



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

Capital Investment Programme

Internal audit report 6.21/22

Final

18 January 2022

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1. EXECUTIVE SUMMARY

Why we completed this audit

Our review of the Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire's capital expenditure programme framework has been completed to provide assurance with regards to the organisations' capital investment programme. The objective of the review was to determine whether a robust framework is in place to ensure that the capital expenditure programme is linked to the organisations' strategic objectives, appropriately approved and delivered, with any slippage highlighted for scrutiny.

The Force had an initial capital expenditure budget of £6,805k for the 2021/2022 financial year to fund its capital investment programme. However, this budget has been revised to incorporate 'slippage' from the capital expenditure budget from the previous financial year (2020/2021) which has been carried forward as several schemes from the previous financial year were not completed. The revised budget for the 2021/2022 financial year became £10,829k. A finance update provided to the Executive Board in July 2021 shows that the Force have currently spent £1,271k (11.7%) of the revised capital expenditure budget during the first four months of the financial year (April - July 2021).

The capital investment programme consists of several areas that are classed as either 'projects' or 'rolling' / 'business as usual' investment programmes. These areas are as follows:

- ICT;
- Fleet Rolling Programme;
- Estates Rolling Programme;
- General Equipment Rolling Programme; and
- Other schemes (Drones).

A table included in the Executive Board's Finance Update has been included to provide context to the budget for each area:

Details	Original 2021/22 Budget	Carry Fwds	New Schemes approved in year	Revised 2021/22 Budget	Spend to July 2021	Forecast Spend in 2021/22	Forecast Over / Under spend	%age of Budget Spent to Date
	£000	£000	£000	£000	£000	£000	£000	%
ICT	3,182	290		3,472	286	3,472	0	8.2%
Fleet Rolling Programme	1,177	1,286		2,463	704	2,463	0	28.6%
Estates Rolling Programme	1,823	1,636		3,459	234	3,459	0	6.8%
General Equipment Rolling Programme	590	352		942	26	942	0	2.8%
Other Schemes	33	460		493	21	493	0	4.2%
Total	6,805	4,024	0	10,829	1,271	10,829	0	11.7%

Conclusion

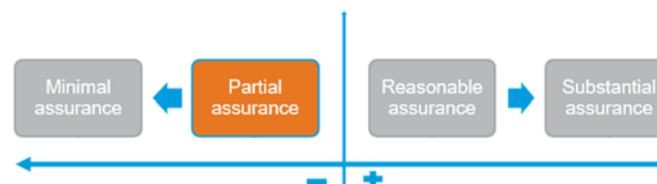
As a result of our review, we have agreed **two high** and **five medium** priority management actions. The high priority actions relate to the need for strategies to be developed for each capital programme area and linked to the organisations' overall capital plan and strategic priorities; and the need for more detailed reporting surrounding the achievement of the capital plan and the action to be taken to address slippages.

The five medium priority actions relate to reviewing budget responsibilities, availability of up-to-date business cases to support capital expenditure, reporting on how the remaining capital budget is planned to be re-distributed and reporting of the performance against the agreed capital programmes.

Internal audit opinion:

Taking account of the issues identified, the Office of the Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire can take **partial assurance** that the controls upon which the organisations rely to manage this area are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified areas.



Key findings

Our audit identified the following exceptions with the organisations' established control framework resulting in two high and five medium priority actions:



We were unable to confirm that the Capital Plan 2021/22 to 2024/25 was supported by separate capital programme strategies for each of its component areas i.e. ICT, estates, fleet and the rolling programme ('business as usual'), linking them back to the organisations' overall strategic priorities. There is a risk that the individual capital elements do not support the overall capital plan and strategic priorities (and vice versa). **(High)**



Review of the June 2021 finance update report to the Executive Board confirmed that the figure for slippages brought forward from 2020/21 had been revised to £4,024k and re-allocated against the primary expenditure headings. The same report stated that expenditure against the 2021/22 capital programme, when extended into July 2021, amounted to £1,271k, (11.7%) of the annual budget. This also does not include a further £2,300k of additional capital expenditure identified but not yet in the budgeted figures. The report concludes that work is required to identify what must be done to get the programme on track, however the report did not document what action was to be taken to get the plan back on track.

