



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

DRAFT Internal audit annual report for the period 1 April 2023 - 6 May 2024

30 May 2024

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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.

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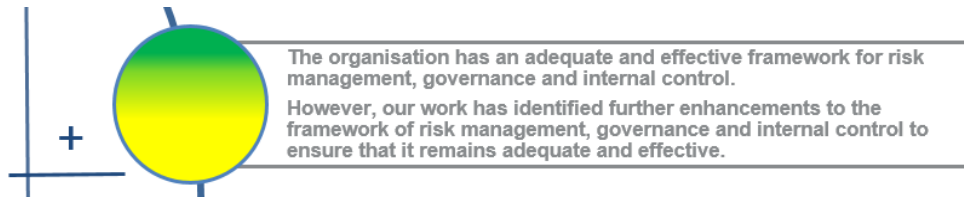


THE ANNUAL INTERNAL AUDIT OPINIONS

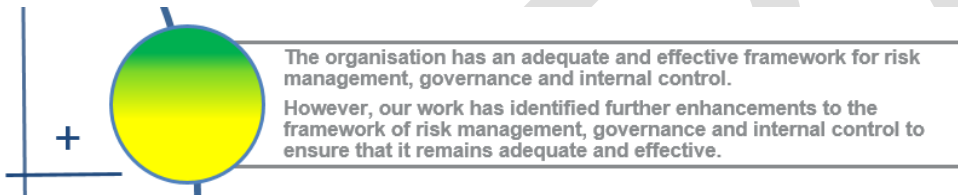
This report provides annual internal audit opinions, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisations' risk management, control and governance processes. The opinions should contribute to the organisations' annual governance reporting.

The opinions

For the 13 months ended 6 May 2024, the Head of Internal Audit opinion for The Police, Fire and Crime Commissioner for North Yorkshire is as follows:



For the 13 months ended 6 May 2024, the Head of Internal Audit opinion for the Chief Constable of North Yorkshire is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

Please note our opinion covers a 13 month period for both organisations to reflect the statutory transfer of North Yorkshire Police, Fire and Crime Commissioner to the York and North Yorkshire Combined Authority on 7 May 2024.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

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

- internal audit has not reviewed all risks and assurances relating to the organisations;
- the opinions are substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the JIAC takes into account in making its annual governance statement (AGS);
- the opinions are based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual(s);
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention; and
- please note this opinion is for an extended period as described above.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINIONS

Based on the work we have undertaken on the systems of governance, risk management and internal control across the organisations, our opinions on governance, risk management and control have been informed by the following:

Governance

We did not perform a specific governance review at the organisations in 2023/24, however we have covered elements of the governance frameworks in place for the following reviews and have used this work to support our governance opinions:

- Equality and Diversity;
- Health and Safety: Employer;
- HMICFRS: Recommendation Tracking; and
- HR: Recruitment and Selection.

All of the above reviews received a positive assurance opinion.

Risk Management

We did not perform a specific risk management review at the organisations in 2023/24; however, our risk management opinions were informed by the assessment of the risk mitigation controls and compliance with those controls in our risk-based reviews in the following areas:

- HR: Recruitment and Selection ([risk reference: 8584](#)); and
- IT Asset Lifecycle Management ([risk reference: 8004](#)).

The specific reviews (above) resulted in a **substantial** assurance opinion (positive) and a **partial assurance** opinion (negative). We have also attended all JIAC meetings throughout the year and confirmed the organisations' risk management arrangements continued to be reported to and scrutinised by committee members; with regular updates provided and the risk register shared, reviewed and challenged, with appropriate oversight.

Internal Control

We have undertaken eight audits (including the two risk driven reviews mentioned above) of the control environment that resulted in formal assurance opinions. These eight reviews concluded that the organisations could take:

- one minimal assurance (negative),
- two partial assurance (negative),
- three reasonable assurance (positive); and
- two substantial assurance (positive) opinions.

We confirmed the organisations had established control frameworks in place for a number of the audits undertaken, however improvements in their application were required in some areas.

The findings from the negative assurance opinions are summarised below:

Seized Exhibits: Firearms and Bladed Articles (Minimal Assurance)

Our review focused on the seizure and disposal of firearms and bladed articles in accordance with the Force's property and exhibits procedures and information was retained in accordance with the Code of Practice on the Management of Police Information (MoPI) and Criminal Procedure and Investigations Act 1996 (CPIA). As this report was classified 'official sensitive' we have not included further detailed information on the review relating to the issues identified. This resulted in **five high, two medium and one low priority** management actions being agreed.

