



POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND CAMBRIDGESHIRE CONSTABULARY

Annual Internal Audit Report for the 12 months ending 31 March 2025

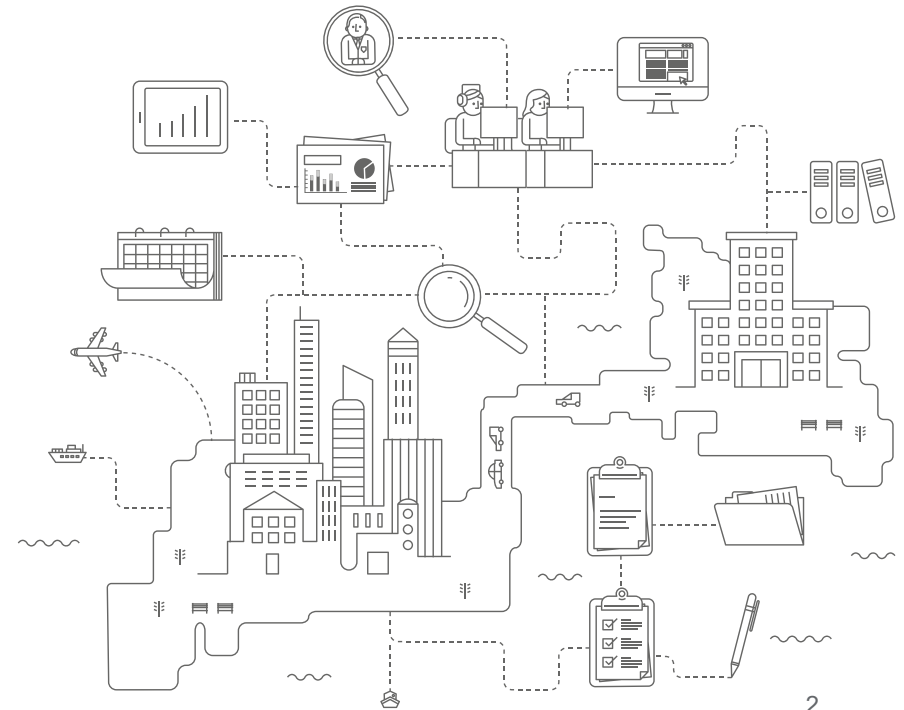
30 May 2025

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.

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THE ANNUAL INTERNAL AUDIT OPINION

The 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 31 March 2025, the head of internal audit opinions for the Police and Crime Commissioner for Cambridgeshire is:



*Please see Appendix B for the full range of annual opinions available to us in preparing this report and opinion.

For the 12 months ending 31 March 2025, the head of internal audit opinions for Cambridgeshire Constabulary is:

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.

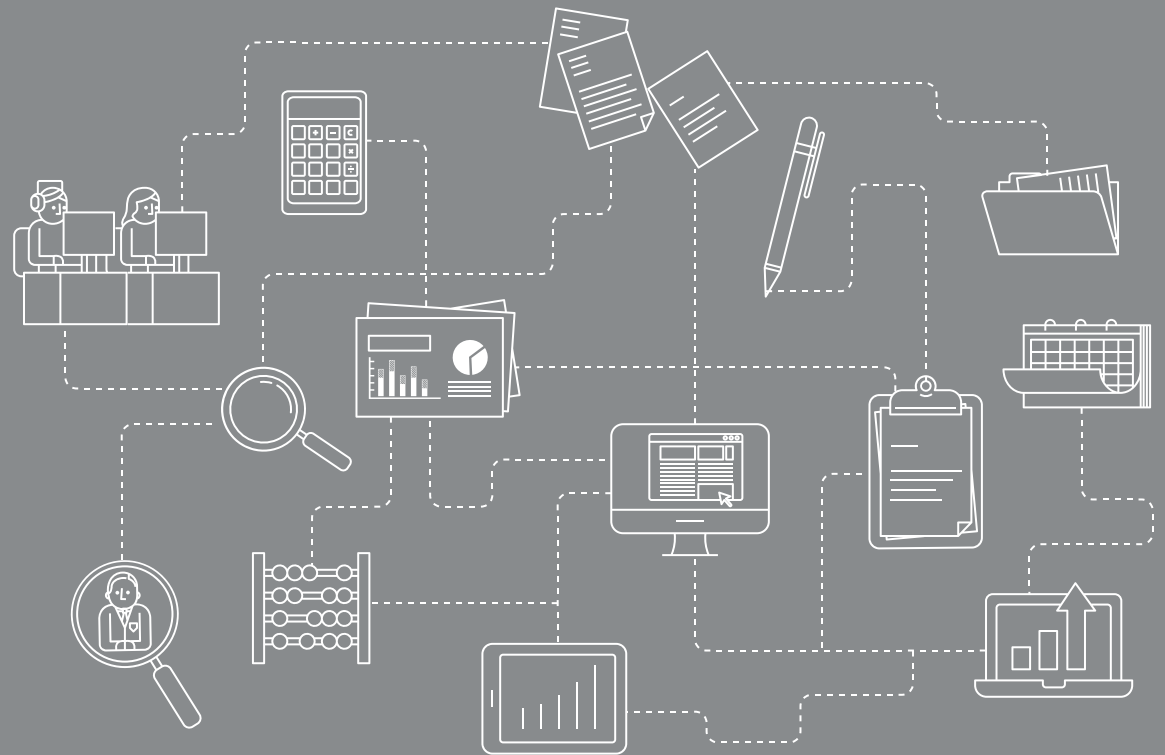
*Please see Appendix B for the full range of annual opinions available to us in preparing this report and opinion.



