



# THE POLICE, FIRE AND CRIME COMMISSIONER FOR NORTH YORKSHIRE AND THE CHIEF CONSTABLE OF NORTH YORKSHIRE

## Internal Audit Progress Report

**23 June 2020**

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.





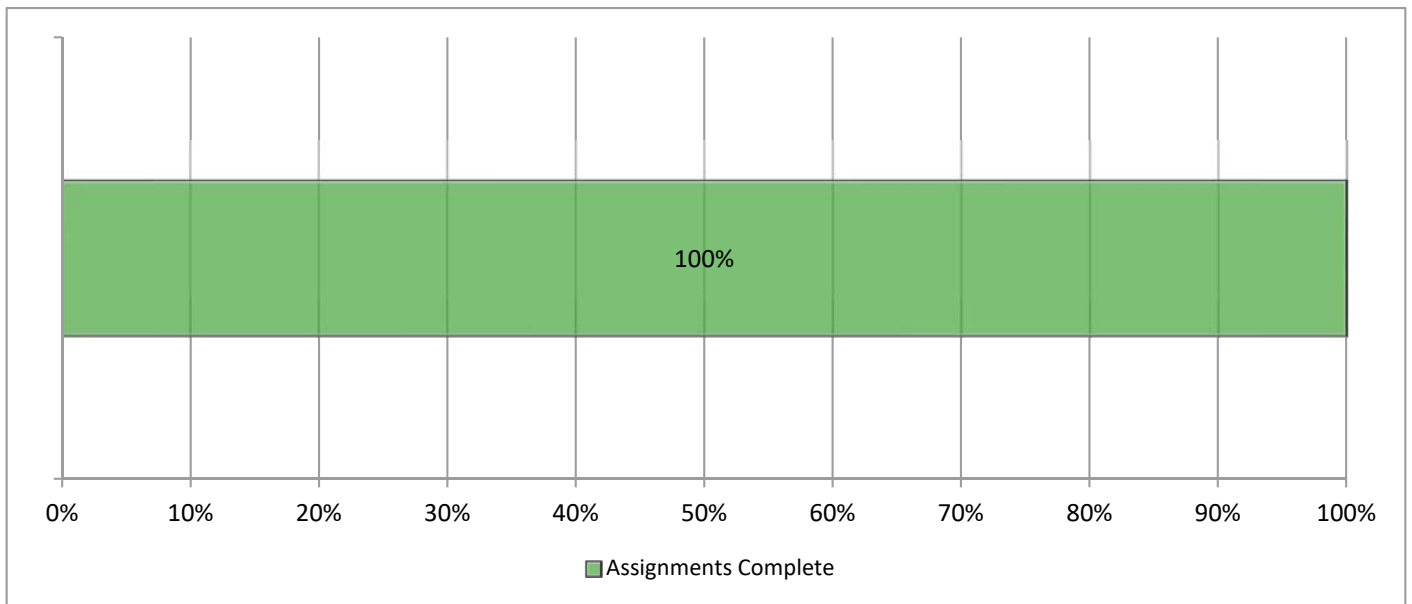
# CONTENTS

1	Introduction.....	2
2	Reports considered at this Joint Independent Audit Committee.....	3
3	Looking ahead 2020 / 2021.....	4
4	Other matters .....	5
	Appendix A: Internal audit assignments completed to date .....	7
	For further information contact .....	9

# 1 INTRODUCTION

The internal audit plan for 2019 / 2020 was approved by the Joint Independent Audit Committee on 19 March 2019.

The graphic below provides a summary update on progress against the 2019 / 2020 plan.


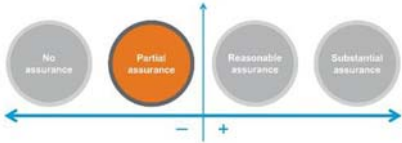


## 2 REPORTS CONSIDERED AT THIS JOINT INDEPENDENT AUDIT COMMITTEE

This table informs of the audit assignments that have been completed since the last Joint Independent Audit Committee held.

We have finalised three reports since the previous meeting and these are detailed in the table below.

Appendix A also details the full history of the audits completed in 2019 / 2020.

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Seized Exhibits: Temporary Stores	Final		3	1	3
Business Continuity Planning	Final		3	2	1
Policies and Procedures	Final		3	4	0

### 2.1 Impact of findings to date

The Joint Independent Audit Committee (JIAC) should note that the assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the JIAC should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

To date we have issued six final reports with a partial assurance opinion, whilst these opinions have impacted on the organisations' year end opinions, they have not resulted in qualified opinions given a number of positive opinions in our other reviews. Some of the issues and actions taken by management may however need to be reflected in the annual governance statements.