Freedom of Information (FoI) Requests (Partial Assurance)

Our review focussed on compliance with FoI Act and guidance produced by the National Police Chiefs' Council and the Information Commissioner's Office. We noted that controls are in place at the Force and the OPFCC to ensure FoI's are received, logged and responded to. However, due to resourcing at CDU and the OPFCC, our sample testing of FoI's identified that the Force and OPFCC did not consistently respond to Fols within 20 working days as per the FoI Act. We also noted issues at the OPFCC in relation to training of key staff, recording case deadline and case review dates on the FoI management system, liaison with CDU and the reporting of FoI compliance statistics. At the Force, we also noted issues in relation to the timeliness of internal reviews in response to complaints about FoI responses, and problems with FoI responses, particularly attachments, being uploaded to the Force's website and published. This resulted in **nine medium priority and six low priority** management actions being agreed.

IT Asset Lifecycle Management (Partial Assurance)

The IT environment for the Force is primarily on-premise, with some presence in the cloud with Microsoft 365 and Software as a Service (SaaS) providers. This results in the Force managing and maintaining a significant amount of network infrastructure. Our review identified some significant issues requiring management attention in relation to substantial discrepancies identified within the mobiles extract from the internal ICT system (mobile phone device asset register), and inconsistencies regarding the current status of certain devices. We also detected inaccuracies within the disposals register and whilst we did receive a response that stated these gaps exist due to a natural lag in the process, we have not been able to confirm this based on the evidence we received during the audit. This resulted in **one high, five medium and one low** priority management actions being agreed.

Follow Up

Furthermore, the implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinions on control. We have performed two Follow Up reviews during the year which concluded in a **reasonable progress** (positive opinion) and a split assurance opinion for the second visit (poor progress for fleet management / reasonable progress for all other areas) had been made towards the implementation of those actions agreed. The negative follow up opinion was to reflect the lack of progress towards the implementation of the Fleet Management actions.

Please note, one report remains in draft at the time of preparing our opinions. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Topics judged relevant for consideration as part of the annual governance statement

We issued one minimal, two partial assurance opinions and a 'poor progress' opinion in relation to the second follow up visit in 2023/24. The organisations should therefore consider the issues from these negative opinion reviews for **Freedom of Information Requests, Seized Exhibits: Firearms and Bladed Articles, IT Asset Lifecycle Management, and Follow Up of Previous Internal Audit Management Actions: Visit 2** - specifically the Fleet Management actions, when drafting their annual governance statements, together with any actions already taken and action planned by management to address the actions agreed.

Management should also continue to pay particular attention to the action tracking process in place and ensure that the actions from the negative assurance reviews are tracked, to ensure these weaknesses identified are addressed.

Angiolini Review

The Angiolini review, commissioned by the Home Secretary in the wake of Sarah Everard's murder, highlighted a number of significant concerns about the Metropolitan Police's culture, decision making around police vetting and abuse of powers. In particular, the Part 1 Report states 'Policing needs to grasp fully the extent of the cultural problems it faces and the way that this affects the public it serves. It needs to do more than make further changes to policies, guidance and training, although these are important and worthwhile. All policing leaders need to rethink fundamentally how they lead their organisations to ensure that certain types of behaviour, from the unacceptable to the criminal, are never tolerated.'

As a result, the report makes 16 recommendations, including improving the police response to indecent exposure, reforming police recruitment and vetting practices, and addressing workplace culture in policing. Management should consider the progress and implementation of these recommendations when formulating their AGS.

The **HMICFRS undertook a PEEL** (police, efficiency, effectiveness and legitimacy) inspection of North Yorkshire Police in October 2022, the results of which were published on 17 March 2023. The HMICFRS inspected how well the Force performed in nine areas of policing, which resulted in graded judgements being provided in eight areas. To note, the final overall area does not receive a graded judgement by the HMICFRS.

