



POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE

Internal Audit Progress Report

1 May 2025

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KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Joint Audit Committee at the April 2024 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.



Internal Audit Plan 2024/25

Cambridgeshire Only:

The Follow Up report has been issued since the last meeting, which completes our plan of work for 2024/25.

BCH Plan:

Three final reports have been issued, two of which were since the last meeting (Innovation Framework and Payroll & Expenses).

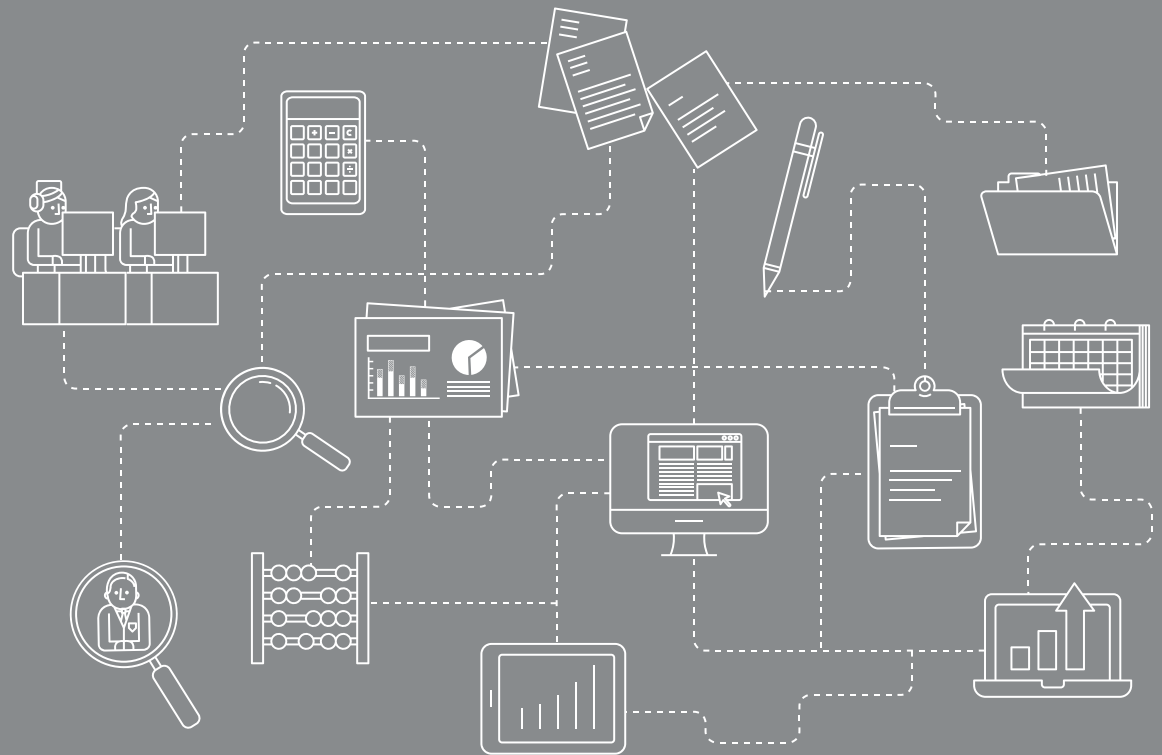
The debrief has been completed for one further audit whilst the remaining review is scheduled to start in May 2025 (please refer to Appendix A for further details).

Detail of the progress made against the internal audit plan is included in Section 1 as well as a summary of opinions and actions to date. [\[To discuss and note\]](#)

Our internal audit plan for 2025/26 has been presented for approval at this meeting, please refer to the separate paper on this matter. [\[To approve\]](#)

Final Reports

01



1 FINAL REPORTS 2024/25

1.1 Summary of progress to date – Cambridgeshire Only

This section summarises the reports that have been finalised since the last meeting in bold.

