POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE

Internal Audit Progress Report

Presented to the Joint Audit Committee (JAC) – 31 July 2026

CONTENTS

Appendices

KEY MESSAGES

The internal audit plan for 2025/26 was approved by the JAC at the 1 May 2025 meeting. Whereas the Internal Audit Plan for 2026/27 was approved by the JAC at the 25 February 2026 meeting. This report provides an update on progress against the plans and summarises the results of our work to date.

Internal Audit Plan 2025/26

Cambridgeshire Only plan:

We have issued two final internal audit reports for the 2025/26 plan since the last meeting in February 2026:

- Risk Management (Reasonable Assurance)
- Follow Up – (Good Progress)

BCH plan:

We have issued five final internal audit reports for the 2025/26 plan since the last meeting in February 2026:

- ERSOU Financial Management (Substantial Assurance)
- Failure to Prevent Fraud (Advisory)
- Cyber Security (Partial Assurance)
- Business Continuity (Partial Assurance)
- Corporate Review (Advisory)

This completes both plans for 2025/26, our Annual Internal Audit Report is presented at this meeting, please refer to the separate paper on this matter, which details a summary of work completed in Appendix A. **[To discuss and note]**

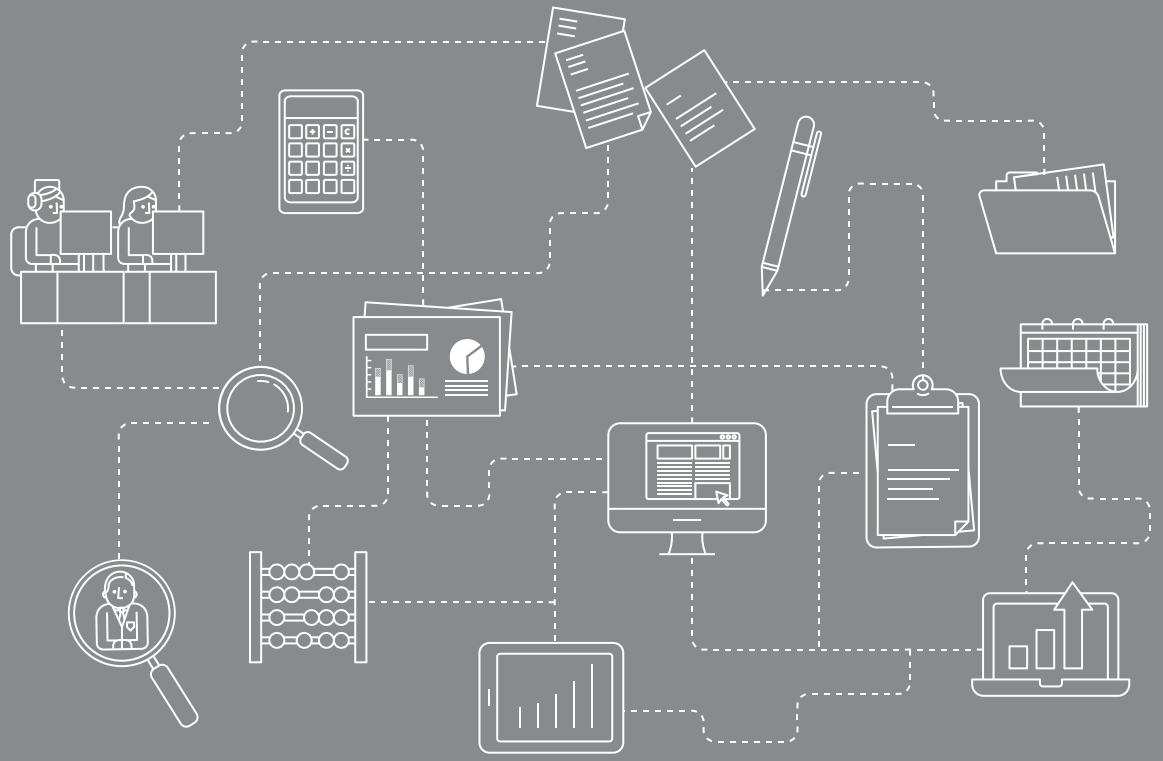
Internal Audit Plan 2026/27

We have completed the fieldwork and debriefed the findings of our first 2026/27 audits in the Cambridgeshire Only and BCH plans, with progress summarised in Section 1 below. **[To note]**

We have issued a series of value-adding and for information client briefings, one of which relates to RSMs External Quality Assessment process (EQA), we require a decision on how the Force and OPCC wishes to proceed with the EQA and if the organisations are satisfied with the firmwide approach. Full details are included at Appendix B. **[To note and approve]**

Final Reports

01



1. INTERNAL AUDIT PLANS 2026/27

1.1 Summary of progress to date – Cambridgeshire Only

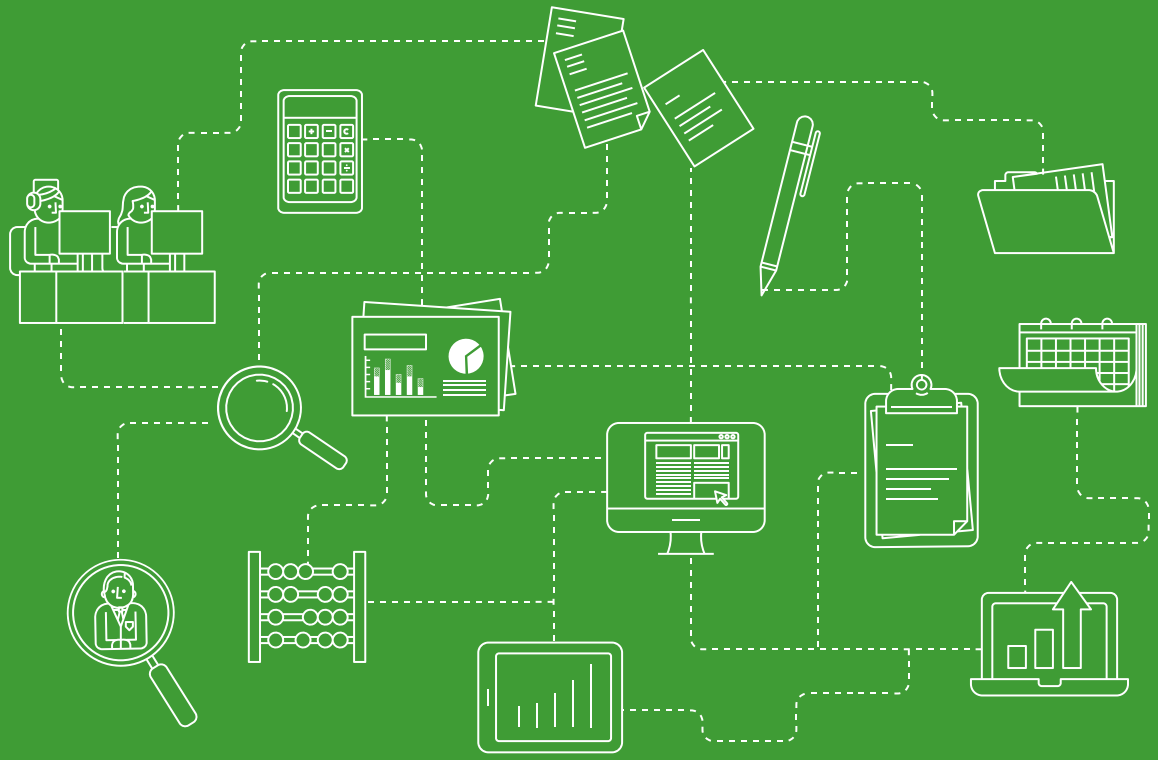
Assignment	Status / Opinion issued	Actions agreed			Target Timing (as per IA plan)
		L	M	H	
Police and Crime Plan	Debrief Completed and in QA	-	-	-	Q1
Complaints	Scoping – August / September 2026	-	-	-	Q2
Capital Accounting and Fixed Assets	Scoping – September 2026	-	-	-	Q2
Procurement Under £60k	Scoping – November 2026	-	-	-	Q3
Follow Up	Scoping – March 2027	-	-	-	Q4