### 3 LOOKING AHEAD 2020 / 2021

The current Covid-19 situation means that our clients and internal audit are working differently. We understand and recognise the organisations' strategic / primary objectives, and that the developments around Covid-19 will continue to impact on all areas of the organisations' risk profile. We will work closely with management to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs in the current circumstances.

Assignment area	Status	Target Joint Independent Audit Committee
Follow Up of Previous Internal Audit Management Actions: V1	Fieldwork scheduled to take place week commencing 29 June 2020  <b>Planning document issued and approved</b>	21 September 2020
Overtime, Bonus and Honorarium Payments	Fieldwork scheduled to take place week commencing 13 July 2020	21 September 2020
Bail Management	Fieldwork scheduled to take place week commencing 13 July 2020	21 September 2020
Human Resources: Training	Fieldwork scheduled to take place week commencing 10 August 2020	14 December 2020
Collaborations	Fieldwork scheduled to take place week commencing 7 September 2020	14 December 2020
IT	Fieldwork scheduled to take place week commencing 7 September 2020	14 December 2020
HMICFRS: Recommendation Tracking	Fieldwork scheduled to take place week commencing 28 September 2020	14 December 2020
Financial Controls: Procurement	Fieldwork scheduled to take place week commencing 9 October 2020	14 December 2020
Ethics	Fieldwork scheduled to take place week commencing 26 October 2020	14 December 2020
Crime Recording: Equality	Fieldwork scheduled to take place week commencing 7 December 2020	16 March 2021
Follow Up of Previous Internal Audit Management Actions: V2	Fieldwork scheduled to take place week commencing 11 January 2021	16 March 2021
Victims' Code	Fieldwork scheduled to take place week commencing 11 January 2021	16 March 2021
Complaints Readiness	Fieldwork scheduled to take place week commencing 25 January 2021	July 2021
Force Management Statements	Fieldwork scheduled to take place week commencing 15 February 2021	July 2021
Project / Capital Expenditure	Fieldwork scheduled to take place week commencing 15 February 2021	July 2021

## 4 OTHER MATTERS

### 4.1 Changes to the audit plan

There have been three changes to the audit plan, please see details below:

#### Reason for change

Victims' Code

The Government are consulting on a new victims' law at the moment and a new Victims' Commissioner has been appointed. As there is some uncertainty if a law is implemented rather than a code a decision has been made to defer the review until 2020 / 2021.

Subject to approval, the Victims' Code review will be replaced with Firearms Licensing.

**Approved at 23 July 2019 Joint Independent Audit Committee meeting.**

Human Resource Management and Succession Planning

Transform 2020

Both reviews were linked to the implementation of the Transform 2020 programme. Discussions with key stakeholders confirmed changes had not been fully implemented. Approved by management, Business Continuity Planning and Policies and Procedures have replaced these reviews. Both areas were discussed as part of the planning process for 2020 / 2021.

**Approved at 31 March 2020 Joint Independent Audit Committee meeting.**

### 4.2 Key performance indicators (KPIs)

Delivery	Quality		Quality	Quality	
	Target	Actual		Target	Actual
Draft reports issued within 10 working days of debrief meeting	10 working days	11 working days (average)	Conformance with PSIAS and IIA Standards	Yes	Yes
			Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	As and when required
Final report issued within 3 working days of management response	3 working days	1 working day (average)	% of staff with CCAB/CMIIA qualifications	>50%	64%

High and Medium recommendations followed up	Yes	Yes	Response time for all general enquiries for assistance	2 working days	2 working days (average)
			Response for emergencies and potential fraud	1 working day	-

## Sector Briefings

Since the last Joint Audit Committee meeting, we have issued the following client briefings and we can provide electronic copies to members if required:

- **COVID-19 Fraud Risks**
- **Alert: COVID-19 used as click bait**
- **Cyber security risk – Remote Working and New Challenges**
- **Internal audit update (appended)**

# APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE 2019/20

Reports previously seen by the Joint Independent Audit Committee and included for information purposes only:

Assignment	Opinion issued	Actions agreed		
		L	M	H
Vetting		2	0	0
Positive Action Plan		1	4	0
Follow Up of Internal Audit Management Actions: Visit 1	Little progress	0	1	2
Risk Management		2	5	0
Human Resources: Wellbeing		4	5	0
Criminal Disclosure		2	4	0
Firearms Licensing		5	0	0
Integrated Offender Management		0	3	2



Assignment	Opinion issued	Actions agreed		
		L	M	H
Service Operations		0	7	2
Misconduct and Disciplinary Process		1	6	0
Follow Up of Internal Audit Management Actions: Visit 2	Reasonable Progress	0	2	0

# FOR FURTHER INFORMATION CONTACT

**Dan Harris, Head of Internal Audit**

RSM  
1 St. James' Gate  
Newcastle upon Tyne  
NE1 4AD

M: 07792 948767  
[Daniel.Harris@rsmuk.com](mailto:Daniel.Harris@rsmuk.com)

## **rsmuk.com**

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of **The Police, Fire 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.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

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

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

---

# RSM: HELPING OUR INTERNAL AUDIT CLIENTS ON THE ROAD TO RECOVERY

The spread of the COVID-19 coronavirus continues to dominate the news, with major implications for public health and the NHS. It is also causing economic disruption across the globe and turbulence on the markets. As you would expect we are monitoring developments closely for both our people's safety and our clients' understandable requirements for safe but effective ongoing service delivery as far as practicable. We have, as you expect, put in place sensible measures to ensure that not only is RSM Risk Assurance Services well prepared, but that we are agile and able to respond to changing work environments as our clients make the first early steps towards some form of recovery.

