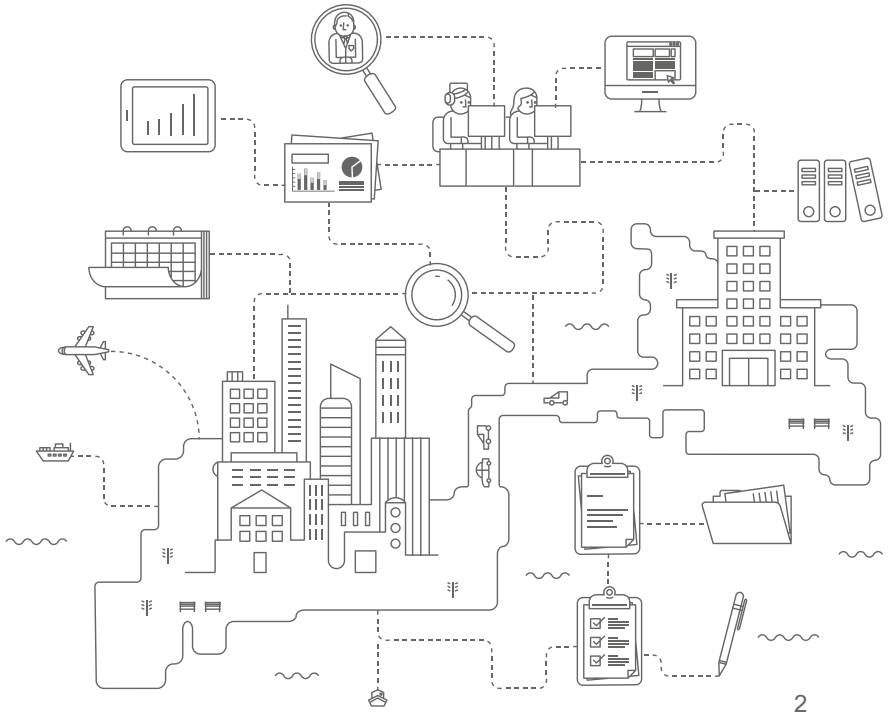
POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND CAMBRIDGESHIRE CONSTABULARY

Annual Internal Audit Report period ending 31 March 2026

CONTENTS



THE ANNUAL INTERNAL AUDIT OPINIONS

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 period ending 31 March 2026 the Head of Internal Audit opinion for the Police and Crime Commissioner for Cambridgeshire 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 opinions.

For the period ending 31 March 2026 the Head of Internal Audit opinion 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 opinions.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control, 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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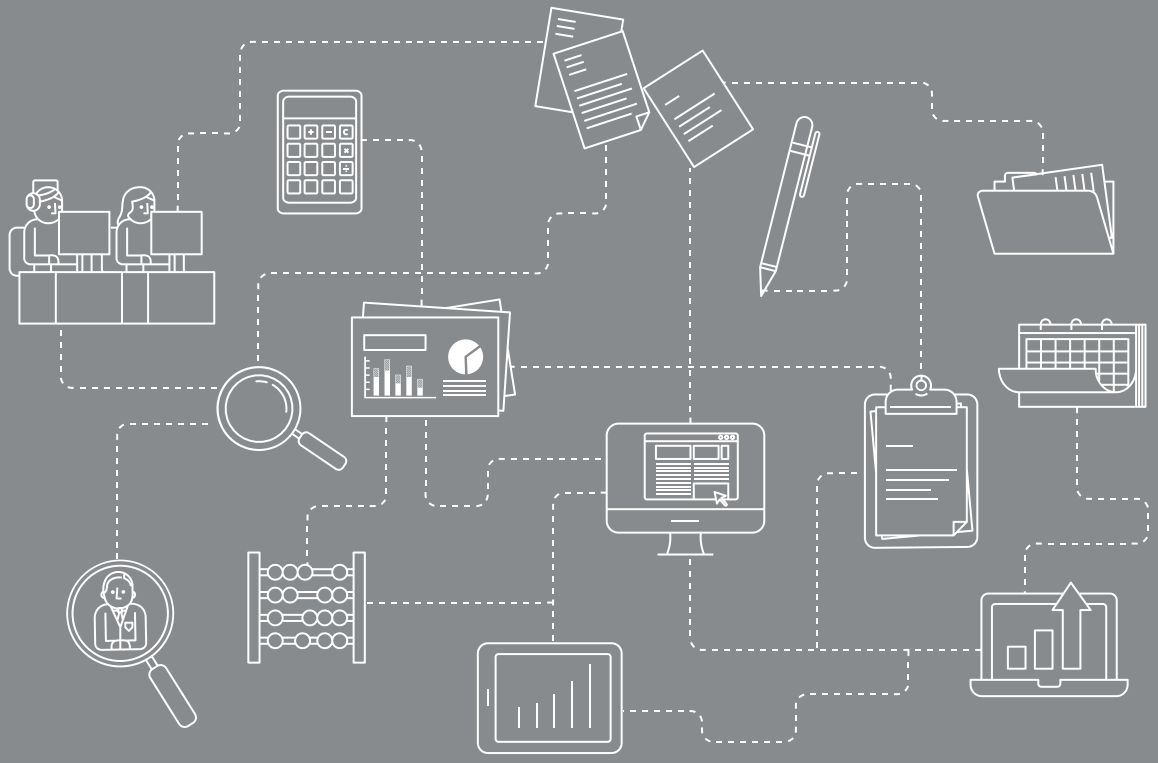