1.3 Summary of progress to date – BCH

Assignment and Lead Force	Status / Opinion issued	Actions agreed			Target Timing (as per IA plan)
		L	M	H	
Vetting – Cambridgeshire	Debrief Completed and in QA	-	-	-	Q1
Occupational Health – Cambridgeshire	Scoping – September 2026	-	-	-	Q2
IT General Controls – Hertfordshire	Scoping – October 2026	-	-	-	Q3
Procurement – 7Force	Planning	-	-	-	Q3
Corporate Review – Bedfordshire	Scoping – February 2028	-	-	-	Q4

Appendices

02



APPENDIX A: OTHER MATTERS

RSM briefings

We have issued the following briefings since the last meeting:

- Emergency Services News Briefing – June 2026
- External Quality Assessment – June 2026
- RSM Emerging Risk Radar Publication – Spring Edition

Head of Internal Audit Opinions

2025/26 – The Annual Report, which contains the opinions for 2025/26 is a separate agenda item, but note we issued a positive opinion for both the Force and the PCC.

202627 – We have not issued any final reports to date. We will provide further updates during the year, and specifically highlight any negative opinions that may impact our year end opinion.

External Quality Assessment

As part of the new Global Internal Audit Standards, we are required to agree with you our External Quality Assessment approach, which is undertaken every five years to provide independent assurance over the quality and effectiveness of internal audit. Our next review is scheduled for October 2026. Given the size of your audit plan, we propose that you rely on our service line-wide EQA, with no client-specific testing planned, as sampling will focus on our largest clients. *Should you wish to commission a dedicated review, this can be arranged at additional cost.* We will report the outcome and any improvement actions to you once available, and we are seeking your agreement to this approach.

RSM operates in accordance with the Global Internal Audit Standards (GIAS), which require internal audit to undertake an External Quality Assessment (EQA) at least once every five years. Our last assessment in 2021 achieved the highest rating of “generally conforms”. Our next EQA is scheduled to commence in October 2026. Since our last EQA, the Institute of Internal Auditors (IIA) has issued new standards, effective from January 2025. The new GIAS 8.4 states that: “The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team.”

Our EQA approach aligns with the Chartered IIA guidance for multi-client providers.

- We will commission an external assessor to perform a review of the design of our internal audit methodology, and arrangements to meet the GIAS. The review will cover all 15 Principles and 52 Standards across the Domains of the GIAS, from a design perspective.
- Our EQA will review the design of our arrangements to meet the requirements of the Application Note, Global Internal Audit Standards in the UK Public Sector.
- Following the assessment, RSM will receive detailed feedback and will share a high-level conformance statement of the results with clients.

We will appoint an external independent, qualified assessor through a competitive tender process during the summer. To discuss EQAs further or our approach in more detail, please contact your Head of Internal Audit. Further detail on our approach is available in our client briefing External Quality Assessment as above.

FOR FURTHER INFORMATION CONTACT

Daniel Harris, Partner – Partner and Head of Internal Audit

Email: Daniel.Harris@rsmuk.com
Telephone: 07792 948767

Jamil Khan, Managing Consultant

Email: jamil.khan@rsmuk.com
Telephone: 01908 687 860

rsmuk.com

AUDIT OUTCOME OVERVIEW – RISK MANAGEMENT – OPCC AND FORCE

Background:

A review of Risk Management was undertaken at the Office of the Police and Crime Commissioner (OPCC) for Cambridgeshire and Cambridgeshire Constabulary as part of the internal audit plan for 2025/26. The objective of the review was to assess the adequacy and effectiveness of controls surrounding the identification, assessment, monitoring and escalation of risks across both organisations.

Responsibilities for risk oversight sit with the OPCC Head of Governance and Compliance and the Constabulary's Risk and Internal Audit Controller. Both postholders are responsible for maintaining the risk records, coordinating risk reviews and supporting risk owners. There are a number of forums within the governance structures that provide oversight of risk, including the Risk Review Board, Senior Leadership Team, Force Executive Board, and Joint Audit Committee.

Risk registers are held in Excel, with master versions stored centrally on SharePoint. The OPCC has a Strategic Risk Register. The Constabulary maintains a Corporate Risk Register, two Command Risk Registers, for Local Policing and Crime & Vulnerability, as well as departmental risk registers.

Conclusion:

The OPCC and Constabulary risk management framework were well-established and operating effectively in some areas. Supporting guidance and documentation provide a clear foundation for risk ownership, escalation, and reporting expectations, with risk management training delivered to promote awareness of the frameworks and associated responsibilities. Evidence of engagement between risk owners and central governance functions was observed through regular meetings and ongoing dialogue across departments, supported by scheduled sessions reviewing directorate-level risks. Risks were also routinely reported to senior governance forums, including the Senior Leadership Team, Risk Review Board, Force Executive Board, and Police Accountability Board, with accompanying reports and minutes evidencing discussion, review and oversight.

Areas for improvement to controls were identified. Across strategic, corporate, and command-level risk registers, exceptions were noted such as incomplete or inconsistent fields, missing scores, actions lacking sufficient detail or defined timelines, and limited evidence of documented review. Linkages between risks and organisational objectives were not consistently recorded, reducing visibility of strategic alignment. Variations in risk register structure and design contributed to inconsistent recording of controls, assurances, and mitigations. In addition, governance arrangements for Tri-Force collaboration risks were not yet fully embedded. Management information presented to governance forums did not consistently set out risk positioning relative to appetite. The availability of an outdated policy version also increased the risk of staff relying on superseded guidance.