Where an action plan is not developed to demonstrate how slippages are to be dealt with and achievement of the overall capital project is to be achieved, there is a risk that the capital plan is not achieved, and strategic objectives are not met. **(High)**



We were advised by the budget holder for ICT (the Head of ICT), who advised they were the responsible budget holder for the capital programme area. However, they also stated that there were areas under the budget (e.g. licensing) relating to budget expenditure for which they had no control over the spend. Consequently, there is a risk of ineffective budgetary control and monitoring. **(Medium)**



For a sample of five items of capital expenditure, we were supplied with only one business case out of the five requested. The other four business cases could not be located as the capital projects were set up a number of years ago and were believed to have been archived. There is a risk that capital expenditure now being incurred does not achieve its original strategic objectives, or that there is insufficient scrutiny against those original objectives if changes are required. **(Medium)**



We reviewed the business case for the Automatic Number Plate Recognition (ANPR) capital project which was dated 4 November 2014 for a period of five years, ending in 2019, approving the capital investment of £1,068,000. However, there was no further approval available which covered the capital expenditure after this period as outlined within the Medium-Term Financial Plan (MTFP). There is a risk that capital expenditure is no longer meeting the requirements of the original business case. **(Medium)**



A review of the last three monthly capital project update reports presented to the Change Board confirmed that a RAG status had been identified against each based upon whether the capital project is on track, as well as an update provided by the project lead for the current month. However, we were unable to confirm that the sample of five capital projects we selected for testing had been included on the report as they did not appear within the reports reviewed. There is a risk that if capital project progress updates are not included on a regular update report, sufficient monitoring may not be taking place and there could be a risk that non-achievement of the capital projects is not identified and addressed. **(Medium)**



Detailed capital project updates had not been provided to the Change Board on a quarterly basis detailing the progress made towards the capital plan including details of how gaps/variances are going to be addressed which could lead to ineffective reporting of capital programme activity. **(Medium)**

During our review we also identified and considered the following issues that had been raised in our earlier report, Projects – Capital Expenditure (10.2020/21), issued on 8 September 2021. As these areas had already been agreed as management actions in the earlier report, we have not agreed a new management action. The implementation date for these actions had also not passed at the time of our fieldwork:



The Devolved Resource Manual (DRM) was last reviewed and approved in July 2016. This finding was raised in the Projects – Capital Expenditure report with a medium priority management action being raised in respect of this. From our review of the DRM we have confirmed that it has not been updated since the audit and therefore the management action is still active. The due date of this action is 31 December 2021. **(Medium)**



The Programme Manager is in the process of revising change management processes for the development and management of capital projects going forward. The new processes are still in draft format and are not yet live on the OPFCC's intranet platform, The Source. A management action was agreed for this at the Capital Expenditure audit with an implementation date of 31 October 2021. **(Medium)**



The role of the Finance Business Partner has not yet been put in place or approved by the organisation. Currently the Accountants are responsible for capital budget monitoring/forecasting. A management action was agreed with an implementation date of 31 December 2021. **(High)**

Our audit review also identified that the following controls are suitably designed, consistently applied, and are operating effectively:



The Office of the Police, Fire and Crime Commissioner (OPFCC) has developed a MTFP covering the current financial year 2021/2022 to 2024/2025 which includes a capital investment programme for these years. The MTFP was presented and approved by the Executive Board on 23 February 2021. Total capital expenditure for 2021/22 was £11,997k, which was subsequently revised to £10,829k as detailed in the table above and reported to the Executive Board within the June 2021 Finance update.

This is made up of subsidiary capital plans for 2021/22 as follows:

- ICT £3,182k.
- Fleet £1,177k.
- Estates £1,823k.
- Other Rolling Programmes and Schemes £623k.
- Reprofiting / "slippage" carried over from 2020/21 £5,192k.



Each element within the capital investment programme has been assigned a budget holder to monitor and authorise the budget with a member of the finance team also assigned to provide additional insight and monitoring and to ensure that expenditure does not exceed the approved budgeted amount.



Testing of a sample of five capital expenditure areas confirmed that budgets had been produced for each which had been profiled on an annual basis over the project life with the projected budget for the years 2022/23, 2023/24, 2024/25. Each line of the budget had been linked to a cost code on the finance system. For the same sample of areas testing also confirmed that monthly budget reports had been produced for review by budget holders.