1 SCOPE AND LIMITATIONS OF OUR WORK

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

- Internal audit has not reviewed all risks and assurances relating to the organisation.
- The opinions are substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance frameworks. The assurance frameworks are one component that the board takes into account in prepared the annual governance statement (AGS).
- 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.
- 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 Police and Crime Commissioner for Cambridgeshire, members of Joint Audit Committee (JAC) and Cambridgeshire Constabulary.

Informing Our Opinions

02

2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINIONS

Our internal audit work for 2025/26 has focused on areas which directly impact the achievement of the Commissioners and Constabularies strategic objectives and how key risks are managed. We have continued to adopt a flexible approach to the plan with management, with adaptions to scope and timing occurring in-year to enhance the effectiveness of our work.

Governance	Risk Management	Control
Our Governance opinions have been informed through the governance aspects of the audits within the Constabulary and across our BCH reviews listed in a number of audits, specifically: • Fleet Management (Reasonable Assurance) • Risk Management (Reasonable Assurance) • Follow Up (Good Progress) • BCH ERSOU Financial Management (Substantial Assurance) • BCH Fraud Controls (Advisory) • BCH Cyber Security (Partial Assurance) • BCH Corporate Review (Advisory)	We completed a Risk Management audit in the 2025/26 financial year at the OPCC and Constabulary, providing reasonable assurance. 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.	Overall, we were satisfied that the control frameworks were adequate and effective, although we identified areas where enhancements were required to ensure these remain effective. We have undertaken five Cambridgeshire only audits and from these reviews we provided five positive opinions: • Payments and Creditors (Reasonable Assurance) • General Ledger (Substantial Assurance) • Fleet Management (Reasonable Assurance) • Risk Management (Reasonable Assurance) • Follow Up (Good Progress) We also completed five BCH collaborated reviews to date, two of which were advisory, one of which resulted in a positive opinion, and two a negative opinion: • BCH ERSOU Financial Management (Substantial Assurance) • BCH Fraud Controls (Advisory) • BCH Cyber Security (Partial Assurance) • BCH Business Continuity (Partial Assurance) • BCH Corporate Review (Advisory)

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 to be confirmed by internal audit on a specific follow up review.

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

Working with other assurance providers

In forming our opinions 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 issued two negative assurance BCH reports. The organisations will need to consider the impact of this area on the annual governance statement, and any actions taken by the year end to implement the management actions agreed. This area was:

- BCH Cyber Security (Partial Assurance)
- BCH Business Continuity (Partial Assurance)

In addition, emerging Local Government Re-organisation, combined with changes to police governance, including the Government's decision to abolish Police and Crime Commissioners (PCCs) by 2028, presents a future risk with potential implications for governance structures, accountability arrangements and partnership working. Whilst this does not directly affect the 2025/26 head of internal audit opinions, it will require proactive oversight and clear transition planning to manage governance complexity and maintain effective controls as changes progress.