Internal audit opinion:

Audit themes: **Our review identified the following control exceptions resulting in the agreement of three medium and seven low priority management actions.**

- **Non-Compliance with Policies/Procedures (Risk Registers)** – Across OPCC Strategic, Constabulary Corporate, and Command-level risk registers, several entries did not meet expected documentation standards. Exceptions identified included missing scores, inconsistent reflection of control impact, controls recorded as actions, assurances lacking supporting detail, mitigations not documented where scores had reduced, actions absent or not time-bound, and descriptions that did not fully articulate required cause and effect components. Differences across registers were also observed, including the absence of target scores, no standalone actions field, and merged fields affecting clarity of action tracking. In addition, evidence of regular review was not consistently documented for all risks, and an incomplete version of the OPCC Strategic Risk Register was presented to the Joint Audit Committee. **(Medium, Low x3)**
- **Design of the Control Framework (Risk Registers)** – The structure and field design of the risk registers varied across the OPCC, Corporate, and Command formats, with missing or incomplete fields such as target scoring, actions fields, assurance fields, and specific sections for documenting mitigations, leading to inconsistencies in how core components (controls, actions, assurances, and scoring rationale) were captured. Variability in templates and update points between registers and governing documents contributed to different levels of detail and misalignment in the way risks and components were recorded. **(Medium)**
- **Governance (BCH Collaboration)** – Oversight arrangements for the Tri-Force collaboration were not supported by a structured or embedded mechanism for reporting and receiving updates, with meeting discussions identifying reliance on ad hoc information sharing. Minutes and correspondence showed that collaboration-related risks and updates were discussed and requested, but the approach for routine, consistent, and formally scheduled reporting has not yet been established across collaborated functions. Following our review, correspondence was provided confirming that communication channels had been established between collaborated functions and the Risk Controller. **(Medium)**
- **Management Information** – Meeting reports provided to senior governance forums included routine risk updates. However, information presented to the Risk Review Board and Force Executive Board did not set out whether risk scores sat within or outside agreed appetite or tolerance thresholds, resulting in limited clarity on positioning relative to established parameters. **(Low)**
- **Non-Compliance with Procedures (Linking to Objectives)** – Three of 19 Force Corporate Risks (Refs: 514, 515 and 516) were not linked to a corporate objective following removal of the linkage field from the template, limiting visibility of alignment with organisational priorities, this was subsequently rectified during the audit. Similarly, whilst OPCC Strategic Risks broadly aligned to the Police and Crime Plan 2025-2028, this linkage was not explicitly recorded within the register, reducing visibility of how risks could impact delivery of the Plan's pillars. Evidence was later provided confirming these linkages had been added. **(Low x2)**
- **Policies and Procedures** – The Cambridgeshire Constabulary Risk Policy reviewed was in draft stage, and the version available to staff on SharePoint was an outdated iteration from November 2024, increasing the likelihood that staff may rely on superseded guidance and apply risk management principles inconsistently. **(Low)**

We noted the following controls to be adequately designed and operating effectively.

- **Risk Management Guidance** – The OPCC Risk Strategy, the Constabulary Risk Policy, and the Risk, Issue and Opportunity Procedure & Guide collectively set out expectations for risk ownership, information quality, review activity, escalation routes, alignment to organisational objectives, collaboration requirements, reporting arrangements and risk appetite definitions.
- **Risk Management Training** – Our review of the OPCC Risk Management training material confirmed that the presentation clearly set out key principles, including shared ownership, accountability, the updated risk framework and monitoring arrangements, with evidence provided of delivery in March 2026.

- **Risk Owner Meetings** – Evidence showed active engagement across senior and operational levels, with OPCC SLT members meeting the Head of Governance and Compliance to discuss assigned risks on an exception basis. Regular meetings between the Risk and Internal Audit Controller and Chief Superintendents/Superintendents, supported by 15 scheduled sessions across key departments, demonstrated ongoing dialogue and oversight of directorate-level risk registers.
- **Risk Escalation Process** – Our review of departmental risk registers identified instances where high-scoring risks had not been escalated. However, supporting rationale was confirmed through discussions, and thematic updates across governance meetings demonstrated consideration of escalation. Attendance records for the December 2025 and January 2026 Risk Review Board meetings also evidenced senior-level involvement in reviewing risk escalation matters.
- **Risk Reporting** – Risks were consistently included on the agendas of Senior Leadership Team, Risk Review Board, Force Executive Board and Police Accountability Board meetings, supported by accompanying reports and available minutes, which evidenced that sufficient risk discussions took place.

SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High	Medium	Low
Immediate management attention is necessary.	Timely management attention is necessary.	There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
2	The OPCC will undertake a structured review of its Strategic Risk Register to ensure: • Clear articulation of cause, risk event and consequence; • Accurate and complete inherent and current scoring, with documented rationale for changes; • Clear distinction between controls, assurances and actions; • Controls are sufficiently detailed and assurances evidence how control effectiveness is assessed; and • All actions are SMART and aligned to current risk status.	Medium	Michelle Lord, Senior Governance and Compliance Officer	31 July 2026
4	The Force will update the Corporate and Command Risk Registers (as appropriate) to strengthen risk management and oversight by: • Including a field for target risk scores to define intended risk tolerance; • Introducing a dedicated field to capture and assess assurance activity, including strength of assurance; • Separating action tracking from status updates to enable clear monitoring of mitigation progress; • Formally recording mitigation actions with named owners and timescales; and • Including a field that states whether each risk is within or outside the agreed appetite. In addition, a focused review of Corporate and Command risks registers will be undertaken to ensure current scores reflect the impact of controls, reductions from inherent risk are supported by documented mitigations, controls are clearly distinguished from actions, and assurances are evidence-based and appropriately assessed.	Medium	Les McCracken, Risk & Internal Audit Controller	31 July 2026
9	The Force will enhance the implementation of the risk update process across BCH Forces hosting collaborated functions. This will involve providing updates for BCH services hosted by Cambridgeshire Police and proactively seeking updates where services are hosted by other Forces. The process will include clearly defined reporting frequencies and expectations for risk updates.	Medium	Les McCracken, Risk & Internal Audit Controller	31 July 2026

OUTCOME OVERVIEW – FOLLOW UP

Background:

As part of the internal audit plan for 2025/26, we have undertaken a follow-up review to assess the progress made by the Police and Crime Commissioner for Cambridgeshire and Cambridgeshire Constabulary in implementing previously agreed management actions. We have used the information supplied by Police and Crime Commissioner for Cambridgeshire and Cambridgeshire Constabulary in relation to action tracking updates, followed up with management where required and performed our testing to evidence the implementation of actions.