Assignment	Status / Opinion issued	Actions agreed			Target start date (As per Audit Plan)
		Low	Medium	High	
Governance	Reasonable Assurance	6	1	0	Q1
Medium-term Financial Plans	Substantial Assurance	1	0	0	Q2
Budgetary Control	Reasonable Assurance	2	2	0	Q3
Income and Debtors	Substantial Assurance	0	0	0	Q3
Follow Up	Reasonable Progress	5	1	0	Q4

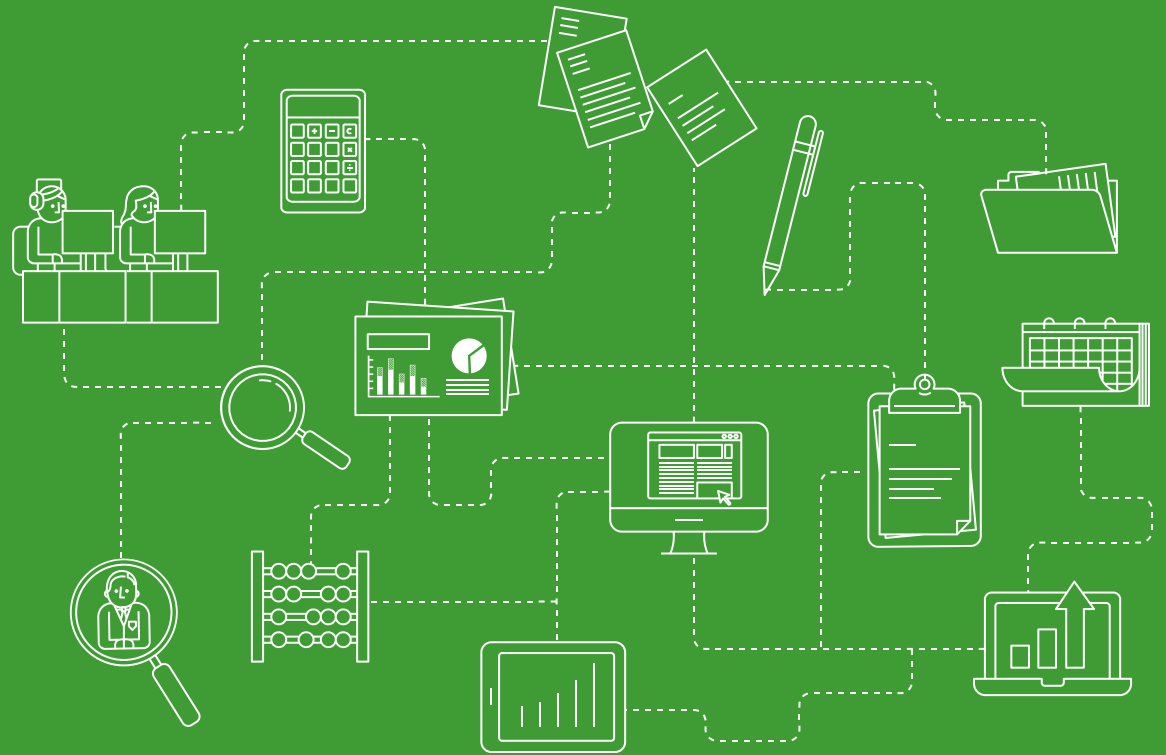
1.2 Summary of progress to date – Bedfordshire, Cambridgeshire and Hertfordshire Collaborative

This section summarises the reports that have been finalised since the last meeting in bold.

Assignment and Organisational Lead	Status / Opinion issued	Actions agreed			Target start date (As per Audit Plan)
		Low	Medium	High	
BCH Planning Process and Accounting Support Cambridgeshire	Planning Process: Partial Assurance Accounting Support: Substantial Assurance	1	2	1	Q1
Innovation Framework	Hertfordshire Minimal Assurance	0	7	3	Q4
Payroll and Expenses	Cambridgeshire Reasonable Assurance	1	5	0	Q3
Corporate Review – Value for Money	Bedfordshire Debrief Completed				Q4
Learning Needs Analysis and Accreditation	Cambridgeshire Planned – May 2025				Q4

Appendices

02



APPENDIX A: OTHER MATTERS

Detailed below are the requested changes to the audit plan in 2024/25:

BCH Learning Needs Analysis

The Head of Operational Learning advised that there was no capacity to deliver this audit in February 2025 due to process changes whereby responsibilities are being returned to individual forces leaving just BCH units with her team. This was agreed with the Cambridgeshire CFO and Director of Resources and the audit will now commence in May 2025.

