



# THE POLICE AND CRIME COMMISSIONER OF NORTH YORKSHIRE AND THE CHIEF CONSTABLE OF NORTH YORKSHIRE

**Internal Audit Strategy 2018 / 2021**

**Presented at the Joint Independent Audit  
Committee meeting of: 20 March 2018**

This report is solely for the use of the persons to whom it is addressed.  
To the fullest extent permitted by law, RSM Risk Assurance Services LLP  
will accept no responsibility or liability in respect of this report to any other party.





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# 1 INTRODUCTION

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting **the Police and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire** in the year ahead, including changes within the sector.

## 1.1 Background

North Yorkshire is the largest policing county in England. Delivering a service to such a large geographical area is unavoidably costly, with resources needing to be shared appropriately across communities. As well as its rural areas, North Yorkshire includes the City of York and many towns, with Harrogate and Scarborough the principal urban areas. The Force, in line with the national picture, is faced with challenges in providing visible local services and ensuring equality of access to key services for all.

The Policing and Crime Act 2017 is now in place (from 31 January 2017) introducing a number of measures including giving police and crime commissioners the option of taking on responsibility for the governance of local fire and rescue services and placing a duty for emergency services to explore collaboration opportunities to improve effectiveness or efficiency. Within North Yorkshire a business case has been developed and submitted, however at the time of writing this plan the final outcome of this business case had not been decided.

## 1.2 Vision

The Police and Crime Plan sets out the Police and Crime Commissioner's vision and priorities for 2017 / 2021. The Police and Crime Plan sets out a shared vision for North Yorkshire's police service as:

'Our vision is that by 2021, North Yorkshire Police will be synonymous with exemplary service, in the round.'

## 1.3 Strategic Priorities

In order to achieve the above vision, the Police and Crime Plan's priorities for North Yorkshire are:

- Caring about the Vulnerable;
- Ambitious Collaboration;
- Reinforcing Local Policing; and
- Enhancing the Customer Experience

## 2 DEVELOPING THE INTERNAL AUDIT STRATEGY

We use your objectives as the starting point in the development of your internal audit plan.

### 2.1 Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following people:

- Interim Chief Executive and Monitoring Officer
- The Police and Crime Commissioner's Chief Finance Officer
- Chief Constable
- Deputy Chief Constable
- Assistant Chief Constable
- The Chief Constable's Chief Finance Officer
- Head of Commissioning and Partnership Services

Based on our understanding of the organisations, the information provided to us by the stakeholders above, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (**see appendix A and B for full details**).