The actions considered as part of this follow up review were from the following audit reports:

- Medium Term Financial Strategy (MTFS) 2.24.25
- Governance - Constabulary and OPCC 1.24.25
- Fraud 4.22.23
- Follow Up 5.24.25
- Collaboration - Payroll and Expenses 3.24.25
- Collaboration - Learning Needs Analysis and Accreditation 5.24.25
- Collaboration - BCH Planning Process and Accounting Support 1.24.25
- Budgetary Control 3.24.25

The actions included in this review comprised of one high, 12 medium and 20 low priority management actions from the reviews noted above.

Conclusion:

In line with our definitions set out in Appendix A, in our opinion Police and Crime Commissioner for Cambridgeshire has demonstrated **Good Progress** in implementing all agreed management actions.

Our review identified that:

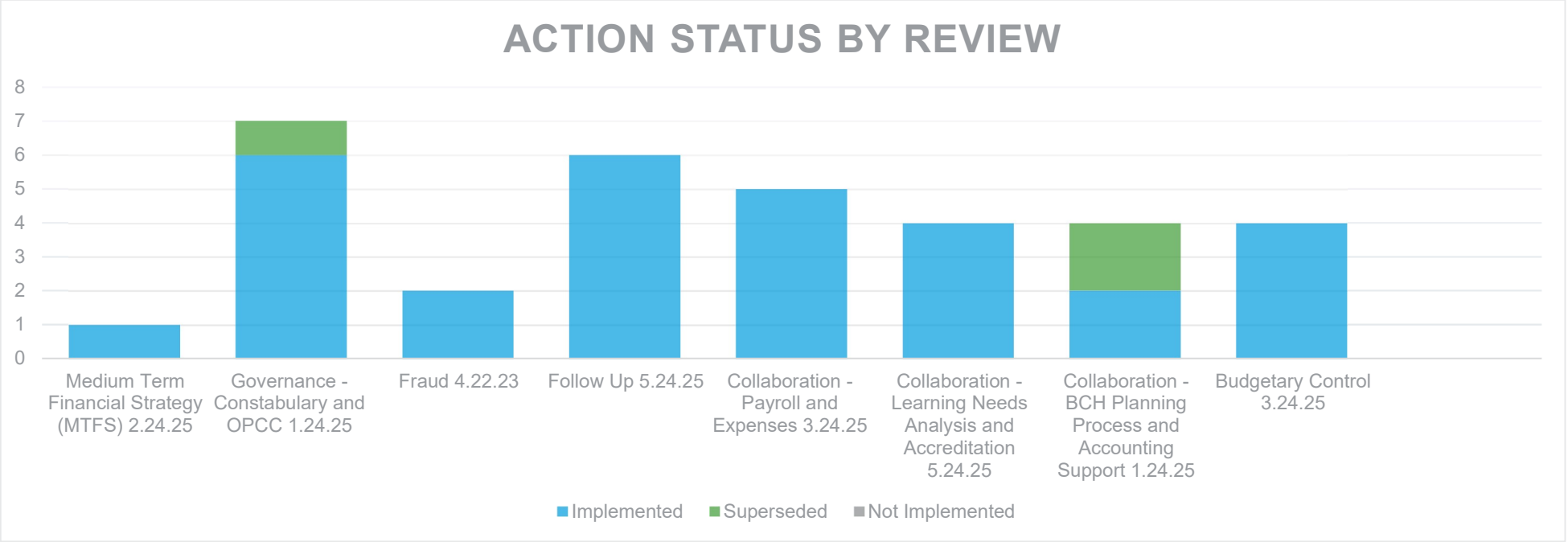
- One high and 12 medium priority management actions had been implemented.
- For 20 low priority actions we took management confirmation that these actions had been fully implemented.

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	Completed or superseded
Medium Term Financial Strategy (MTFS) 2.24.25	1	1	0	0	0	1
Governance - Constabulary and OPCC 1.24.25	7	6	0	0	1	7
Fraud 4.22.23	2	2	0	0	0	2
Follow Up 5.24.25	6	6	0	0	0	6
Collaboration - Payroll and Expenses 3.24.25	5	5	0	0	0	5
Collaboration - Learning Needs Analysis and Accreditation 5.24.25	4	4	0	0	0	4
Collaboration - BCH Planning Process and Accounting Support 1.24.25	4	2	0	0	2	4
Budgetary Control 3.24.25	4	4	0	0	0	4
Total	**33**	**30**	**0**	**0**	**3**	**33**

Implementation status by priority	Number of actions agreed	Implemented	Implementation ongoing	Not implemented	Superseded	Completed or superseded
Low	20	20	0	0	0	20
Medium	12	10	0	0	2	12
High	1	0	0	0	1	1
Total	**33**	**32**	**0**	**0**	**1**	**33**


ACTION STATUS BY REVIEW
8
7
6
5
4
3
2
1
0
Medium Term Financial Strategy (MTFS) 2.24.25
Governance - Constabulary and OPCC 1.24.25
Fraud 4.22.23
Follow Up 5.24.25
Collaboration - Payroll and Expenses 3.24.25
Collaboration - Learning Needs Analysis and Accreditation 5.24.25
Collaboration - BCH Planning Process and Accounting Support 1.24.25
Budgetary Control 3.24.25
Implemented
Superseded
Not Implemented

APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment.

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high priority actions	Consideration of medium priority actions	Consideration of low priority actions
Good	75% +	None outstanding.	None outstanding.	All low actions outstanding are in the process of being implemented.
Reasonable	51 – 75%	None outstanding.	75% of medium actions made are in the process of being implemented.	75% of low actions made are in the process of being implemented.
Little	30 – 50%	All high actions outstanding are in the process of being implemented.	50% of medium actions made are in the process of being implemented.	50% of low actions made are in the process of being implemented.
Poor	< 30%	Unsatisfactory progress has been made to implement high priority actions.	Unsatisfactory progress has been made to implement medium actions.	Unsatisfactory progress has been made to implement low actions.

APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented and superseded.