Our Performance

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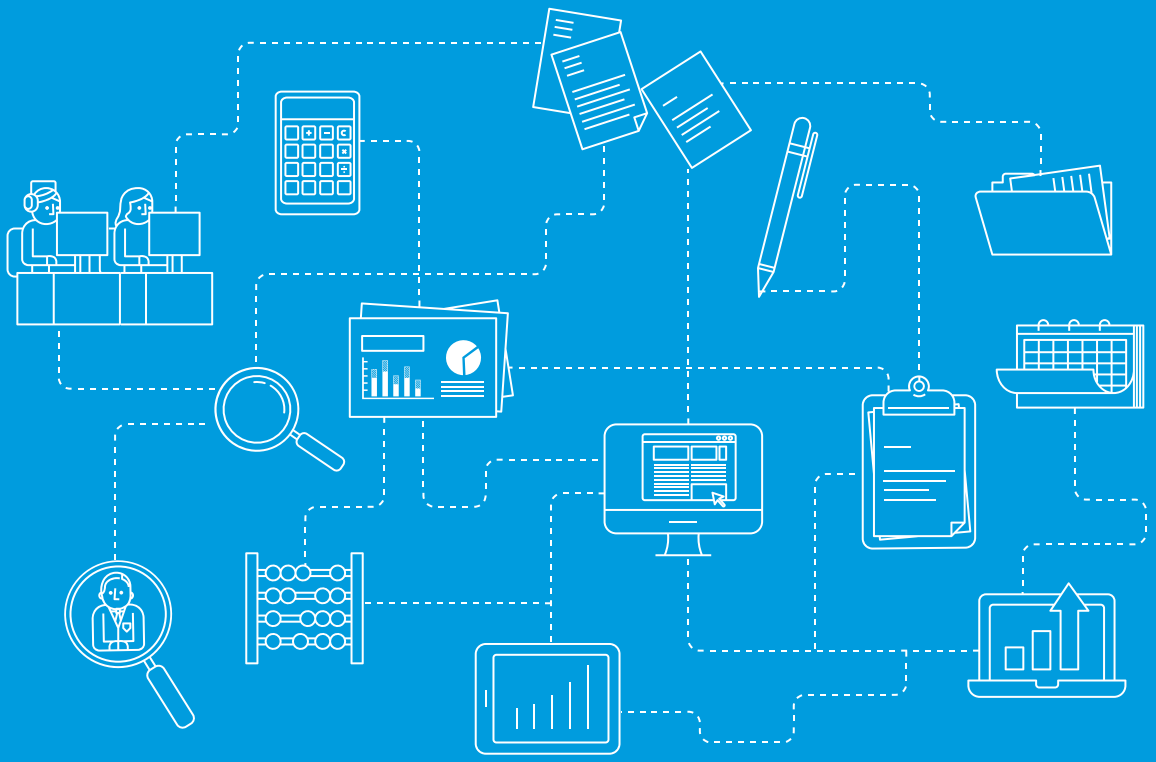

3.1 Wider value adding delivery

We have added value throughout the year, such as through the emergency services sector briefings issued to the JAC and through the use of specialists in our internal audit engagements.

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 Audit Committees to consider in relation to police misconduct, supported by key statistics in relation to this area. We also highlighted questions for Committees to consider in relation to responding to findings from PEEL inspections and various other topical areas.
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: • 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.
Police Audit Group Conference	Members of the internal audit team attended the annual Police Audit Group Conference and ad-hoc meetings throughout the year to share knowledge and best practice, including audit planning processes and key risks facing the sector such as AI.
RSM's Emerging Risk Radar	We provided our Autumn 2025 and Spring 2026 Emerging Risk Radar documents, which analysed 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, cyber-attacks increasing and AI governance lag.
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 2025/26. Such as the use of technology risk specialists in the Cyber Security and Business Continuity audits, as well as fraud risk specialists in the Fraud Controls review.

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 in the UK Public Sector. Our next external quality assessment (EQA) will take place in 2026.