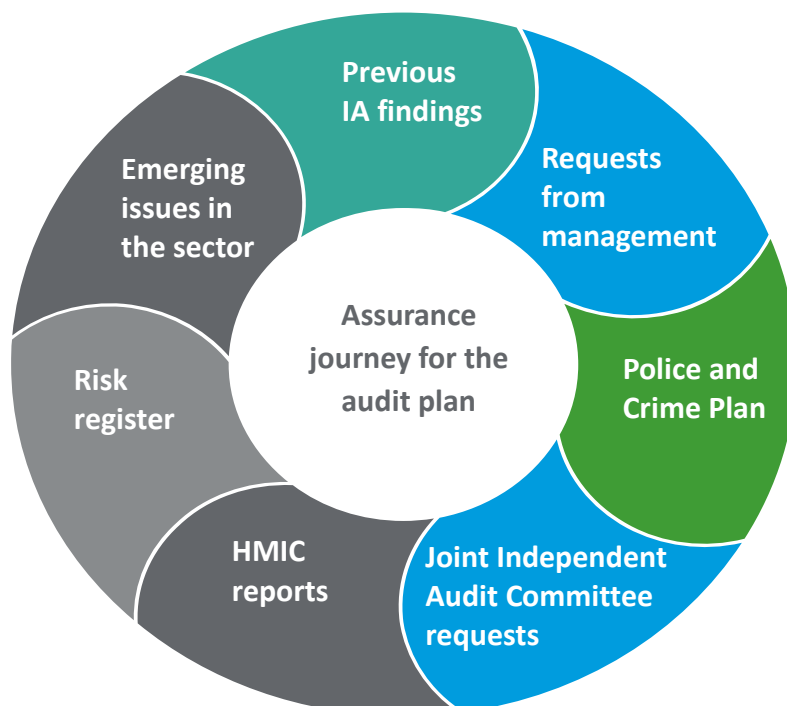


Figure A: Sources considered when developing the internal audit strategy

## 2.2 How the plan links to your strategic risks

Each of the reviews that we propose to undertake is detailed in the internal audit plan and strategy within appendices A and B. In the table below we bring to your attention particular key audit areas and discuss the rationale for their inclusion or exclusion within the strategy.

Area	Reason for inclusion or exclusion in the audit plan/strategy
Police and Crime Plan	The Police and Crime Plan was published in 2017 and we have included a review to consider how the Police and Crime Commissioner receives assurance from the Force that priorities will be delivered.
Crime Data Integrity	In February 2018, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) identified between 1 February 2017 and 31 July 2017 the Force had failed to record over 9,200 crimes.  We will consider the Force's action plan to address the recommendations raised by the HMICFRS.
MAUDS	The MAUDS strategy sets out the Force's vision for exploiting technologies to support delivery of operational policing services to the communities of North Yorkshire and the City of York. The impact of such technologies has not been fully realised at the time of writing this plan. As such, the scheduled review for 2018 / 2019 has been deferred to 2019 / 2020.
Complaints	To improve the independence of the complaints system, the Government has proposed to enable a greater role for directly-elected Police and Crime Commissioners (PCCs). As the legislation has not passed, an allocation of internal audit resource has been included in 2020 / 2021 to review the changes made.
Resource Management: Overtime	The Force has overspent on overtime in previous fiscal years and this area is a key stream of the Force's saving programme. This area will be reviewed in 2018 / 2019 to ensure this area is tightly controlled.
North East Transformation, Innovation and Collaboration (NETIC) Programme	A key focus of the Police and Commissioner's Police and Crime Plan is to widen and deepen collaboration with policing partners regionally and nationally. As such, RSM will review collaborative initiatives undertaken as part of North East Transformation, Innovation and Collaboration (NETIC) Programme in 2019 / 2020.
Estates Strategy	As a separate review, we will also consider the Estates Strategy and how it is aligned for future collaborative and partnerships workings.
Freedom of Information Act	A compliance review against the Freedom of Information Act has been commissioned for 2018 / 2019. This has been included to reflect the organisations operating at 60 per cent compliance with the Act.
General Data Protection Regulation (GDPR)	RSM reviewed the organisations readiness for GDPR in January 2018. Due to the importance of this area and potential fines / reputation damage, a review has been included in 2018 / 2019 to review compliance with the legalisation post May 2018.

Area	Reason for inclusion or exclusion in the audit plan/strategy
2017 / 2018 RSM audits	In 2017 / 2018, RSM reviewed Human Resources: Recruitment, IOM and Code of Practice – Victims of Crime. These areas will be revisited in 2019 / 2020 to allow for practises to be embedded.

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: time for tracking the implementation of actions and an audit management allocation. Full details of these can be found in appendices A and B.

### 2.3 Working with other assurance providers

The Joint Independent Audit Committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisations.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised and a suitable breadth of assurance obtained.

## 3 YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Dan Harris as Head of Internal Audit, supported by Angela Ward as Senior Manager and Philip Church as your client manager.

### 3.1 Fees

Our fee to deliver the 2018/19 plan is in line with the rates quoted within our recent tender submission.