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 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

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1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our 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 framework is one component that the board takes into account in preparing the annual governance statement (AGS) to the governing body (e.g. JAC).
- 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 OPCC, Chief Constable and JAC.

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	Internal Control
<p>We undertook a governance audit across the OPCC and Constabulary, with a focus on the suitability of the governance structures in enabling objectives to be achieved.</p> <p>We provided a reasonable assurance opinion. We concluded that there was a clear governance framework documented, that was largely operating effectively for both the OPCC and the Constabulary, in line with the Corporate Framework. We found that the majority of Boards and Groups for both organisations were operating as designed, through review of their meeting minutes, and as documented within their Terms of Reference.</p> <p>Improvements were identified at the Constabulary in relation to the updating Terms of Reference documents, the documentation of the Strategic Force Performance Management Board. Improvements were identified at the OPCC in relation to the approval of the governance scheme and the publication of the updated gifts and hospitality registers.</p>	<p>We have not undertaken any specific risk management reviews at the OPCC or Constabulary this year, however, our opinions have been based on the risk elements of coverage within the following audits which we have undertaken including Medium Term Financial Plans, BCH Innovation Framework and BCH Corporate Review – Value for Money.</p> <p>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 JAC meetings where risk registers and risk management issues are regularly discussed and presented.</p> <p>We completed Risk Management audits in the 2023/24 financial year at the OPCC and Constabulary, providing reasonable assurance to the OPCC and substantial assurance to the Constabulary, and these frameworks have continued to operate in 2024/25.</p>	<p>Overall, we were satisfied that the control framework is adequate and effective, although we identified areas where enhancements were required to ensure these remain effective.</p> <p>We have undertaken five Cambridgeshire only audits and from these reviews we provided five positive opinions:</p> <ul style="list-style-type: none">• Governance (Reasonable Assurance)• Medium Term Financial Plans (Substantial Assurance)• Budgetary Control (Reasonable Assurance)• Income and Debtors (Substantial Assurance)• Follow Up (Reasonable Progress) <p>We also completed five collaborated reviews, three of which resulted in the positive opinions:</p> <ul style="list-style-type: none">• Payroll and Expenses (Reasonable Assurance)• Corporate Review – Value for Money (Substantial Assurance)• Learning Needs Analysis (Reasonable Assurance) <p>From the remaining two audits we have provided negative opinions taking into consideration the internal control framework. These negative assurances opinions included:</p> <ul style="list-style-type: none">• BCH Planning Process and Accounting Support (Planning Process – Partial Assurance, Accounting Support – Substantial Assurance)• Innovation Framework (Minimal Assurance) <p>In each instance we identified the improvements that were necessary to address the weaknesses in the control framework.</p>

The conclusions from the negative assurance opinions from finalised audit reports are detailed below:

BCH Planning Process and Accounting Support (Planning Process – Partial Assurance, Accounting Support – Substantial Assurance)

We verified that some further progress had been made in the development of a planning process covering the collaborated departments. We noted that the emphasis of the process had moved towards transformational change, with review around demand, resources and service requirements with the aim of efficient delivery of services, these reviews would be reflected in revised delivery plans and budgets for individual collaborated units and build into medium term plans for collaboration as a whole. However, on review of the spreadsheets used by JST for the analysis of data collected from Heads of Units, we were unable to determine what analysis had been completed, this resulted in a high priority action. Two further medium priority action were also agreed due to the lack of documenting outputs from the challenge panels and the relationship between JST and each of the finance departments.

Innovation Framework (Minimal Assurance)

Across the three projects sampled, 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.

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.