Assignment title	Management actions
Assignment: Medium Term Financial Strategy (MTFS) 2.24.25	**Implemented (Low)** - We will consider introducing a lessons learnt assessment following the completion of the financial plan to inform future amendments. These will be documented.
Assignment: Governance - Constabulary and OPCC 1.24.25	**Superseded (Medium)** - We will complete the review of the Strategic Force Performance Management Board to ensure the areas within its responsibility receive adequate review and scrutiny. Subject to the result we will ensure an up-to-date terms of reference and meeting notes are filed for later formally writing up in the form of minutes.
	Implemented (Low) - The OPCC will establish a clear review frequency for the Scheme of Governance. Once established, we will ensure the Scheme of Governance is reviewed and updated according to the review period.
	Implemented (Low) - The OPCC will routinely publish and update the Gifts and Hospitality Register.
	Implemented (Low) - We will ensure that the standing agenda is met and discussed at each FEB meeting.
	Implemented (Low) - We will agree a terms of reference for COT meetings.
	Implemented (Low) - We will review the Force Operations Board Terms of Reference and ensure the document is reviewed on an annual basis.
	Implemented (Low) - We will review the Force Performance Board Terms of Reference and ensure the document is reviewed on an annual basis.
Assignment: Fraud 4.22.23	**Implemented (Low)** - The Force will implement targeted anti-fraud training as part of the induction process for all staff within Business Services to complete, as well as providing re-fresher training as part of the mandatory training cycle. Furthermore, anti-fraud E-training will be provided too other staff groups, across the Force as part of induction, as well as providing re-fresher training as part of the mandatory training cycle.
	Implemented (Low) - The Forces Finance Department will obtain a list of officers and staff business interests from PSD and review these against accounts payable data. Where business interests that the Force trade with are highlighted, controls will be put in place to mitigate any potential risks.
Assignment: Follow Up 5.24.25	**Implemented (Medium)** - We will ensure that all contracts are signed off and/or sealed prior to commencement by appropriate individuals from all required Forces, in line with each Force's delegated authorities. This will include contract extensions and variations, with required sign offs clarified where necessary.
	Implemented (Low) - We will condense the OIC reports to the Force Executive Board and Change Board, producing updates in a more visual manner, such as a highlight report with clear RAG rated assessment on project progress. The OIC reports will include financial reporting for each project i.e. expenditure to date vs budget, and capture any actions agreed to address budget pressures.

Assignment title	Management actions
	Implemented (Low) - We will implement the new project management system and ensure that the system includes: Developing and obtaining the required approval over the Business Case, Project Brief, EIA, ToR, and PID.
	Implemented (Low) - The Constabulary will regularly review procedural guidance and documents will be updated to reflect the date of next review to ensure this is not missed.
	Implemented (Low) - The role of Reg84s to be reviewed as these are technically not required under current Procurement Regs but used for internal means only. The annual review of CSOs will seek to clarify this.
	Implemented (Low) - We will ensure that STAR Forms are fully complete, including the section confirming that this has been submitted for logging. Periodic spot checks will be performed on a sample of STAs to confirm that this is the case and that all STAs recorded on the log are genuine. Use of STAs will be reported to the CEB periodically in line with the CSO. As part of this reporting, the CEB will be made aware of STAs that have been processed without endorsement, to ensure that there is sufficient oversight of this.
Assignment: Collaboration - Payroll and Expenses 3.24.25	**Implemented (Medium)** - Hertfordshire will ensure that the payroll file is reconciled to the general ledger on a monthly
	Implemented (Medium) - The payroll team will ensure that the formal approval of the monthly payroll by the Head of Payroll and Pensions or equivalent is documented.
	Implemented (Medium) - BCH will create formal payroll guidance that details roles and responsibilities and authorised approvers for key payroll activities.
	Implemented (Medium) - BCH will follow up with the officer who claimed £1.5k under office stationery to verify if the expenses were legitimate and correctly categorised.
	Implemented (Low) - BCH will reiterate the requirement for receipts to be attached to all expense claims, particularly for parking, professional subscriptions, and seminar fees, and remind both claimants and approvers to ensure expenses are correctly categorised and supported by appropriate evidence.
Assignment: Collaboration - Learning Needs Analysis and Accreditation 5.24.25	**Implemented (Medium)** - Backing documentation will be provided quarterly to the Head of Operational Learning for each training scheme, providing assurance that nominations from ILearn have been incorporated into the training delivery plans.
	Implemented (Medium) - The Operational Learning team will formalise and implement the internal training costing model to improve visibility of training costs. Once established, the model will be used to monitor no shows, new demand and to inform decision making.
	Implemented (Low) - The Operational Learning team will ensure that Force priorities and related risks are clearly referenced in all bid submissions. Those reviewing bid submissions will challenge and follow up on any entries where the alignment is unclear.
	Implemented (Low) - BCH will obtain formal approval of the collaborated training budget planned overspend from the Chief Finance Officers.
Assignment: Collaboration - BCH Planning Process and Accounting Support 1.24.25	**Superseded (High)** - JST will document the methodology followed in the analysis of data reported through service catalogue toolkits and retain data in an auditable format.
	Implemented (Medium) - A record will be completed of the decisions agreed at the Panel meetings.
	Superseded (Medium) - Additional financial checkpoint meetings are to be scheduled between Heads of Finance, JST and CFOs to ensure quarterly reporting to JCOB is discussed with the right stakeholders and the correct level of detail provided.
	Implemented (Low) - Responsibilities for financial reporting within the Collaborated structure will be agreed

Assignment title	Management actions
Assignment: Budgetary Control 3.24.25	**Implemented (Medium)** - We will create a standardised template for trial balance sheets that includes a dedicated section for reconciliation documentation. Additionally, all future trial balance sheets will comply with segregation of duties.
	Implemented (Medium) - We will ensure that all virements are approved prior to the changes being actioned with this confirmed in writing.
	Implemented (Low) - We will establish a threshold for variances below £50k to be noted and addressed. This threshold will be variances that are larger than the lower of £10k or 3% of the overall budget.
	Implemented (Low) - We will approve and action virements by the closure of the next month end process, where reasonable.

AUDIT OUTCOME OVERVIEW - COLLABORATION – EASTERN REGION SPECIAL OPERATIONS UNIT (ERSOU) FINANCIAL MANAGEMENT

Background: As part of the collaborated internal audit plan for 2025/26, a review of the financial management arrangements for the Eastern Region Special Operations Unit (ERSOU) was undertaken at Bedfordshire, Cambridgeshire and Hertfordshire Police and Crime Commissioners and Police (BCH). The objective of the review was to assess effectiveness of the key financial and budgetary controls within ERSOU.

Financial management is led by the Bedfordshire Police, ERSOU Principal Accountant, with operational budget responsibilities supported by finance teams across BCH. Bedfordshire Police, as lead Force has established an ERSOU Board. The Regional Financial Steering Group (RFSG) also provides financial oversight of ERSOU. Day to day financial monitoring and reporting are carried out by the ERSOU Finance Team who form part of Bedfordshire Police. While ERSOU is a seven-force collaboration with Kent, Essex, Norfolk and Suffolk, our testing has focused on BCH.

ERSOU is made up of a Counter Terrorism Intelligence Unit (CTIU) and the Regional Organised Crime Unit (ROCU), with Section 22 Agreements setting out the financial governance arrangements for each. This includes the budget setting timetable, grant compliance requirements, approval mechanisms, roles of Chief Constables and PCCs and the processes for budget apportionment using the Net Revenue Expenditure formula. For 2025/26, the total ERSOU budget was £29.2m, compared with £28.5m in 2024/25. The increase of £703k was driven by police and staff pay awards, non-pay inflation, and investment pressures.