We also reviewed an email trail between the Chief Finance Officer (OFPC) and the Senior Accountant which detailed the approval of slippage requests for the capital budget. Slippages are also reported to the Executive Board within the finance report.



We reviewed period five budget monitoring forecast report presented to the Investment and Efficiency Group in September 2021, which detailed the Capital Investment budget including variances. Finance comments had been added for each variance providing an explanation for each.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: Capital Investment Programme		
Control	<p>The organisations' capital plan is linked to the overall strategy. Each of the capital programme areas within the overall capital plan has its own separate capital programmes (i.e. ICT, fleet, estates).</p> <p>Included within the overall capital plan for the OPFCC is an element for Business as Usual (BAU) or 'rolling' capital expenditure.</p>	<p>Assessment:</p> <p>Design ✓</p> <p>Compliance ×</p>
Findings / Implications	<p>The OPFCC has in place a Police and Crime Plan for the years 2017 to 2021 which is available to staff via the website. The plan details the vision and four priorities of the OPFCC, as well as local plans and financial information.</p> <p>We were unable to confirm that the capital plan 2021/22 to 2024/25 was supported by separate capital programme strategies for each of the underpinning areas, ICT, estates, fleet and the rolling programme or whether there was any link back to the organisations' overall strategic priorities.</p> <p>Our work highlighted that there was no clear link between the capital plan back to the capital programme areas, as the capital plan is compiled by the finance team based upon pre-approved expenditure, business cases and the BAU rolling programme.</p> <p>Discussions with the Head ICT identified that the ICT strategy was in the process of being developed, however this did not yet link into the overall ICT capital programme/rolling programme. In addition to this, the ICT rolling capital programme did not break down what was capital and what was revenue expenditure. The ICT team is currently working with the finance team to split the revenue and capital expenditure on the rolling programme.</p> <p>Discussions with the Head of Assets and review of documents confirmed that there is an Estates Framework in place which provides an overview of the approach, there is an Estate Strategy in place which is based upon the stock conditions survey, this informs the maintenance programme. The Head of Assets is currently in the process of rewriting the Estate Strategy to ensure it reflects changes in their approach and links back to the capital plan.</p> <p>Discussions with the Head of Assets and the Fleet Manager also confirmed that there is a need for a more transparent approach to ensure that the link between the individual capital programme strategies and the overall capital plan and strategic objectives can be clearly seen and understood by all relevant parties.</p> <p>Discussions with the budget holder for Fleet, the Fleet Manager, confirmed there is no strategy in place which links to the capital plan, they are however working on their service plans which they will link to the budgets.</p> <p>Without the linking of the component capital programme area strategies to the overall capital plan and strategic priorities there is a risk that the capital expenditure within these areas does not support the overall capital plan and strategic priorities (and vice versa).</p>	

Area: Capital Investment Programme

Management Action 1	<p>Capital programme area strategies will be developed and linked to the capital plan to confirm and demonstrate the following:</p> <ul style="list-style-type: none"> • How the capital programme area strategies will link and deliver the overall strategic priorities/vision • Provide a clear link between the individual capital programme area strategies and the capital plan • How capital expenditure will be allocated and prioritised within the capital programme areas • The plans will be based upon realistic assumptions to ensure that investment and resources are available at the right time to support delivery. <p>Once the strategies have been produced and reviewed, they will be formally approved and signed off by the Executive Board.</p>	Responsible Owner: Chief Finance Officer – Chief Constable	Date: 28 February 2022	Priority: High
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Area: Capital Investment Programme

Control	<p>Each of the key capital expenditure areas within the overall capital plan has a named ‘owner’ and an assigned finance business partner who provides support to the budget holder.</p>	<p>Assessment:</p> <p>Design ✓</p> <p>Compliance ×</p>
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Findings / Implications	<p>We were advised by the Head of ICT, who is the budget holder for ICT, that they were the responsible budget holder for the capital programme area. However, they also stated that there were areas under the budget for which they had no control over the expenditure i.e., licensing. There is a risk that this could lead to ineffective budgetary control across the Force.</p> <p>Discussions also took place with the Fleet Manager and the Head of Assets, each confirmed that they were responsible for their capital expenditure and that they meet with a member of the finance team on a monthly basis to review their budget and discuss variances.</p> <p>The role of the Finance Business Partner has not yet been put in place or approved by the organisation. Currently the Accountants are responsible for capital budget monitoring/forecasting with the budget holder. This involves meeting with budget holders, processing adjustments and monthly reporting. A management action has been agreed for this in the previous Capital Expenditure audit with an implementation date of 31 December 2021. As such we have not re-raised this action as it is currently ongoing.</p>
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Area: Capital Investment Programme