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



Working with other assurance providers

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



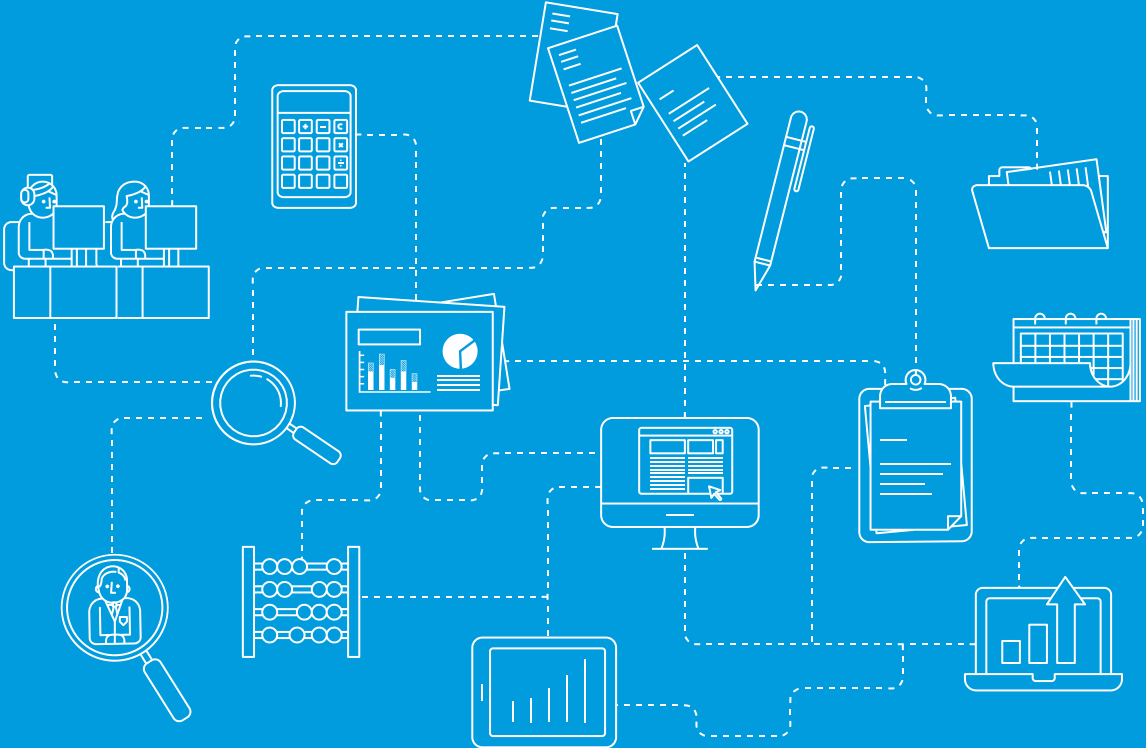
Topics judged relevant for consideration as part of the annual governance statement

This report should be used to inform your annual governance statements. We have issued two negative BCH assurance reports in 2024/25 (one minimal and one partial assurance), so the organisations will need to consider the impact of these areas on the annual governance statement, and any actions taken by the year end to implement the management actions agreed. These areas were:

- Innovation Framework (Minimal Assurance)
- BCH Planning Process and Accounting Support (Partial Assurance – Planning Process)

Our Performance

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3.1 Wider value adding delivery

The table below sets out how RSM has added value throughout the financial year.

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 amendments to policing regulations. During the year we highlighted questions for Committees to consider in relation to the Procurement Act and included a recording to a webinar hosted on this matter. We also highlighted key considerations for Committees following HMICFRS publications and the recommendations made for Forces to adopt, such as the Police Response to Public Disorder. In addition, we highlighted the launch of the National Policing Cyber Security Strategy.
Police Audit Group Conference	We presented to the Police Audit Group Conference on exploring the use of AI in the world of internal audit, associated ethical dilemmas, and wider AI risks.
RSM's Emerging Risk Radar	We provided our Summer 2024 and Spring 2025 Emerging Risk Radar documents, which analyse the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively. In our latest update, emerging risks were highlighted in relation to geo-political instability, shifts in employee costs and the increasing frequency and complexity of cyber-attacks.
Best Practice	Throughout our work, where appropriate, we have shared best practice across the sector in our recommendations of improvements to control.
Use of Specialists	We have utilised specialists to support the delivery of the Internal Audit plan throughout 2024/25. Such as the use of fraud and data analytics specialists in the Government Procurement Cards review.
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.
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.

3.2 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.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Global Internal Audit Standards and the Application Note 'Global Internal Audit Standards in the UK Public Sector'.

Under the Global Internal Audit Standards, 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.

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 Internal Audit Standards 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.