Under the Standards, internal audit services are required to have an EQA 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 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.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2025/26. 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

Delivery	Target	Performance	Quality	Target	Performance
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%	10 days average	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%	1 day average	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 average	Response for emergencies and potential fraud	1 working days	N/A

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

Appendices

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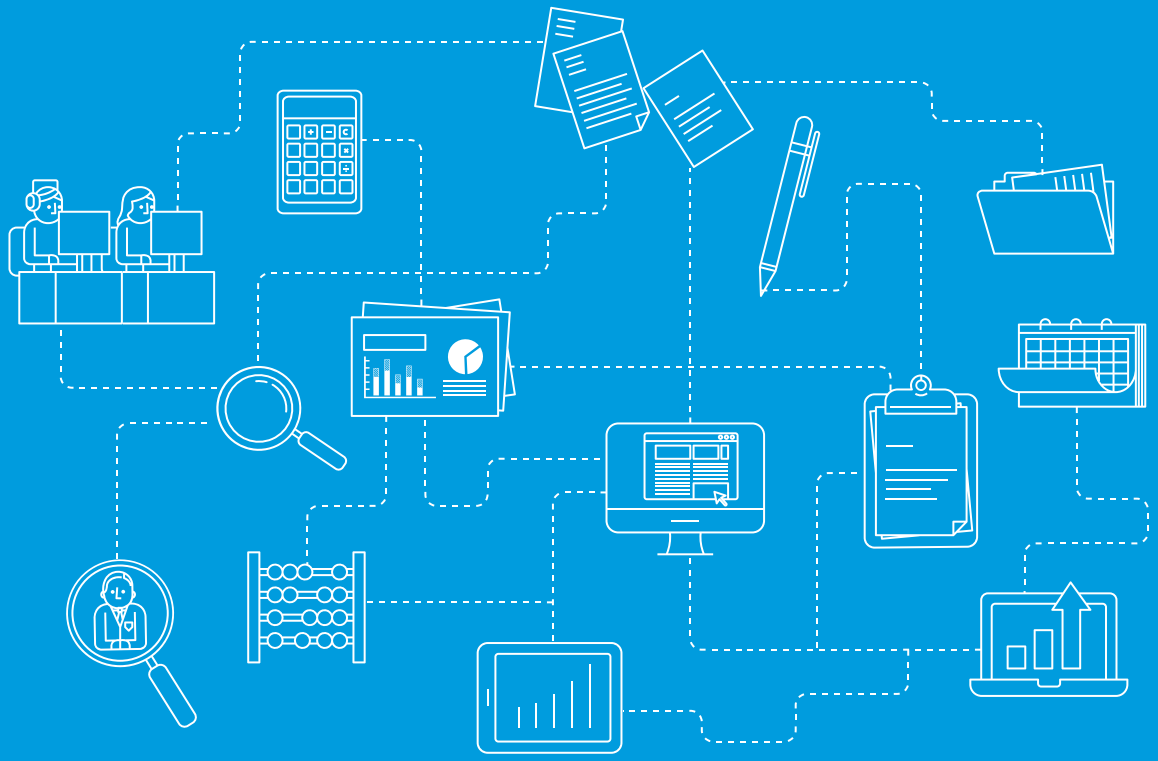

APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

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	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
Payments and Creditors 1.25/26	Chief Superintendent	**Reasonable Assurance**	2	1	0
General Ledger 2.25/26	Chief Finance Officer and Director of Resources	**Substantial Assurance**	1	0	0
Fleet Management 3.25/26	Chief Finance Officer and Director of Resources	**Reasonable Assurance**	1	2	0
Risk Management 4.25/26	Head of Governance and Compliance	**Reasonable Assurance**	7	3	0
Follow up 5.25/26	Chief Finance Officer and Director of Resources	**Good Progress**	0	0	0
Total			**11**	**6**	**0**

Assignment – BCH Collaboration	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
Fraud Controls – Cambridgeshire	Chief Finance Officer and Director of Resources	Final – Advisory	2	7	2
ERSOU Financial Management – Bedfordshire	Head of Finance	Final – Substantial Assurance	4	0	0
Cyber Security – Hertfordshire	Chief Finance Officer	Final – Partial Assurance	1	15	2
Business Continuity – Hertfordshire	Chief Finance Officer	Final – Partial Assurance	0	6	0
Corporate Review – Bedfordshire (Advisory)	Chief Finance Officer	Final – Advisory	1	4	1
Total			**8**	**32**	**5**

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.

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