### 3.2 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.” RSM was found to have an excellent level of conformance with the IIA’s professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

### 3.3 Conflicts of interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

## 4 JOINT INDEPENDENT AUDIT COMMITTEE REQUIREMENTS

In approving the internal audit strategy, the committee is asked to consider the following:

- Is the Joint Independent Audit Committee satisfied that sufficient assurances are being received within our annual plan (as set out at appendix A) to monitor the organisations' risk profile effectively?
- Does the strategy for internal audit (as set out at appendix B) cover the organisations' key risks as they are recognised by the Joint Independent Audit Committee?
- Are the areas selected for coverage this coming year appropriate?
- Is the Joint Independent Audit Committee content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit?

It may be necessary to update our plan in year, should your risk profile change and different risks emerge that could benefit from internal audit input. We will ensure that management and the Joint Independent Audit Committee approve such any amendments to this plan.



## APPENDIX A: INTERNAL AUDIT PLAN 2018 / 2019

Audit	Objective of the review	Days	Proposed timing	Proposed Joint Independent Audit Committee
<b>Risk Based Assurance</b>				
ICT – Digital Enabled Services	The Government has urged police forces to become thoroughly equipped for the digital age. As such, we will review the Force's arrangements to meet this key national focus.	15	Week commencing 14 January 2019	March 2019
General Data Protection Regulation	We reviewed the organisations GDPR readiness in January 2018 for the impending introduction of the legislation in May 2018. This review will consider the control framework in place post May 2018 and confirm the organisations are in compliance with GDPR.	10	Week commencing 1 October 2018	December 2018
Crime Data Integrity	<p>The Force received <b>partial assurance</b> on data quality in 2016 / 2017 and in 2017 / 2018. In February 2018, Her Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS) identified between 1 February 2017 and 31 July 2017 the Force had failed to record over 9,200 crimes.</p> <p>We will review the action plan developed to address the actions raised by the HMICFRS to ensure they are monitored and implemented in a timely manner.</p>	10	Week commencing 2 July 2018	September 2018
<b>Core Assurance</b>				
Police and Crime Plan	<p>The Commissioner's Police and Crime Plan has been in place since April 2017. Four priorities have been included in this plan: Caring about the Vulnerable; Ambitious Collaboration; Reinforcing Local Policing and Enhancing the Customer Experience.</p> <p>Our review will ascertain if there is evidence to support the delivery of the objectives, progress is reviewed at regular intervals and where appropriate remedial action is put in place.</p>	7	Week commencing 16 July 2018	September 2018

Audit	Objective of the review	Days	Proposed timing	Proposed Joint Independent Audit Committee
Bail Restrictions	<p>Pre-charge bail, also known as police bail, enables those under investigation to be released from custody, potentially subject to conditions, while officers continue their enquiries.</p> <p>The authority of an inspector or above will now be required to grant pre-charge bail up to 28 days – with further extensions requiring higher levels of authority for exceptional circumstances. Police seeking extensions beyond three months will now also need to apply to a magistrate.</p> <p>We will consider the arrangements in place to manage, monitor and approval bail restrictions.</p>	8	Week commencing 13 August 2018	December 2018
Freedom of Information Act	We will review the organisations approach to processing of Freedom of Information requests. Compliance with the Act is currently at 60 percent.	8	Week commencing 10 September 2018	December 2018
Human Resources Management – Sickness and Absence including Police Officer Medical Retirement	A review of the reporting of sickness absence through to medical retirement application under A20 Police Pension Regulations, 2016.	15	Week commencing 13 August 2018	December 2018
Governance	A review of the governance structure of enabled services to deliver key projects within budget and in a timely manner.	8	Week commencing 24 September 2018	December 2018
Commissioning	We will undertake a review to provide assurance that the Youth Justice Service is delivering value in order to deliver the PCC's priorities.	6	Week commencing 8 October 2018	December 2018
Resource Management: Overtime	The overtime budget for the Force has overspent for the past three years. We will review the submission, approval and challenge where necessary of overtime claimed in accordance with the Force's procedures.	12	Week commencing 12 July 2018	September 2018