Management Action 2	A review of budget codes and corresponding responsibilities of the respective budget holders will be conducted to determine whether each has control over the budgets that they have been allocated.	Responsible Owner: Service Finance Manager	Date: 31 December 2021	Priority: Medium
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Area: Capital Investment Programme

Control	A Project Initiation Document / Business Case is produced for each item of capital expenditure detailing the costs, risks, scope, benefits, projects objectives, link to the strategic priorities. This is approved in line with the Devolved Resource Manual (DRM).	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications Appendix B of the June 2021 finance update to the Executive Board provides a breakdown of the updated capital investment programme total of £10,829k into the main elements within each of the key capital expenditure areas (ICT, fleet, estates). Within this, the main elements are:

- ICT – the OPFCC Control Room (FCR) (£3,100k out of a revised total of £3,472k).
- Fleet – all cited as being “rolling” programme elements (i.e., vehicle replacements, etc.), revised total £2.463k.
- Estates – also all stated as rolling replacements, but Scarborough (£456k) and Fulford Road £423k are the largest two out of c 30 items totalling (revised) £3,459k.
- Rolling / BAU – ANPR is the biggest entry, with two elements, making up the bulk of its revised £1,345k total:
 - Plant and Equipment replacement £445k.
 - ‘Other’ £430k. Supporting / accompanying this is the Capital and Revenue Detailed Plan Base Budget (MFTP App 2 spreadsheet).

For a sample of five capital expenditure areas requested we only had access to one business case. The other four areas could not be located as the capital projects were set up a number of years back and we were advised that these may now be held in archive. We reviewed the business case for the ANPR capital project which was dated 4 November 2014 for a period of five years, ending in 2019, approving the capital investment of £1,068,000, however there was no further approval available which covered the capital expenditure after this period. The business case outlined the costs, risks, scope, and benefits and also linked into the strategic priorities. It had been approved by the PCC on 28 October 2014.

Further discussions with the Service Finance Manager highlighted that the sample of capital projects selected as part of our testing had been approved a number of years before and were still ongoing.

Area: Capital Investment Programme

When we raised this issue with the client we were advised that an Investment and Efficiency Group was in the process of being set up which will have oversight of the capital and revenue plan. However, without having access to the original business cases and approval for the capital expenditure, and updated approvals where necessary, there is a risk that the capital expenditure is no longer meeting the requirements of the original business case nor linked to the implementation of current strategic priorities, or any variation appropriately considered in light of these.

Management Action 3	Business cases for capital projects will be located to ensure that they are valid, link back to the strategic priorities and remain available to justify the capital expenditure included within the capital plan and financial plan.	Responsible Owner: Service Finance Manager	Date: 28 February 2022	Priority: Medium
Management Action 4	Business cases that have passed their delivery end date will be reviewed and challenged to ensure that the capital expenditure is still valid and in line with current strategic priorities.	Responsible Owner: Service Finance Manager	Date: 28 February 2022	Priority: Medium

Area: Capital Investment Programme

Control	Capital project budget monitoring including slippages are reviewed on a monthly basis between the budget lead and accountant appointed to that budget area. Current capital project delivery performance is reported by the Programme Manager for each capital expenditure programme to the Change Board monthly.	Assessment: Design ✓ Compliance ×
Findings / Implications	Discussions with the budget holders for a sample of three capital programme areas confirmed that monthly meetings were held with the accountant appointed to their areas where performance and variances were discussed in detail. We have received copies of the three most recent capital project reports (June, July and August 2021) that are presented to the Change Board at each meeting. Upon review of the reports, we have confirmed that the capital projects contain a RAG status depending on whether the project is on track, as well as an update by the project lead for the current month. However, the sample of five capital projects selected for testing had not been included on the report to the Change Board to confirm that the progress had been reported. The capital programme as a whole is approved by the Chief Finance Officer (OFPC) and included with the MTFP, which is reported to Executive Board. Without the reporting of the progress made against each of the key capital expenditure areas there is a risk that any variances/slippages are not identified and promptly addressed and reported.	
Management Action 5	The progress of the performance against each capital project will be reported to the Change Board.	Responsible Owner: Chief Finance Officer - Chief Constable Date: 28 Feb 2022 Priority: Medium