Conclusion: Overall, we found that the financial management control framework for ERSOU was well-designed and applied. Section 22 Agreements had been established, and governance forums were operating as intended. Testing of the budget confirmed that assumptions were supported by evidence and aligned to national guidance. Budget apportionment followed the agreed methodology set out in the Section 22 Agreement and we confirmed that the ledger upload of the budget was accurate. Budget variance reporting was suitably detailed, enabling informed challenge and decision making across the collaboration.

Scope for minor improvements to the controls were identified. This included improvements to the audit trail of approving the CTIU Section 22 Agreement and the annual budget. We also noted that a limited number of cashbook and procurement card journals were processed within the system without evidence of segregation of duties with approval outside of the system.

Internal audit opinion:

Taking account of the issues identified, the OPCC and Force can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

Audit themes:

We identified the following exceptions, resulting in the agreement of four low priority management actions.

- **Section 22 Agreements (Policies and Procedures)** – The CTIU Section 22 Agreement had not been formally reviewed or signed off in line with the required review cycle. **(Low)**
- **Budget Approval (Record Keeping)** – Although approval was evidenced from the seven Chief Constables, there was no formal documented approval from the seven Commissioners, meaning full compliance with Section 22 requirements could not be demonstrated. **(Low)**
- **Role of the Regional Financing Steering Group (Governance)** – The responsibilities of the RFSG were not outlined in the Section 22 Agreement, and the updated Terms of Reference had not been formally approved. **(Low)**
- **Journals (Design of the Control Framework)** – Data analytics of ERSOU journal activity across BCH showed that cashbook and procurement card transaction journals were consistently posted with the same originator and authoriser, management advised that this was expected practice for these journals, however, the process governing when this is permitted had not been formally documented. **(Low)**

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

- **Reporting and Oversight** – Financial performance was reviewed through structured quarterly reports with clear variance analysis, supported by challenge and scrutiny at ERSOU Board and RFSG meetings to ensure effective oversight.
- **Budget Setting** – The annual budget was constructed using prior-year data, inflationary assumptions, pay awards, and investment pressures, with clear evidence supporting key assumptions such as pay uplifts, non-pay inflation, and lease adjustments.
- **Budget Monitoring** – Budget monitoring reports presented to regional groups clearly explained year-to-date and full-year variances across expenditure categories, supported by detailed appendices outlining grant impacts and underlying drivers.
- **Budget Upload** – Testing of budget uploads confirmed that the figures in the approved budget build were accurately transferred to the general ledger across multiple force capabilities.
- **Budget Assumptions and Apportionment** – Assumptions applied in the 2025/26 budget build were appropriately supported and consistently applied, whilst apportionment aligned with the percentages set out in the signed Section 22 Agreement.
- **Journals** – Walkthrough of the system confirmed that the system prevents journals from being posted without a description, journals tested across the three forces were clearly described and aligned to supporting documentation.

SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High	Medium	Low
Immediate management attention is necessary.	Timely management attention is necessary.	There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	The Force will ensure the Counter Terrorism Intelligence Unit Section 22 Agreement is formally reviewed and signed off in line with the stipulated review cycle.	Low	Mark Drew, ERSOU Programme Manager	31 July 2026
2	Formal approval of the budget should be obtained from all seven PCCs, with documented evidence retained, to provide assurance that all organisations are in agreement with the budget and that the approval process is fully compliant with the Section 22 Agreement.	Low	Kim Robinson, ERSOU Principal Accountant	Immediate
3	The Force will define the role of the Regional Financing Steering Group within the budget monitoring process, recording this in the Section 22 Agreement and Terms of Reference accordingly.	Low	Stuart Goodwin, Head of Finance, Beds Police	31 July 2026
4	The Force will formalise the journal processing arrangements, particularly for cashbook receipts and procurement card transactions processed outside the system and clearly set out when the same originator and authoriser is permitted.	Low	Stuart Goodwin, Head of Finance, Beds Police	31 July 2026

EXERCISE SUMMARY – FAILURE TO PREVENT FRAUD REVIEW

Background:

The objective of this review was to work with Bedfordshire, Cambridgeshire and Hertfordshire Police and Crime Commissioners and Constabularies (BCH) to provide a high-level action plan of the steps needed to progress the fraud risk framework currently in place to meet the requirements of the new corporate liability offence of Failure to Prevent Fraud (FTPF) within the Economic Crime and Corporate Transparency Act 2023 (ECCTA). The Act creates a corporate offence of failing to prevent fraud when an 'associated person' commits a specified fraud offence, which is intended to benefit the 'relevant body/organisations'. The only potential defence will be for the force to demonstrate that it had reasonable procedures in place to prevent such a fraud from being committed. We believe the forces fall within scope of the legislative definintions.

Key scope areas covered as part of the review were aligned to the reasonable procedures detailed within the published guidance to organisations on the FTPF offence[1]:

- Top level commitment
- Risk assessment
- Proportionate risk-based prevention procedures
- Due diligence
- Communication (including training)
- Monitoring and review

In line with the outlined principle relating to risk assessment, as this is a key and fundamental element of the principles, we reviewed the current internal fraud risk assessment processes, and the associated controls aligned to identified fraud risks of the forces. This is just one element to contribute to a review of the forces' journey to compliance, as some elements would not be in a position to be reviewed or assessed until the risk assessments have been undertaken, as the outcomes of that feed into many other areas.

It is only when the forces apply the principles of the guidance and the learnings from a comprehensive assessment of their risk exposure through the procedures, controls and governance structures in place, that they will be in a position to demonstrate its alignment and work towards compliance with the reasonable procedures.

As this is an advisory review, no assurance opinion is provided.

Key findings:

Two high, seven medium priority and two low management actions have been agreed as part of this exercise to strengthen the forces' processes. The key findings resulting in high or medium management actions are as follows, with full details in the detailed findings and actions section of this report.

The top level commitment

Top-level commitment to preventing fraud was demonstrated through the BCH Whistleblowing, Code of Conduct, Gifts and Hospitality and Declaration of Interest Policies, alongside fraud and bribery awareness training programmes however, these require updating to reflect the legislative requirements of the failure to prevent fraud offence (aligned with management action 4 below).