Audit	Objective of the review	Days	Proposed timing	Proposed Joint Independent Audit Committee
Force Management Statements	<p>The Force Management Statements are a self-assessment of the Force in the following areas:</p> <ul style="list-style-type: none"> <li>• the demand which the Force is likely to face;</li> <li>• the condition, capacity, capability, serviceability, performance and security of supply of the force's workforce and other assets (such as ICT);</li> <li>• the Force's plans to improve the efficiency with which the workforce and force assets are used; and</li> <li>• the force's financial income.</li> </ul> <p>As part of this review we will 'check and challenge' the data and self-assessment statements to ensure that what is being reported is an accurate reflection of the position.</p>	6	Week commencing 8 October 2018	December 2018
Transport Utilisation	The utilisation of the Force's fleet is monitored to ensure it's maximised.	6	Week commencing 10 December 2018	March 2019
Transparency – Specified Information Order	<p>Police and crime commissioners have a duty required by statute to publish information documents and information set out in the Elected Local Policing Bodies (Specified Information Order) 2011 and the Elected Local Policing Bodies (Specified Information) (Amendments) Order 2012.</p> <p>We will confirm all required information is available on the Force's and Commissioner's websites.</p>	5	Week commencing 30 April 2018	December 2018
<b>Other internal audit activity</b>				
Follow Up of Previous Management Actions	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	4	Week commencing 6 August 2018	September 2018
		4	Week commencing 7 January 2019	March 2019

Audit	Objective of the review	Days	Proposed timing	Proposed Joint Independent Audit Committee
Management	This will include: <ul style="list-style-type: none"> <li>• Annual planning;</li> <li>• Preparation for, and attendance at, Joint Independent Audit Committee;</li> <li>• Regular liaison and progress updates;</li> <li>• Liaison with external audit and other assurance providers; and</li> <li>• Preparation of the annual opinion.</li> </ul>	12	Throughout the year	N/A
<b>Total:</b>		136		

**NB:** Resources allocated to individual audits have taken into consideration the level of risk assigned to the area by the client, our knowledge of any existing client controls, including how effective these are, and the specialist nature of the area being reviewed. The resource level applied for the delivery of the area of work is reviewed as the detailed scope of the work is agreed with the executive lead.

## APPENDIX B: INTERNAL AUDIT STRATEGY 2018 / 2021

Proposed area for coverage	Internal audit coverage	2018 / 2019	2019 / 2020	2020 / 2021
<b>Risk based assurance</b>				
Crime Data Integrity	Strategic risk 5400: Standards of Data Recording	✓	✓	✓
Complaints	Strategic risk: 5716 - PSD Changes			✓
ICT	Strategic risk 6993: Delivery of ICT Change Programme	✓	✓	
	Principal risk 7574: Ability to maintain IT provision			
Code of Practice – Victims of Crime	Compromised ability to effectively deliver justice to victims of crime as a result of case file quality issues		✓	
General Data Protection Regulation	Risk 6790 - New Data Protection Legislation			
	Risk 7457 - Lack of a mature ISMS could lead to a data breach of confidential information	✓	✓	✓
Exhibits: Seizure, Storage and Disposal of Controlled Drugs	Risk 7043 - Management and storage of exhibits and crime files		✓	✓
Project Management	Immature project management throughout NYP could result in failed projects and outcomes that do not provide value for money			✓
Human Resource Management: Recruitment	Principal risk 7580 – Ability to recruit and retain staff		✓	
<b>Core Assurance</b>				
Police and Crime Plan	Our review will ascertain if there is evidence to support the delivery of the objectives, progress is reviewed at regular intervals and where appropriate remedial action is put in place.	✓		
Mobile Asset Utilisation and Deployment System (MAUDS)	Benefits realisation audit to provide independent assurance that the original objectives of the project have been realised.		✓	
Risk Management	RSM has been working with management in relation to the development of its strategic risks. A facilitated workshop with the senior leadership team to refresh the approach to strategic risk management was undertaken, the workshop was held on 19 <sup>th</sup> September 2017. We will consider the embedding of the new risk management framework in 2019 / 2020.		✓	✓