The HMICFRS identified serious concerns about the Force's strategic planning and organisational management, resulting in a graded judgement of 'inadequate' for this area, with one cause of concern and three areas for improvement (AFI) being raised as a result. The cause of concern stated that '*North Yorkshire Police does not have adequate governance in place*', and recommendations were made for North Yorkshire Police to address the cause of concern within three months.

The HMICFRS revisited North Yorkshire Police on 13 July 2023 to review progress against the identified cause of concern. Following the revisit, the HMICFRS wrote to the Chief Constable to confirm that they now consider the cause of concern to be discharged, but will monitor the Force's progress through PEEL continuous assessment. This letter was published on the HMICFRS website on 6 December 2023. The HMICFRS outlined that they were '*pleased to see the significant steps that the force has taken to address the cause of concern they issued*'. It was noted within the conclusion that '*the strengthened governance and improved understanding of its (North Yorkshire Police's) performance is improving the service it provides to the public*'.

A summary update on the progress made should also be considered in the AGS.

THE BASIS OF OUR INTERNAL AUDIT OPINIONS

As well as those headlines previously discussed, the following areas have helped to inform our opinions. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2023/24. One report is in draft at the time of preparing this report.

Implementation of internal audit management actions

We have performed two follow up reviews to determine the organisations' implementation of internal audit findings and we have reported that **reasonable progress** and a split assurance opinion (**Poor Progress and Reasonable Progress**) had been made in implementing the agreed actions.

Follow Up of Previous Internal Audit Management Actions: Visit 1

We followed up 33 management actions as part of this review, including 11 high priority, 21 medium priority, and one low priority management actions. Of the 33 management actions considered in this review, we confirmed 26 actions had been fully implemented or superseded. For seven actions we confirmed they had been partially implemented and we agreed new management actions, where appropriate, and implementation dates. We concluded with a **reasonable progress** opinion.

Follow Up of Previous Internal Audit Management Actions: Visit 2 (DRAFT)

We followed up 22 management actions as part of this review, there were eight high priority and 14 medium priority management actions. Of the 22 management actions considered in this review, we confirmed 11 actions had been closed accurately and this was supported by appropriate evidence. For the remaining 11 actions we confirmed that implementation was ongoing or the action had not been implemented.

We confirmed that **poor progress** had been made towards the implementation of the **Fleet Management** actions, however we confirmed the **remainder of the actions** resulted in a **reasonable progress** opinion.

Working with other assurance providers

In forming our opinions we have not placed any direct reliance on other assurance providers.

OUR PERFORMANCE

Wider value adding delivery

We have used subject matter experts to review the organisations arrangements for **IT Asset Lifecycle Management**. We will continue to use subject matter experts when appropriate to ensure true value is added to the organisations. As part of our client service commitment, during 2023/24, we have issued four emergency services sector briefings within our progress reports presented to the JIAC, detailed below. We will continue to share our briefings with you during 2024/25.

Area of work	How has this added value?
Emergency Services – Sector Update: May 2023	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Mental health and policing. • Vetting, misconduct and misogyny in the police service. • Police officer uplift, quarterly update to March 2023.
Emergency Services – Sector Update: August 2023	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • An inspection of how effective police forces are in the deployment of firearms. • Police performance: getting a grip. • Crime and policing minister opens new research facility. • UK police data breach and State of policing.
Emergency Services – Sector Update: November 2023	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Police force reports on the effectiveness of vetting and counter-corruption arrangements. • Guidelines on conducting effective investigations; and Race and policing. • Firearms licensing guidance updates. • Letter to chief constables on the police dismissal review.
Emergency Services – Sector Update: March 2024	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none"> • Outcome following independent investigations report 2022/23. • Police must apply safeguards and improve scrutiny to minimise harm when using stop and search. • New code of ethics for policing and The Angiolini Inquiry part 1 report.

Area of work	How has this added value?
	<ul style="list-style-type: none"> • Policing Productivity Review.
RSM's Analysis of Emergency Services Risk Registers	In seeking to understand the key risks faced by our emergency services clients, we examined the contents of 38 emergency services' strategic risk registers. 540 individual risks were analysed from across police and fire services. Key observations were provided to the JIAC as part of our report.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.
Briefings	Issued non-sector specific briefings to all of our clients, including North Yorkshire Police and the OPFCC.

Conflicts of interest

RSM has not undertaken any work or activity during 2023/24 that would lead us to declare any conflict of interest.