Head of Internal Audit opinions 2024/25

The JAC should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the JAC should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinions.

We have six positive opinions and two negative opinions to date (inclusive of a split opinion). The negative opinions are in relation to BCH reviews which will impact but will not in isolation qualify the opinions.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the Global Internal Audit Standards in the UK Public Sector 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.

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.

Added value work

We have issued the following client briefings since the last Joint Audit Committee.

- Emergency Services News Briefing February 2025
- RSM Emerging Risk Radar – Spring 2025

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 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.

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.

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OUTCOME OVERVIEW - FOLLOW UP

Background: As part of the internal audit plan for 2024/25, we have undertaken a review to follow up on progress made by the Police and Crime Commissioner for Cambridgeshire in implementing previously agreed management actions.

We have used the information supplied by the organisation in relation to action tracking, followed up with management where required and performed testing to evidence the implementation of actions. The actions considered as part of this follow up review were from the following audit reports:

- Cash, Bank and Treasury 2.23/24
- Value for Money – Projects 5.23/24
- Capital Accounting and Fixed Assets 7.23/24
- BCH: 7 Force Commercial Services – Procurement 7.23/24

The actions included in this review consisted of 15 low, 10 medium and one high priority management actions.

Conclusion: Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Police and Crime Commissioner for Cambridgeshire has demonstrated **Reasonable Progress** in implementing agreed management actions.

Our review confirmed one high, seven medium and 11 low priority management actions had been implemented. A further three medium and four low priority management actions were partly though not yet fully implemented.