[1] Guidance to organisations on the offence of failure to prevent fraud

While the undertaking of this review demonstrates the forces commitment to invest in understanding their requirements and areas of prioritisation, being able to demonstrate an ongoing clear and committed approach to the fulfilment of this principle will be reflected by the investment and implementation of the related management actions identified, contributing to a longer term fraud prevention strategy, where commitment from the 'top level' is clearly visible. **Management action 1 (Medium)**

Fraud risk assessment (Cambridgeshire)

Cambridgeshire Police have in place a fraud risk assessment document that was last reviewed and updated in October 2025. At present there are 25 risks in place that have all been scored in line with the force risk matrix. The existing risks do not clearly define the types of fraud the force may be at risk from as a beneficiary in line with the requirements of the FTPF offence. Updating the current fraud risk register to illustrate how it identifies and articulates specific frauds where the force could potentially be the beneficiary, would help the force clearly identify the fraud risks faced and facilitate a more effective monitoring and proactive targeting of the higher risk areas. **Management action 2a & 2b (2 Medium)**

Fraud risk assessment (Bedfordshire and Hertfordshire)

Bedfordshire and Hertfordshire Police, do not have in place a fraud risk assessment that clearly define the types of fraud the force's may be at risk from either as a victim or a beneficiary in line with the requirements of the FTPF offence. Both forces should implement a comprehensive register which identifies and articulates all the fraud risks in each area of the force, with specific articulation as to whether the force could potentially be the victim or beneficiary, would help the force clearly identify the fraud risks faced and facilitate a more effective monitoring and proactive targeting of the higher risk areas.

Furthermore, the fraud risk registers should illustrate how they identify and articulate specific frauds where the forces could potentially be the beneficiary, would help the force clearly identify the fraud risks faced and facilitate a more effective monitoring and proactive targeting of the higher risk areas. **Management action 3a & 3b (2 High)**

Proportionate risk-based prevention procedures

In the absence of a robust fraud risk assessment, there is opportunity for improvement in relation to the forces procedures to prevent fraud. A strategy will allow senior management to have a clear fraud prevention framework and demonstrate a commitment to preventing and identifying fraud within the forces. **Management action 4 (Medium)**

Due diligence

While we were provided with information about existing due diligence undertaken with employees and suppliers for the force, in order to demonstrate that they have taken a proportionate risk-based approach, due diligence procedures need to be reviewed once the risk assessment has been updated, in order to ensure that all associated persons are appropriately captured and that the due diligence procedure applied is adequate. **Management action 5, (Medium)**

Communication (Bedfordshire and Hertfordshire)

We found there to be no training available to staff which covers Anti-Fraud and Anti-Corruption, Code of Conduct, Whistleblowing, and Conflicts of Interest, Gifts and Hospitality polices, specifically fraud awareness and obligations for declarations of interest.

Demonstrating communication of prevention policies and procedures and demonstrating they are embedded and understood does not only contribute towards the mitigation of the risk of staff committing fraud or failing to identify, report or respond to fraud appropriately, but supports all the force's in demonstrating that they have adequately communicated and embedded it's prevention policies, fostering a culture within the force's in which fraud is never acceptable. A programme of training and awareness is recommended for all staff, which is to be updated and reviewed periodically for effectiveness. **Management action 6b, (Medium)**

Monitoring and review

At the time of undertaking this review, limited evidence was provided to demonstrate that the forces actively monitor and review its fraud detection and prevention procedures.

In order to demonstrate that the force's response to identified fraud risks remains proportionate, the forces' will need to demonstrate that they actively monitor the detection of fraud and attempted fraud, investigations and the effectiveness of fraud prevention measures. Without an effective programme of monitoring and review, actions taken against the first five reasonable procedures are quite diminished, as the effectiveness of the fraud prevention measures cannot be assessed. It is essential that all work undertaken in support of the reasonable procedures to mitigate the FTPF offence is overseen by senior staff or committees, and that action is taken to address any concerns identified, and / or escalate non-compliance. **Management action 7, (Medium)**

SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as:

High	Medium	Low
Immediate management attention is necessary.	Timely management attention is necessary.	There is scope for enhancing anti-fraud controls.

Ref	Management action	Priority	Responsible owner	Implementation date
Top level commitment				
1	The forces will take action to ensure its Board members and senior managers are aware of the legislation, and the preventative activity program in place (longer term fraud prevention strategy), exploring opportunities to demonstrate the commitment to this area of legislation.	Medium	All Chief Financial Officers	30 June 2026
Fraud risk assessment (Cambridgeshire Police)				
2A	The force will identify, articulate, assess and clearly define the types of fraud the force may be at risk from as a beneficiary in line with the requirements of the FTPF offence.	Medium	Head of Finance (Cambs)	30 June 2026
2B	The force will regularly update and review the Fraud Risk Assessment to enable new and emerging risks to be identified and responded to appropriately and ensure adequate periodic objective oversight.	Medium	Head of Finance (Cambs)	30 September 2026
Fraud risk assessment (Bedfordshire and Hertfordshire Police)				
3A	The forces will consider identifying, articulating and assessing the fraud risks relevant to each department onto a risk register, inclusive of frauds where the force is a potential victim and also intended beneficiary.	High	BEDS - Edward Major, Strategic Business Analyst HERTS - Ian Rooney, Director of Finance	31 July 2026
3B	The forces will regularly update and review the Fraud Risk Assessment to enable new and emerging risks to be identified and responded to appropriately and ensure adequate periodic objective oversight.	High	BEDS - Edward Major, Strategic Business Analyst HERTS - Ian Rooney, Director of Finance	31 July 2026

Ref	Management action	Priority	Responsible owner	Implementation date
Proportionate risk-based prevention procedures				
4	The forces will review procedures to ensure they cover preventing fraud by persons associated with it, proportionate to the risks it faces and to the nature, scale and complexity of the forces' activities. A strategy will be developed to allow senior management to have a clear fraud prevention framework and demonstrate a commitment to preventing and identifying fraud within the forces.	Medium	All Chief Financial Officers	30 September 2026
Due diligence				
5	The forces will identify their associated persons and following identification of associated areas of risk, in line with the failure to prevent fraud offence', will clearly articulate the respective due diligence procedures undertaken.	Medium	All Chief Financial Officers	30 September 2026
Communication (Bedfordshire and Hertfordshire Police)				
6b	The forces will implement a fraud awareness training programme for all staff, covering the below areas; • Code of Conduct, • Whistleblowing, • Conflicts of Interest, Gifts and Hospitality, specifically fraud awareness and obligations for declarations of interest, and • Economic Corporate Crime and Transparency Act, specifically the failure to prevent fraud elements	Medium	BEDS - Michelle Leggetter, People & Workforce manager HERTS - Ian Rooney, Director of Finance	30 August 2026
Monitoring and review				
7	The force will develop and implement a range of measurement criteria to be monitored and reported periodically to the Joint Audit Committees (JAC). The force should consider inclusion of the following criteria: ▪ Changes to relevant policies and assessment of staff understanding; ▪ Fraud risk scores; ▪ Actions taken to address fraud risks including periodic review activity; ▪ Training provided, inclusive of compliance rates; ▪ Fraud attempts detected; ▪ Investigation activity; and ▪ Lessons learned	Medium	All Chief Financial Officers (locally)	31 October 2026

OUTCOME OVERVIEW - COLLABORATED – CORPORATE REVIEW (PERFORMANCE FRAMEWORK)

Background: An advisory review of the Performance Framework was undertaken at was undertaken at Bedfordshire, Cambridgeshire and Hertfordshire Police and Crime Commissioners and Police (BCH). The objective of the review was to provide an advisory assessment of the newly created performance framework and the related controls, including governance arrangements, performance management, KPI monitoring, and risk escalation processes.