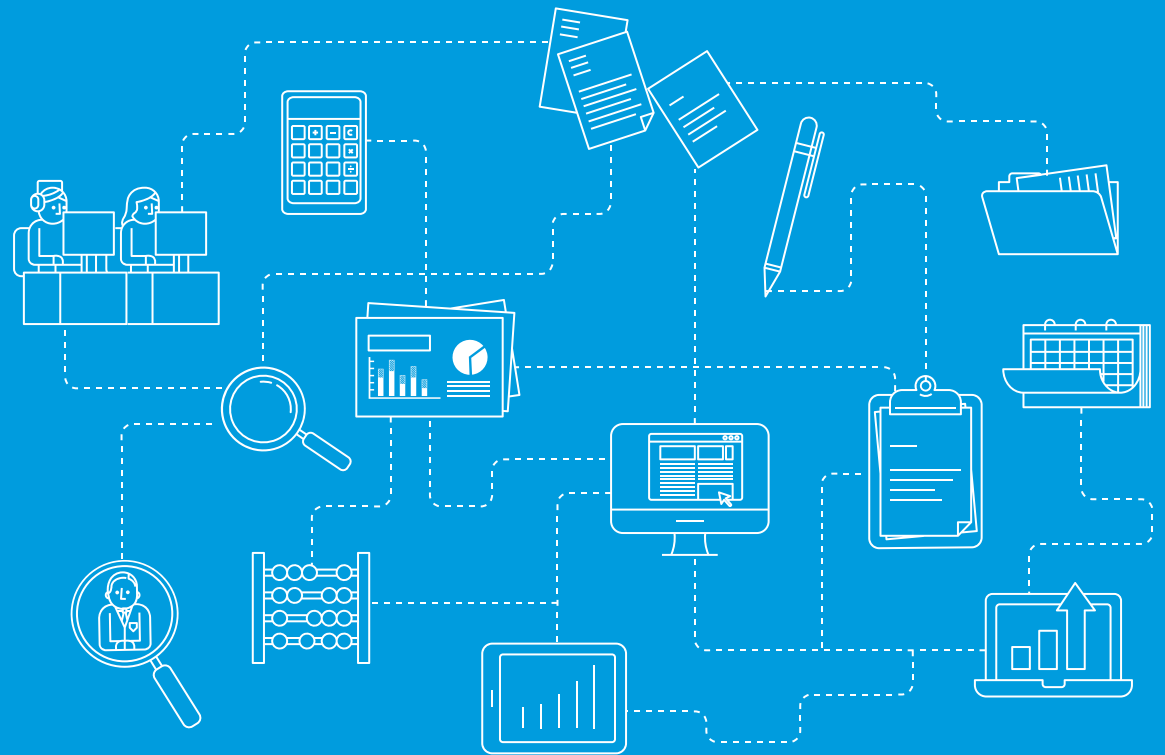
3.5 Performance indicators – Cambridgeshire Only

Delivery	Target	Actual (Average)	Quality	Target	Actual
Audits commenced in line with original timescales*	Yes	Yes	Conformance with IIA Standards	Yes	Yes
Draft reports issued within 10 days of debrief meeting	100%	100% (5 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	100%	40% (17 days)	Response time for all general enquiries for assistance	2 working days	2 working days
Final report issued within 3 days of management response	100%	1 day	Response for emergencies and potential fraud	1 working days	N/A

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

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 – Cambridgeshire Only	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
Governance	James Haylett / Jon Lee	Reasonable Assurance	6	1	0
Medium-Term Financial Plans	Jon Lee	Substantial Assurance	1	0	0
Budgetary Control	Jon Lee	Reasonable Assurance	2	2	0
Income and Debtors	Jon Lee	Substantial Assurance	0	0	0
Follow Up	Jon Lee	Reasonable Progress	5	1	0
Total			14	4	0

Assignment – BCH Collaboration	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
BCH Planning Process and Accounting Support	Jon Lee	Planning Process: Partial Assurance Accounting Support: Substantial Assurance	1	2	1
Innovation Framework	James Cook (Hertfordshire)	Minimal Assurance	0	7	3
Payroll and Expenses	Jon Lee	Reasonable Assurance	1	5	0
Corporate Review – Value for Money	Phil Wells (Bedfordshire)	Substantial Assurance	0	0	0
Learning Needs Analysis	Jon Lee / Rachael Wilkinson	Reasonable Assurance	2	2	0
Total			4	16	4

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).



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).



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).



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



Dan Harris, Partner and Head of Internal Audit

Email: Daniel.Harris@rsmuk.com

Telephone: 07792 948 767



Jamil Khan, Managing Consultant

Email: Jamil.Khan@rsmuk.com

Telephone: 0190 868 7860

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 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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