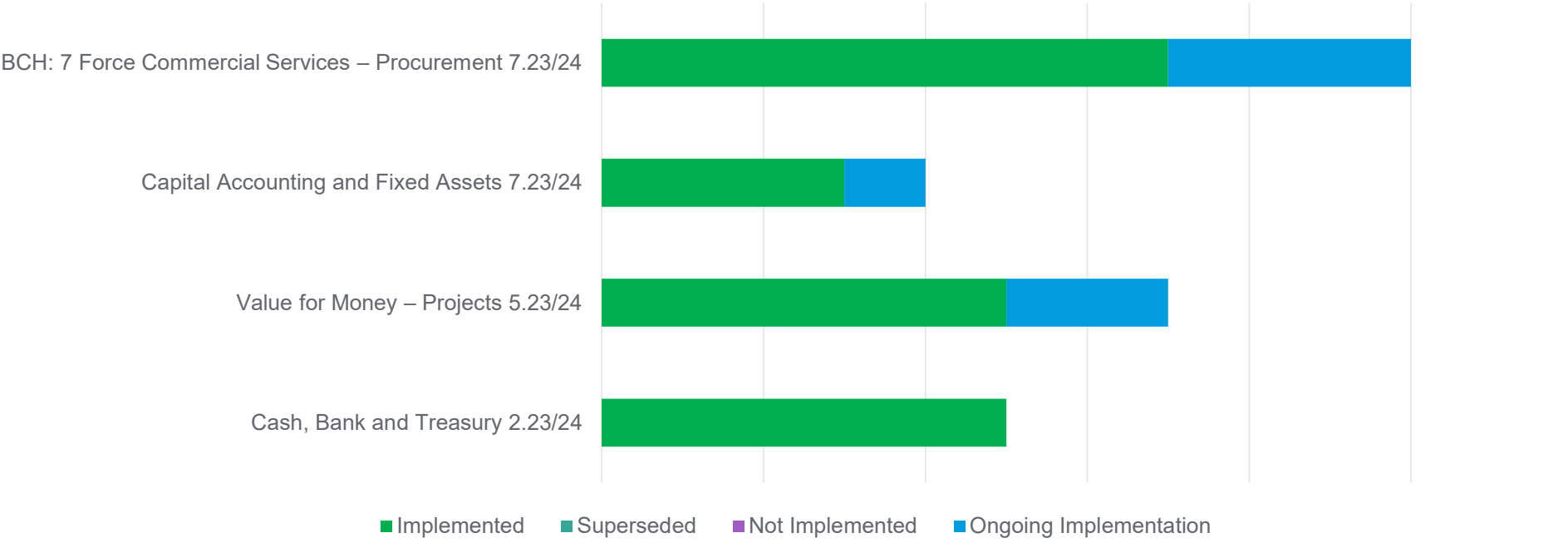
SUMMARY OF PROGRESS ON ACTIONS

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Implemented	Implementation ongoing	Not implemented	Superseded	Implemented or Superseded
Cash, Bank and Treasury 2.23/24	5	5	0	0	0	5
Value for Money – Projects 5.23/24	7	5	2	0	0	5
Capital Accounting and Fixed Assets 7.23/24	4	3	1	0	0	3
BCH: 7 Force Commercial Services – Procurement 7.23/24	10	7	3	0	0	7
Total	26	20	6	0	0	20

Implementation status by priority	Number of actions agreed	Implemented	Implementation ongoing	Not implemented	Superseded	Implemented or Superseded
High	1	1	0	0	0	1
Medium	10	7	3	0	0	7
Low	15	12	3	0	0	12
Total	26	20	6	0	0	20

Implementation Status by Review



AUDIT OUTCOME OVERVIEW – INNOVATION FRAMEWORK

Background / Why we did the audit

Bedfordshire Police, Cambridgeshire Constabulary, and Hertfordshire Constabulary (BCH) have recently published their Digital Strategy (2024-2027) and Roadmap (2024-2029), which sets the vision for a comprehensive, customer-centric digital police service aiming to empower staff and officers, serve the public, and protect crime victims. As part of this, leveraging innovation is central to delivering a proactive, productive, and sustainable service. Hence, the objective of this review was to assess the effectiveness and efficiency of processes in place regarding the prioritisation of change initiatives to optimise the BCH innovation framework, and provide the highest policing business benefit aligned to the Forces' strategic plans and objectives, within the resources available. This also included consideration of whether technology is suitably and proportionately assessed in terms of functionality, cost, technical compatibility, service delivery and security compliance, to maximise the potential for success.

As part of this review, we sampled three ongoing projects to consider the processes followed from their inception, through to integration within the programme portfolio:

- Anathem AI
- ANPR Back Office Function
- i-Trent Migration to Cloud Hosting

Conclusion: Across the three projects, we noted significant improvements needed to be made regarding the governance of projects and the consistency of innovation and change initiative management. Furthermore, we noted key control weaknesses including the processes by which change initiatives are considered against strategic objectives, the definition and monitoring of proposed benefits, and the mechanisms utilised to prioritise initiatives within the project portfolio. Moreover, we identified several gaps in both the individual change initiative documentation, and the overarching innovation framework policies and procedures. Wider scope for improvement includes training on BCH innovation management protocols, forums for identifying innovation opportunities across the tri-force collaboration, and learning from past change initiatives.

Internal audit opinion:



Minimal Assurance



Partial Assurance



Reasonable Assurance



Substantial 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).

