framework to manage the identified risk(s).</p>
<p>A horizontal scale with four boxes: Minimal assurance, Partial assurance, Reasonable assurance (yellow), and Substantial assurance. A vertical line is between Partial and Reasonable. A blue arrow points left from the line, and another points right. Below the line are '-' and '+' signs.</p>	<p>Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p> <p>However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>
<p>A horizontal scale with four boxes: Minimal assurance, Partial assurance, Reasonable assurance, and Substantial assurance (green). A vertical line is between Partial and Reasonable. A blue arrow points left from the line, and another points right. Below the line are '-' and '+' signs.</p>	<p>Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>

YOUR INTERNAL AUDIT TEAM

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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 Cambridgeshire, 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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