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 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

Resulting from the programme in 2023 / 2024, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

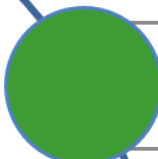
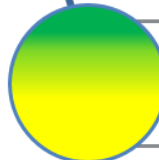
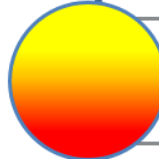
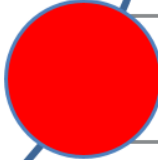
In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Performance indicators

Delivery		Quality			
	Target	Actual		Target	Actual
Draft reports issued within 10 working days of debrief meeting	10 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 days	1 working day (average)	Response time for all general enquiries for assistance	2 working days	2 working days (average)
			Response for emergencies and potential fraud	1 working day	-

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.
<p>+</p>  <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p>	
<p>-</p>  <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p>	
 <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	

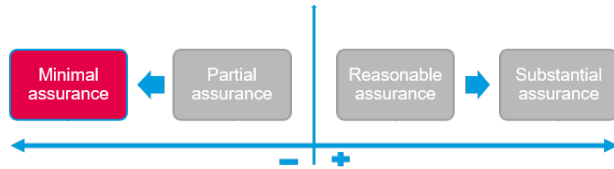
APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2023 / 2024

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Assurance level	Actions agreed		
		L	M	H
Seized Exhibits – Firearms and Bladed Articles (Chief Constable)	Minimal Assurance [●]	1	2	5
Freedom of Information Requests (Police, Fire and Crime Commissioner and Chief Constable)	Partial Assurance [●]	6	9	0
IT Asset Lifecycle Management (Chief Constable)	Partial Assurance [●]	1	5	1
Health and Safety: Employer (Chief Constable)	Reasonable Assurance [●]	0	5	0
Key Financial Controls – Accounts Receivable (Police, Fire and Crime Commissioner and Chief Constable)	Reasonable Assurance [●]	6	5	0
HMICFRS: Recommendation Tracking (Police, Fire and Crime Commissioner and Chief Constable)	Reasonable Assurance [●]	1	6	0
Equality and Diversity (Chief Constable)	Substantial Assurance [●]	2	0	0
HR: Recruitment and Selection (Police, Fire and Crime Commissioner and Chief Constable)	Substantial Assurance [●]	4	1	0
Follow Up of Previous Internal Audit Management Actions: Visit 1 (Police, Fire and Crime Commissioner and Chief Constable)	Reasonable Assurance [●]	1	4	2
Follow Up of Previous Internal Audit Management Actions: Visit 2 (DRAFT) (Police, Fire and Crime Commissioner and Chief Constable)	Poor Progress [●] (Fleet Management) Reasonable Progress [●] (Key Financial Controls: Accounts Payable; Collaborations; Custody Detention; Freedom of Information Requests; and Seized Exhibits – Firearms and Bladed Articles)	1	7	3

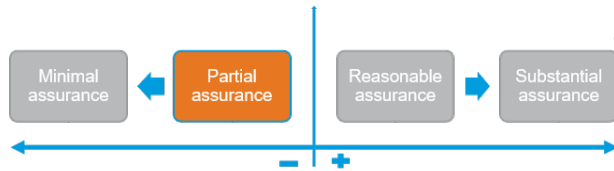
APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the organisations can take:



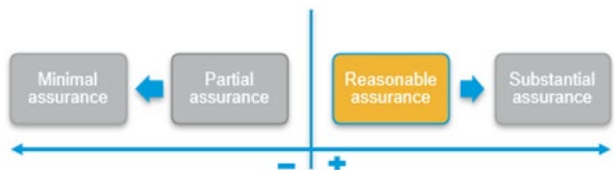
Taking account of the issues identified, the organisations **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk.



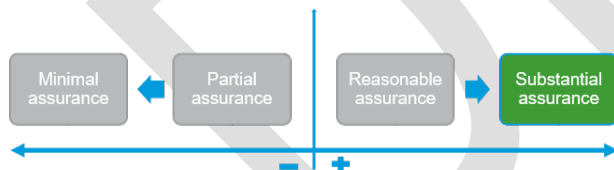
Taking account of the issues identified, the organisations can take **partial assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



Taking account of the issues identified, the organisations can take **reasonable assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk.



Taking account of the issues identified, the organisations can take **substantial assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

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

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