Audit themes: **Project Benefits**

We noted that benefits were generally high-level and qualitative, rather than quantified and measurable. In the absence of this criteria, management cannot ascertain whether the initially proposed benefits are being realised, identify potential issues, and determine lessons learnt to inform potential future phases of the project. **(Medium, MA1)**

Project Governance – Roles and Responsibilities

The documentation for two sampled projects provided limited details on project governance. Furthermore, we noted gaps in the project documentation regarding roles and responsibilities, without justification of these exclusions. There is an increased risk of miscommunication leading to inefficiencies and project delays. Additionally, unassigned roles without justification can result in poor accountability and oversight, increasing the likelihood of change initiative failure. **(Medium, MA2)**

Anthem AI Budget

One of the sampled projects (Anthem AI) was missing key budget information from the outset, which would ensure effective financial management and accountability throughout the project's lifecycle, as well as costs following project completion. Without consideration of the costs that the organisation might incur, even at the early stages of change initiatives, there are risks of cost overruns, resources constraints, and subsequent impact on strategic priorities as unplanned spending could divert resources from other strategic initiatives. **(Medium, MA3)**

Change Initiative Approvals

Of the three sampled change initiatives, two did not have decision logs or minutes to demonstrate appropriate approval(s) from senior management and/or a project steering committee for project commencement. Whilst one of these projects was not yet subject to the currently established process, documented approvals were still absent. The other lacked the necessary approvals from the appropriate governance forums as outlined in the defined organisational procedure. Documented approvals are crucial to ensuring accountability and transparency in the decision-making process. **(High, MA4)**

Strategic Alignment of Change Initiatives

While the BCH Prioritisation Scoring Matrix does consider strategic alignment, two of the three sampled projects demonstrated limited assessment of interdependencies and potential impacts on other strategic or transformational initiatives within the provided project documentation. Selecting change initiatives without considering interdependencies and impacts increases the risks of conflicting priorities, resource constraints and inefficiencies, leading to delays and potentially hindering overall strategic goals. **(Medium, MA5)**

Central BCH ICT Change Initiative Policy

There is no central BCH ICT change policy in place to outline key information regarding change initiatives. Furthermore, our review of change initiative documentation demonstrated inconsistencies in the availability, format, and completeness of critical project information. The absence of a standardised approach to information capture creates significant challenges for stakeholders to make informed decisions. Similarly, the absence of a change policy documentation to provide clear guidance increases risks related to accountability and effective communication. Ultimately, this could jeopardise the successful implementation of change initiatives. **(High, MA6)**

Prioritisation Scoring Matrix

In the current Prioritisation Scoring Matrix, employed to assess the relative importance of newly-proposed change initiatives, it gives disproportional weight to mandates from Force Executives. This may result in initiatives being selected based on personal preferences or short-term goals, rather than strategic alignment and proposed business benefits. Hence, this overreliance on executive approval undermines the formal strategic planning process, potentially leading to suboptimal outcomes, resource inefficiencies, and increased fraud risks. **(High, MA7)**

Innovation and Collaboration Forum

We noted there is no dedicated forum in place for identifying innovation opportunities across the tri-force collaboration. In the absence of this platform, the ability to collaborate on innovative ideas between the three forces is limited, including the sharing of best practices and insights. There is an increased risk of duplicated efforts, resource strains, and conflicts between the respective forces. Moreover, there is a risk that the Force(s) are slow to respond to innovation opportunities and implementing new initiatives. **(Medium, MA9)**

Lessons Learnt

We noted through enquiry with management that establishing lessons learnt is part of the project closure procedures; however, from the change initiatives sampled, we noted that there had been no reflection on previous lessons learnt prior to project initiation. This increases the risk of repeating past mistakes, leading to potential project delays, cost overruns, and suboptimal outcomes. **(Medium, MA10)**

Initiative Management Framework Training

There was an absence of training relating to the BCH innovation and change initiative procedures, to ensure that all staff responsible for managing relevant phases within the initiative management framework understand the specific BCH requirements, practices, and procedures. This may result in a lack of understanding of roles, responsibilities, and the Forces' approach, potentially leading to inefficiencies and non-compliance with established procedures. **(Medium, MA11)**

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.