Area: Capital Investment Programme

Control	Missing control	Assessment:	
	<p>Overall slippage is reviewed and approved by the Chief Finance Officer (OPFCC) to provide a level of scrutiny and challenge before it is reported by the Programme Manager to the Change Board.</p> <p>The Chief Finance Officer provides the Executive Board with financial reports and updates to each of its quarterly meetings.</p>	Design	x
		Compliance	-
Findings / Implications	<p>The report of the Chief Finance Officer (OPFCC) submitted to the Executive Board at its meeting on 23 February 2021 outlined the capital programme for the years 2021/22 to 2024/25. Within this document it is noted that, of the original capital plan for 2020/21, totalling £11,965k, £5,192k had 'slipped' and been re-profiled into 2021/22.</p> <p>However, the report also noted that, of the balance of £6,773k for 2020/21, less than £2m had been spent as at the end of January 2021. Planned new capital expenditure for 2021/22 amounted to £6,805k (plus £5,192k carried forward from 2020/21 to give the total for 2021/22 of £11,997k). The above report further states that, in addition to these amounts already planned and committed to, the OPFCC's Change Pipeline had identified a further £4.4m of required capital expenditure for 2021/22 out of a potential fund of £11m for which business cases had yet to be raised / submitted.</p> <p>In the June 2021 finance update reported to the Executive Board the figure for slippages brought forward from 2020/21 had been revised to £4,024k and re-allocated against the primary expenditure headings, to give a revised capital expenditure plan of £10,829k for the year. This report further stated that year to date expenditure against the updated 2021/22 capital programme total of £10,829k, as projected to the end of July 2021, amounted to only £1,271k, (11.7%) of the annual budget. This also does not include a further £2.3m of additional capital expenditure identified but not yet in the budgeted figures.</p> <p>The report concluded that work is required to identify what must be done to get the programme on track. However, the report lacked any details of how this is going to be achieved.</p> <p>The Chief Finance Officer – Chief Constable stated that he believed the full budget of c£10m would be spent in 2021/22, although not necessarily on the programme elements identified in the plan and included within the budgeted figures.</p> <p>The Detailed Capital and Revenue sheet (MFTP v62) file also indicates that the full 2021/22 budget will be spent, as per the forecast column, with no requests for slippage.</p> <p>However, the same report also indicates that expenditure at that point for the year to date (31 August 2021) was £1,467k, slightly higher than the £1,271k reported above, but still leaves £8,813k (81%) of the total of £10,829k to be spent in seven months ("Cap Report 21-22" tab).</p> <p>We reviewed an email trail between the Chief Finance Officer (OPFCC) and the Senior Accountant which detailed the approval of slippage requests for the capital budget. We confirmed that these had been reviewed by the Chief Finance Officer and approved for the five capital projects included in our sample. It was demonstrated that there was a good level of challenge and scrutiny, at an individual item level, surrounding the slippages. For example, the fleet slippages required further information to be provided by the budget holder before the slippage was approved i.e. a plan was required to be put together for the monitoring and reporting of the progress.</p>		

Area: Capital Investment Programme

Without fully reporting the reasons behind the budget variances and how these will be addressed there is a risk of further capital investment programme slippage. If an action plan is not developed to demonstrate how slippages are to be dealt with and achievement of the overall capital project is to be achieved, there is a risk that the capital plan is not achieved, and strategic objectives are not met.