Proposed area for coverage	Internal audit coverage	2018 / 2019	2019 / 2020	2020 / 2021
Governance	<p>The Police and Crime Commissioner's Chief Finance Officer is developing a Code of Corporate Governance Framework that will provide clarity to the way the two organisations, the Police and Crime Commissioner and Chief Constable, will be governed jointly and separately, do to business in the right way, for the right reason at the right time.</p> <p>In 2018 / 2019 we will review governance arrangements to deliver projects effectively.</p>	✓		✓
North East Transformation, Innovation and Collaboration (NETIC) Programme	Failure to establish and realise benefits from investments made in collaborative workings.		✓	
Human Resources Management – Police Officer Medical Retirement	<p>The Force has identified that a high level of staff are retired based on medical grounds proportionate to the working population.</p> <p>We will confirm only eligible staff are retired and this subject to rigorous approval.</p>	✓		
Force Management Statements	A 'check and challenge' review of the data recorded in the Force Management statements.	✓		✓
Resource Management: Overtime	Overtime has been claimed appropriately, approved and monitored to ensure budgets are achieved.	✓		
Policies and Procedures	Policies and procedures are updated in a timely manner to reflect legislative changes and policing circulars.			✓
Transport Utilisation	The Force's police vehicle fleet is fully utilised.	✓		
Transparency – Specified Information Order	The organisations have published the required information under the Specified Information Order.	✓		
Special Constables and Police Volunteers	<p>Special Constables and Police Volunteers have been an integral part of modern day policing. However, there is a significant cost implication in training these staff and ensuring they are used effectively is paramount.</p> <p>This review will be undertaken by a sector specialist.</p>			✓

Proposed area for coverage	Internal audit coverage	2018 / 2019	2019 / 2020	2020 / 2021
Grants	With grants being issued by the PCC, including the Commissioner Community Fund, there is need to provide assurance that funds awarded support the achievement of the Police and Crime Plan and have been used in accordance with the contract particulars.			✓
Estates Strategy	The Estates Strategy is reflective of the organisations' approach to increase collaborative and partnership workings.		✓	
Firearms Licensing	Firearms are managed in accordance with the firearms licensing law 2016.		✓	
Safety Camera Vans	Review of the maintenance of Safety Camera Vans.		✓	
Vetting process	We will review the processes to ensure that all staff and contractors are subject to vetting to the appropriate level, and consider who the Force ensures that this is completed promptly.		✓	
Key Financial Controls	To provide assurance over the operation of internal controls within the financial processes.		✓	✓
Commissioning	Annual review of commissioning arrangements to ensure the Police and Crime Commissioner is receiving value for money.	✓	✓	✓
Mobile Asset Utilisation and Deployment System (MAUDS)	Benefits realisation audit to provide independent assurance that the original objectives of the project have been realised.		✓	
Freedom of Information Act	Compliance review against the Freedom of Information Act.	✓		
Integrated Offender Management	In 2017 / 2018 RSM reviewed IOM identified, at a strategic level, there was a requirement to clarify and set the direction for IOM whether in a partnership or police setting.		✓	
Bail Restrictions	A review to consider the impact of the pre-charge bail limit of 28 days as part of the Police and Crime Act.	✓		
<b>Other Internal Audit Activity</b>				
Follow Up of Previous Management Actions	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	✓	✓	✓

Proposed area for coverage	Internal audit coverage	2018 / 2019	2019 / 2020	2020 / 2021
Management	This will include: <ul style="list-style-type: none"> <li>• Annual planning;</li> <li>• Preparation for, and attendance at, Joint Independent Audit Committee;</li> <li>• Regular liaison and progress updates;</li> <li>• Liaison with external audit and other assurance providers; and</li> <li>• Preparation of the annual opinion.</li> </ul>	✓	✓	✓

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# APPENDIX C: LEVELS OF ASSURANCE GIVEN TO DATE

The table below informs of the audits that received a negative (partial or no assurance opinion) in 2016 to 2018. This table will help to provide context when considering the key risk areas we wish to include in this year's plan.