Ref	Action	Priority	Responsible Owner	Date
1	Management will ensure that change initiatives have clear, measurable benefits and will track their realisation to confirm proposed benefits are being achieved.	Medium	Change Teams (Local, JST and ICT)	31 May 2025
2	Management will ensure that all change initiatives have a clearly defined and documented governance structure, with explicitly outlined roles and responsibilities to ensure appropriate management and oversight.	Medium	Change Teams (Local, JST and ICT)	31 May 2025
3	Management will ensure that all change initiatives have an appropriate budget analysis from the outset, to consider their feasibility.	Medium	Change Teams (Local, JST and ICT)	31 May 2025
4	Management will ensure all change initiatives are formally approved by the appropriate governance board, with such decisions documented and retained for accountability and transparency purposes.	High	Director of ICT	30 June 2025
5	Management will ensure that a formal assessment is conducted for all change initiatives to identify potential interdependencies and impacts on other strategic initiatives. This assessment will involve consultation with appropriate stakeholders, including representatives from relevant business units and IT.	Medium	Change Teams (Local, JST and ICT)	28 February 2025
6	Management will establish a change management policy to include key information and guidance regarding the change process, including mandatory documentation, approvals, and protocols. This policy document will be reviewed and approved by senior management prior to being disseminated to relevant stakeholders, and reviewed on a regular basis to include updates following lessons learnt activities and maintain relevance.	High	Director of ICT	30 June 2025
7	Management will consider altering or removing the Force Executive Mandate 1000pt scoring within the BCH Prioritisation Scoring matrix.	High	Head of BCH Joint Strategy and Transformation	28 February 2025

Ref	Action	Priority	Responsible Owner	Date
8	<p>Management will:</p> <ul style="list-style-type: none"> a) Either create a new forum or repurpose an existing one, dedicated to identifying innovation opportunities across the tri-force collaboration, involving representatives from relevant business units and the shared IT function. b) Produce a formal Terms of Reference, ensuring this is ratified by senior management to establish credibility and delegate appropriate authorities to the chosen forum. c) Consider the placement of this forum within the innovation management framework. 	Medium	Director of ICT	30 June 2025
9	<p>Management will:</p> <ul style="list-style-type: none"> a) Implement a mandatory process for reviewing lessons learned within the innovation management framework. b) Establish a centralised repository, and c) Conduct regular workshops in the appropriate governance forum to share best practices on an ongoing basis. 	Medium	Change Teams (Local, JST and ICT)	31 May 2025
10	<p>Management will implement a training programme for staff responsible for managing relevant phases of the initiative management framework. This training will cover roles, responsibilities, and BCH's approach to initiatives, innovation, and change.</p> <p>Furthermore, training completion will be tracked and monitored, with appropriate follow-up procedures established for non-compliance.</p>	Medium	Change Teams (Local, JST and ICT)	31 May 2025

AUDIT OUTCOME OVERVIEW – COLLABORATION – PAYROLL AND EXPENSES

Background: We have undertaken an audit of Payroll and Expenses across Bedfordshire, Cambridgeshire and Hertfordshire Constabularies (BCH), as part of the combined internal audit plan for 2024/25. The objective of the review was to assess the design and application of key controls surrounding payroll and expenses management.





The BCH collaborated Payroll and HR team are responsible for ensuring processes and controls are in place for payroll functions. The payroll team is led by the Head of Payroll and Pensions who is supported by Payroll Team Leads that are responsible for payroll functions for each Force. Within the HR team individuals action requests such as new starters and leavers and then inform payroll through a shared spreadsheet.

BCH utilises the iTrent payroll management system. The approximate average values of the combined staff and officer payrolls during the period reviewed in 2024/25 was £7.5m for Bedfordshire, £7m for Cambridgeshire and £11m for Hertfordshire.

Conclusion: Overall, we found that the control framework surrounding Payroll and Expenses management was generally well-designed and applied. Controls in relation to the processing of starters, leavers and amendments to the payroll were found to be robust based on sample testing. This included controls surrounding enrolment and contribution to pensions as well as the administration relating to removal from pension schemes. Prior to processing of the payroll, exception and summary reports were run to detect any errors or inaccuracies. Sufficient controls were in place in relation to payroll backups.

