



**North Yorkshire Police, Fire and Crime
Commissioner
Fire and Rescue Service**

Internal Audit Third Progress Report 2020/21

Assistant Director – Audit Assurance: Stuart Cutts
Head of Internal Audit: Max Thomas

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Background

- 1 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Service's Audit Charter. In accordance with the PSIAS, the Head of Internal Audit is required to report progress to the committee on the programme of internal work to support the annual internal audit opinion, and to highlight any emerging significant risks and/or control issues we have become aware of.
- 2 This is the third Internal Audit progress report to be received by the Audit Committee in 2020/21. This report updates the committee on the work relating to the 2020/21 audit year completed to 5 March 2021.

Internal Audit work update

- 3 We have issued four internal audit reports (on ICT infrastructure, Control Room, Risk Management and Procurement) in the period since the last committee. One audit (on Supplies and Stores) has been issued as a draft report. Further information on these audits is included in Appendix A. The final reports for all audits concluded are included separately, as part of the papers for this Committee.

Audit Opinions

- 4 For most reports we provide an overall opinion on the framework of governance, risk management and control under review. The opinion is based on an assessment of the risks associated with any weaknesses in controls identified. We also apply a priority to all actions agreed with management. Further information on our opinion rankings and the priorities for agreed actions is included in Appendix B.

Follow up of previous audit findings

- 5 Responsibility to resolve issues and implement agreed actions lies with management. Public Sector Internal Audit Standards (PSIAS) require internal auditors to have a follow up process to monitor what is happening to the results of audit engagements.
- 6 It is important agreed actions to address previously reported findings and internal control matters are regularly and formally followed up. This helps to provide assurance to Management and Members that control weaknesses have been properly addressed, and also provides assurance for our overall Head of Internal Audit Opinion.
- 7 We have followed up agreed actions either as part of our ongoing audit work, or by separate review. We currently have no matters to report as a result of our follow up work.

Stuart Cutts,
Assistant Director – Audit Assurance

8 March 2021

Appendix A

Table of audit assignments to 5 March 2021

Audit	Status	Assurance Level	Audit Committee
<u>Risk Register audits</u>			
ICT Infrastructure	Final Report	Substantial Assurance	March 2021
Control Room	Final Report	Substantial Assurance	March 2021
Human Resources and Planning, Recruitment and Retention	Planning	-	-
<u>Governance and Regularity audits</u>			
Risk Management	Final report	Reasonable Assurance	March 2021
Supplies and Stores (Tranman & AMS systems)	Draft report issued	-	-
<u>Work funded from 2019/20 audit plan concluded in 2020/21</u>			
Mobile Data Terminal replacement project	Final Report	No opinion given	September 2020
Procurement	Final Report	Limited Assurance	March 2021
Follow up of previous audit findings	Undertaken on an ongoing basis	-	-

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is now based on 4 grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

There are circumstances when it's not appropriate to give an opinion, for example fact finding work, grant claims, projects, and consultancy work. When no opinion is given this is not to be confused with a no assurance opinion.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