Governance arrangements were under development following changes agreed in November 2025 by the Strategic Alliance Summit (SAS), with performance management transitioning to align with individual Force Performance Boards. The performance framework is governed by key committees, including the SAS, Joint Chief Officer Board (JCOB), and Deputy Chief Constables (DCC) Collaboration Board, with day-to-day responsibilities delegated to Heads of Units, and governance boards within each Force.

The performance framework is documented within Section 22 agreements and governance documents, which are intended to outline roles and responsibilities, reporting requirements, and performance oversight arrangements for each collaborated unit. Meetings are held between the three DCCs, governance boards, and unit leads to oversee performance, monitor risks, and support decision-making. Reporting is supported through tools such as dashboards, committee papers, and internal reporting packs.

The collaborated environment operates under a host Force model across Bedfordshire, Cambridgeshire, and Hertfordshire Police, with each Force responsible for specific units while maintaining collective oversight through shared governance forums. The collaborated units are as followed: Joint Protective Services (JPS), Professional Standards Department (PSD), Information Management Department (IMD), Human Resources (HR), Administration of Justice (AoJ), Cameras, Tickets and Collisions (CTC), Firearms, Explosives and Licencing (FEL), Payroll, ICT and Uniform Stores.

Conclusion: The governance and performance framework had been established across the three Forces to oversee collaborated units. However, we identified improvements to the design, documentation and application of governance, performance and reporting arrangements to further improve control.

Through testing we found that the governance structures across individual Force Performance Boards were not all formalised, with roles, responsibilities and reporting lines through the respective Force committees not clearly defined. We sample tested six Section 22 agreements and found that the agreements for units including JPS, PSD, IMD, HR and AoJ remained in draft and lacked evidence of formal approval.

Weaknesses were also identified in KPI management. While HR and IMD had defined KPIs within their Section 22 agreements that aligned with the performance reports obtained, four of the six collaboration units reviewed had KPIs that were incomplete, not measurable or not clearly defined. A formal risk reporting process was in place; however, reporting through the DCC Collaboration Board and associated governance processes was not yet fully embedded, with inconsistencies in how risks are identified, reported and escalated across collaborated units.

We further noted that governance documentation, including the Terms of Reference for both JCOB and the DCC Collaboration Board, had not been finalised or aligned to current operating arrangements.

Key findings: **We identified the following exceptions, resulting in the agreement of one high, four medium and one low priority management actions.**

- **Governance Framework** – The revised governance structure and performance reporting approach for collaborated units was outlined and agreed in principle through governance forums; however, a formal framework document was not in place. Key elements, including roles and responsibilities, reporting lines and integration of risk into performance reporting, were not clearly defined or evidenced. **(Medium)**
- **Section 22 Agreements (Policies and Procedures)** – Whilst Section 22 agreements set out strategy, objectives, and high-level roles and responsibilities, all agreements reviewed remained in draft and lacked evidence of formal ratification. In addition, KPIs were not defined for all units. Governance and reporting expectations, including alignment to Force Performance Boards and reporting frequency, were not always specified. **(Medium)**
- **Performance Reporting (Governance)** – Performance reporting arrangements across collaborated units were established in practice but were not always formally agreed in relation to structure, documentation, and escalation routes. There was no standardised or formally agreed framework defining reporting frequency, format, or integration into individual Force Performance Boards, and the flow of performance information across governance forums was not clearly evidenced. **(Medium)**
- **KPI Data Accuracy and Validation (Management Information)** – KPI frameworks and performance data were not well defined or supported by robust validation processes. In several instances, reported data could not be reconciled to source information, could not be replicated, or could not be independently verified due to access or availability limitations. As a result, assurance over the accuracy, consistency, and reliability of reported KPI data could not always be obtained. **(High, Medium)**
- **Risk Management** – Although a formal process exists for escalating risks through the Assurance, Awareness and Alert reporting model, its implementation was not in place for all collaborated units. We also found there to be limited traceability of risk management across governance forums. **(Medium)**
- **Terms of Reference Currency and Alignment (Governance)** – Terms of Reference for key governance boards were not fully up to date or formally finalised, with draft documents, inconsistencies across governance documentation, and misalignment with current governance structures and responsibilities. Review cycles and version control were also not consistently maintained. **(Low)**

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

- **Structured Governance and Oversight** – A comprehensive governance structure was in place across collaborated units, including forums such as the Strategic Alliance Summit, Joint Chief Officer Board, and Force-level governance boards. These provided oversight of performance, operational delivery, and strategic alignment across the three Forces, with evidence of regular reporting and engagement.

SUMMARY OF ACTIONS FOR MANAGEMENT

The action priorities are defined as:

High	Medium	Low
Immediate management attention is necessary.	Timely management attention is necessary.	There is scope for enhancing control or improving efficiency.

Ref	Action for management	Priority	Responsible Owner	Date
1	A formal overarching governance document will be developed to cover the following: • Clearly defined roles and responsibilities for each collaborative function lead, alongside the identification of all collaborative units. • A structured framework for performance reporting requirements, setting out reporting frequency to each Force, the DCC Collaboration Board, and JCOB. • A defined risk management approach, including how risks are reported into the three DCC meetings and escalated to JCOB. • For each unit, agree and map out the reporting requirements to each of the three Force Performance Boards. BCH will ensure that the new procedure is agreed by the three DCCs and made available to each of the leads for the collaborated units.	Medium	BCH DCCs	31 December 2026
2	BCH will review and update all Section 22 agreements to ensure they: • Include clear version control details, including the last ratification date and next scheduled review date; • Are finalised and signed; • Have evidence of recent review and approval through the DCC Collaboration Board and Joint Chief Officer Board; and • Clearly document measurable KPIs and performance indicators within each agreement.	Medium	BCH HOCUs	6 July 2026
3	A data validation process will be implemented across each of the collaborated units to ensure that reported KPI data is reviewed and verified for accuracy. In addition, source data for reported KPIs will be retained to enable verification of accuracy.	High	BCH HOCUs	30 September 2026
4	BCH will enhance KPI management arrangements to ensure performance measures are formally defined and actively monitored across all collaboration units. This should include establishing clear processes for reviewing underperforming KPIs, with appropriate escalation and timely corrective action where performance targets are not met.	Medium	BCH DCCs	31 December 2026

Ref	Action for management	Priority	Responsible Owner	Date
5	BCH will embed a risk-update process across all collaborating functions. This will include implementing the Assurance, Awareness and Alert reporting framework, ensuring regular updates based on risks identified within the collaborative units' risk registers	Medium	BCH DCCs	6 July 2026