We have, however, identified improvements required to controls. Further documentation was required in relation to roles and responsibilities and authorisation levels for payroll functions. An audit trail should be retained to evidence approval of the payroll prior to payment. We also identified non-compliance with controls for expenses, where claims were processed without supporting receipts or where the receipts did not match the details of the claim. Evidence was not in place for Hertfordshire to demonstrate the completion of payroll file to general ledger reconciliation.

Internal audit opinion:

 Minimal Assurance	 Partial Assurance	 Reasonable Assurance	 Substantial Assurance
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Taking account of the issues identified, the OPCC and Force 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).

Audit themes:

We identified the following exceptions, resulting in the agreement of five medium and one low priority management actions:

- **Policies and Procedures** – Although there was high-level information surrounding the management of payroll in the Financial Regulations, as well as guidance for staff around payroll and expenses in the staff handbook, further guidance was required in relation to the management of the payroll. This included documentation of roles and responsibilities including those in relation to authorisation of payroll payments. **(Medium)**
- **Record Keeping (Payroll Approval)** – We were advised the Head of Payroll approves the payroll on a monthly basis, however, there was no audit trail retained to confirm that this had been undertaken. **(Medium)**
- **Non-Compliance with Procedures (Expense Claims)** – Sample testing identified instances where expense claims had been approved and processed without supporting receipts. We also identified instances where receipts provided did not align to the details on the expenses system, with further investigation required. **(Medium x2, Low)**
- **Non-Compliance with Procedures (Payroll Control Accounts)** – Evidence was not in place for Hertfordshire to demonstrate the completion of payroll file to general ledger reconciliation. **(Medium)**

We found the following controls to be well-designed and consistently applied:

- **New Starters** – Sample testing verified that both staff and officer new starters were appropriately authorised and accurately input onto the payroll in a timely manner for all three constabularies.
- **Leavers** – Sample testing verified that both staff and officer leavers were removed from the payroll in a timely manner and in line with supporting documentation, evidencing that no overpayment had occurred, for all three constabularies.
- **Amendments** – Sample testing verified that payroll amendments, including changes to working hours and pay, were accurately processed in line with authorised forms for all three constabularies.
- **Payroll Reports** – Sample testing verified that for all three constabularies in each month payroll exception and payroll summary reports were suitably run and reviewed and were supported by sign-off on the monthly checklist.
- **Payroll System Backups** – Payroll backup files were securely stored on both a shared drive and a USB drive, with the USB drive kept in secure storage with PIN access (which was verified on-site). Only authorised payroll staff have access to the PIN codes, ensuring secure backup storage, access control, and the ability to restore files as needed.
- **Pension Scheme Enrolment and Contributions** – Sample testing verified that pension scheme enrolment and contribution calculations were accurately processed for all three constabularies.
- **Death in Service and Retirement** – For sampled leavers due to death in service and retirement across all three constabularies, we confirmed that for pension details notifications were submitted appropriately, leaver forms were completed and approved, payroll changes were accurately processed and records were accurately submitted to the pension administrator.

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.

Ref	Action	Priority	Responsible Owner	Date
1	Hertfordshire will ensure that the payroll file is reconciled to the general ledger on a monthly basis.	Medium	Head of Finance (Hertfordshire)	31 August 2025
2	The payroll team will ensure that the formal approval of the monthly payroll by the Head of Payroll and Pensions or equivalent is documented.	Medium	Head of Payroll and Pensions	31 July 2025
3	BCH will create formal payroll guidance that details roles and responsibilities and authorised approvers for key payroll activities.	Medium	Heads of Finance	31 August 2025
5	BCH will implement system controls to prevent submission or approval of claims without receipts, unless a valid exception process is followed.	Medium	Head of Payroll and Pensions	30 September 2025
6	BCH will follow up with the officer who claimed £1.5k under office stationery to verify if the expenses were legitimate and correctly categorised.	Medium	Head of Payroll and Pensions	31 May 2025