I wanted to reassure you that in respect of the spread of COVID-19 outbreak we are focused on three things:

- the health and welfare of our clients and staff;
- our ability to continue to support clients in all scenarios; and,
- of course, the delivery of our planned audit reviews and annual opinions.

I am therefore sharing with you some of the specific actions that we have taken and our proposed solutions as we move gradually from lockdown.

## The current position during lockdown

At RSM we have a robust approach to risk management, and operational effectiveness is integral to our business; so, we had been prepared for abnormal events for some time through a comprehensive Business Continuity Plan (BCP).

Our BCP identified the requirements that would be needed for each area of the business to function under a wide range of scenarios including natural disasters, acts of terrorism, data breaches, power and transport failures and major sickness outbreaks such as pandemics.

We have invested significantly in technology and infrastructure to ensure that our business is both robust and adaptable and is able to cope with significant and potentially disruptive events.

This planning and investment has meant that all RSM Risk Assurance Services staff can work from home and can remotely access our systems within a secure IT environment.

- All staff members are provided with laptops and internet connectivity via dongle, hotspot or home Wi-fi.
- We are able to direct work phone lines to employee mobile phones.
- We operate share file arrangements that allow the secure electronic sharing of our clients' data for audit purposes.

We have engaged with our internal audit clients and their changing assurance and advisory needs as a consequence of a significantly changed risk profile; and have been agile in flexing our audit plans and performing new audits to meet these changing client needs.

As a result, we have been able to provide a remote internal audit service to all of our internal audit clients that have requested internal audit assurance and advice since the commencement of the COVID-19 outbreak.

## Moving forwards towards recovery

We are aware that our clients are all facing very different challenges.

- Our clients in the NHS and emergency services have been at the forefront of the current battle against the virus and have continued to work on site.
- Some of our clients had largely ceased operations, eg construction and manufacturing, but under the latest Government guidance 'are allowed to be open and should be open'.
- Other clients have adopted remote home working but, in line with Government guidance will be gradually moving some or all of their operations back to the workplace. The education sector is a good example of this.

- 
- While for other clients, home working in varying degrees will continue into the medium term and even become part of the new 'business as usual'.

In considering how we respond to these varying challenges the health, safety and well-being of our staff and clients is of paramount importance to us.

We are therefore closely monitoring and implementing official guidelines from the Government and health organisations in respect of COVID-19. In particular, we are taking note of the new Government guidance (issued on 11 May) that the people who can work from home in England should continue to do so 'for the foreseeable future'. But the Government also says that those who cannot, should travel to work if it is open.

#### **Our response to this guidance is in line with Government policy.**

- Where we can perform the internal audit work remotely from home, we will continue to do so. For the many audits undertaken during lockdown this has already proven to be highly successful.
- We recognise that not all internal audit work can be performed remotely. In these cases where our clients are working on site we will, with the agreement of our client's, visit the client's site to perform those elements of our internal audit work that cannot be performed remotely. In doing this on-site work we will follow all Government guidance on social distancing and of course the health and safety processes put in place by our clients. This will include:
  - Only using staff that are from households that are not under-going any self-isolation or are subject to any shielding as they contain household members in the 'at risk categories'.
  - Avoiding the use of public transport for social distancing reasons.
  - To reduce the risk of infection we will minimise the on-site work to those elements of our work that require an on-site presence and will continue to use digital communication methods for as much of our work as possible
  - Regular use of hand sanitiser.
  - Use of face masks where required.

We believe that with caution and care we can start to undertake internal audit work that is not possible to be performed remotely through home working – for those of our clients who have remained at their workplace or are now starting to return. This will, we believe, help our clients through the recovery process by re-establishing some of their internal risk management and governance arrangements and help provide much needed assurance in this rapidly changing and challenging environment.

If you are scheduled to receive an audit review in the next eight weeks, we will be contacting you to discuss this in greater detail.

In the meantime, we want to reassure you that we are taking sensible precautions to minimise the potential impact of coronavirus on our clients, staff and operations while ensuring it is business as usual, as far as possible, during this busy period.

If you have any questions on this, please do not hesitate to ask your usual RSM contact.