Audit	Opinion	Low	Medium	High
<b>2016 / 2017</b>				
Data Quality (including Governance)	<p>The diagram shows four circles representing assurance levels: No assurance, Partial assurance, Reasonable assurance, and Substantial assurance. The Partial assurance circle is highlighted in orange. A horizontal double-headed arrow spans the width of the four circles, with a minus sign (-) below the left half and a plus sign (+) below the right half.</p>	1	2	1
Collaborations – Odyssey	<p>The diagram shows four circles representing assurance levels: No assurance, Partial assurance, Reasonable assurance, and Substantial assurance. The Partial assurance circle is highlighted in orange. A horizontal double-headed arrow spans the width of the four circles, with a minus sign (-) below the left half and a plus sign (+) below the right half.</p>	0	1	1
<b>2017 / 2018</b>				
Human Resources – Recruitment	<p>The diagram shows four circles representing assurance levels: No assurance, Partial assurance, Reasonable assurance, and Substantial assurance. The Partial assurance circle is highlighted in orange. A horizontal double-headed arrow spans the width of the four circles, with a minus sign (-) below the left half and a plus sign (+) below the right half.</p>	0	5	1
Exhibits: Seizure, Storage and Disposal of Controlled Drugs	<p>The diagram shows four circles representing assurance levels: No assurance, Partial assurance, Reasonable assurance, and Substantial assurance. The Partial assurance circle is highlighted in orange. A horizontal double-headed arrow spans the width of the four circles, with a minus sign (-) below the left half and a plus sign (+) below the right half.</p>	2	0	2
Integrated Offender Management	<p>The diagram shows four circles representing assurance levels: No assurance, Partial assurance, Reasonable assurance, and Substantial assurance. The Partial assurance circle is highlighted in orange. A horizontal double-headed arrow spans the width of the four circles, with a minus sign (-) below the left half and a plus sign (+) below the right half.</p>	0	2	1

# APPENDIX D: INTERNAL AUDIT CHARTER

## Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for the Police and Crime Commissioner for the North Yorkshire and the Chief Constable of North Yorkshire. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Joint Independent Audit Committee.

The internal audit service is provided by RSM Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisations have in place, focusing in particular on how these arrangements help you to achieve its objectives. An overview of our client care standards are included at Appendix E of the internal audit strategy plan for 2018 / 2021.

The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core Principles for the Professional Practice of Internal Auditing;
- Definition of internal auditing;
- Code of Ethics; and
- The Standards.

## Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

## Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Dan Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Police and Crime Commissioner, the Chief Constable and further reporting lines to the two Chief Finance Officers.

The head of internal audit has unrestricted access to the chair of audit committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to the Police and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit committee. Equally we do not want the organisations to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

## Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit committee to demonstrate the performance of the internal audit service.

## Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisations where audits will be performed, including other specialised services from within or outside the organisations.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisations.
- Initiate or approve accounting transactions on behalf of the organisations.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

## Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the audit committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the audit committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisations during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisations' governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisations by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisations' annual governance statement.

## Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

## Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under PSIAS, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the Joint Independent Audit Committee.

## Fraud

The Joint Independent Audit Committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Joint Independent Audit Committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

## **Approval of the internal audit charter**

By approving this document, the internal audit strategy, the Joint Independent Audit Committee is also approving the internal audit charter.

## APPENDIX E: OUR CLIENT CARE STANDARDS

- Discussions with senior staff at the client take place to confirm the scope four weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 10 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting, and will be issued by RSM to the agreed distribution list.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

# FOR FURTHER INFORMATION CONTACT

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## **rsmuk.com**

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

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 the Police and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire, 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 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 Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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