Management Action 6	<p>A report will be produced and presented to the Executive Board for approval detailing how the remaining capital budget is planned to be delivered by the end of the financial year.</p> <p>If, as suggested, the balance of the planned budget is to be re-distributed to other capital programme areas for the remainder of the financial year, this should, instead, be presented to the Executive Board for approval.</p>	Responsible Owner: Chief Finance Officer – Chief Constable	Date: 28 February 2022	Priority: High
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Area: Capital Investment Programme

Control	<p>A monthly budget monitoring report is presented to the Investment and Efficiency Group detailing the spend to date, variances and analysis of the variances.</p> <p>A finance update is also provided to the Executive Board every quarter by the Chief Finance Officer (OPFCC) detailing the progress made toward the capital plan including how gap/variances are going to be addressed.</p>	Assessment:	
		Design	✓
		Compliance	x

Findings / Implications	<p>We reviewed period five budget monitoring forecast report presented to the Investment and Efficiency Group in September 2021, which detailed the capital investment budget including variances. Finance comments had been added for each variance providing an explanation for each, however information provided in the reports as to how the gap/variances are going to be addressed was limited.</p> <p>We confirmed that a finance update had been reported to the Executive Board in July 2021. The report detailed the progress made towards the capital plan to date with the spend to date against the budget and forecast spend by the year end. However, information provided in the reports as to how the gap/variances are going to be addressed was limited.</p> <p>Without the reporting of the progress made against each of the key capital expenditure areas on a regular basis there is a risk that any variances/slippages are not identified and promptly addressed and reported.</p>
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Management Action 7	<p>Summary updates will be provided to the Executive Board every quarter. These reports provided to the Executive Board will include detailed narrative surrounding the reasons/assumption for the variances.</p>	Responsible Owner: Chief Finance Officer - Commissioner	Date: 28 February 2022	Priority: Medium
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APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*		Non Compliance with controls*		Agreed management actions		
	Low	Medium	High	Low	Medium	High	
Capital Investment Programme	1	(11)	6	(11)	0	5	2
Total	0	5	2				

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The internal audit assignment has been scoped to provide assurance on how the Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire manages the following area.

Objective of the area under review

The organisations have a robust framework in place to ensure that the capital investment programme is linked to their strategic objectives, appropriately approved and delivered, with any slippage highlighted for scrutiny.

Scope of the review

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

Our review will focus on the following areas, in respect of both “projects” and the “rolling” or “business as usual” (BAU) capital investment programme:

- The Devolved Resource Manual (DRM) is up to date, reflects the current processes for the capital programme / expenditure, and is available to staff responsible for the development and management of capital programmes.
- To determine whether a capital investment programme has been prepared for 2021 / 2022, which fits within the strategic direction of the OPFCC, and is appropriately authorised within the OPFCC's governance structure and by the Office of the Police, Fire, and Crime Commissioner (OPFCC).
- To determine whether the capital investment programme has clear lines of accountability, with appropriately assigned budget holders, all of whom have an assigned finance business partner as support from a budget monitoring perspective.
- Our review will include an assessment of the initiation of capital projects (whether stand-alone projects or elements of the rolling / BAU programme). We will review a sample of business cases that supports the expenditure to determine whether they have clearly identified the costs, risks, scope, and benefits, and have been approved in line with the DRM. Our selected sample will include fleet, estates, and IT elements of the rolling / BAU programme as well as discrete projects.
- We will review the budget monitoring process to determine whether there is sufficient scrutiny and challenge of budget holders. As part of this, we will consider the potential impact of the new role of Service Finance Manager (introduced in June 2021) and the introduction of business partnering relationships will have on the control environment going forward.

- In addition, we will consider the timeliness of budget monitoring processes, to ascertain if amendments to approved expenditure are supported by appropriate evidence and adequately authorised.
- We will consider how capital plans are profiled over the duration of the programme, including how key performance milestones are revised and updated to reflect actual delivery.
- We will review programme and project slippages (delivery / financials) and how these are identified and reported, including consideration of reasons why programme slippage is occurring.
- Performance is reported (financials / programme and project delivery) through the organisations' governance structures and it provides sufficient detail to allow for decisions to be made.

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Debrief held	22 September 2021
Additional evidence provided / meetings held	12 November 2021
Draft report issued	18 November 2021
Revised draft report issued	10 January 2022
Responses received	17 January 2022
Final report issued	18 January 2022

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Distribution	Managing Director Chief Finance Officer, Commissioner Chief Finance Officer, Chief Constable

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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 UK 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 UK 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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