Briefing Paper –
Process of Internal Control for Internal Audit Actions

(Presented and approved at NYP Chief Officer Team Board 11.06.25)

Document Information	
Document Author:	Louise Branford-White - CFO
Document Location:	
Date:	09 June 2025
Audience:	JIAC
Document Purpose:	For information

Version No.	Date Changed	Details of Change	Author
1	9 June 2025	First draft / report	LBW

Executive Summary

The internal audit process for 2024/25 has resulted in varied assurance opinions across three key areas: Governance (reasonable), Risk Management (reasonable), and Internal Control (partial). The partial assurance rating for Internal Control raises concerns and requires immediate attention. A proposed 'good practice' approach aims to enhance accountability and robustness within the internal audit action process, ensuring timely resolution of outstanding audit actions.

Document Purpose

This document outlines the necessary steps to improve the management and completion of internal audit actions, ensuring stronger internal control and oversight.

Background Information

Traditionally, Internal Audit - RSM - provides a single audit opinion for the financial year, determining whether reasonable or partial assurance is applicable. However, in 2024/25, separate opinions have been issued for the three assurance areas:

- Governance – **reasonable**
- Risk Management – **reasonable**
- Internal Control – **partial**

The partial assurance rating highlights deficiencies in internal control mechanisms, particularly in prioritisation, timely action, and holding individuals accountable for outstanding audit actions. To address these concerns, RSM has suggested a good practice approach which strengthens internal control processes.

The good practice approach builds on the current position:

- Draft reports are sent to the Subject matter Experts to agree actions and timelines with Internal Audit - RSM
- Once the draft timelines are in place, these are sent to the Senior Responsible Officers (SROs) for agreement and sign off (recent addition to the process)
- Actions are routinely, proactively monitored and chased by the Inspection Support Officers in the Internal Audit Team within Corporate Development
- A dashboard available which everyone can access where responsibility lies across the force.
- Overdue actions are reported to the Portfolio Assurance Boards) for the SROs to hold Heads of Function to account. These meet bi-monthly in between Risk, Assurance & Improvement Board (RAIB) meetings
- Finalised audits are published to RAIB for visibility of assurance and action plan.

The additional, good practice internal controls being put in place will increase accountability which will be gained through bi-monthly update and challenge at RIAB for outstanding audit actions, followed by a report presented to Joint Independent Audit Committee.

Attached at **Appendix A** is the report to JIAC on Thursday 20 June 2025 which highlights the position at the end of May 2025 – Internal Audit Update Report June 2025.

Ultimately the s151 Officer – Chief Finance Officer to the Chief Constable - has a significant responsibility for ensuring the effectiveness of the internal audit process. This includes relying on internal audit's work for assurance on financial management and internal controls, advising the Audit and Governance Committee on internal audit resource requirements, and ensuring the audit plan is aligned with the council's strategic and operational risks.

The audit plan is signed off every year by RAIB and also Chief Officer Team in March. Going forwards the S151 Officer will have a bimonthly meeting with the lead on Internal Audit to review the Internal Audit action position to ensure all those responsible for outstanding internal audit actions are engaging.

Matters for Consideration

Key elements of the proposed approach include:

1. **Setting Timescales for Action Completion:**
    - Each individual responsible for an audit action must set a completion timescale, formally signed off by the Head of Function.
2. **Bi-monthly Reporting at the Risk, Assurance & Improvement Board (RAIB):**
    - A comprehensive report detailing outstanding actions, mitigating steps, and justification for any requested time extensions will be presented.
    - The original audit action, alongside the proposed revision, will be reviewed and approved or declined by RAB before submission to the Joint Independent Audit Committee (JIAC).
3. **Internal Control Route via Joint Independent Audit Committee (JIAC):**
    - The RAIB report will be submitted to JIAC to ensure inter al control transparency.
    - JIAC will provide direction regarding extension requests, ensuring Heads of Function are held accountable and strengthening internal control processes.
4. **Ongoing Liaison & Accountability Mechanism:**
    - Coordination between Strategic & Governance Lead / Internal Audit team in Corporate Development and those responsible for internal audit actions across the force to proactively manage audit actions and track progress.
    - S151 Officer – Chief Finance Officer to the Chief Constable - retains ultimate responsibility for internal control process.

Next Steps

- **Review and Validate Outstanding Audit Actions:**
    - A total of 67 actions are open with 12 overdue and 14 due in the next month.
- **Approval and Implementation of 'Good Practice' Approach:**
    - The enhanced tracking and accountability approached to be adopted.
    - RAIB and JIAC play a pivotal role in audit action oversight.
    - Further support from RSM on a **robust tracking system and best practice approach** should be in due course by the Chief Finance Officer to the Chief Constable.

Decisions Required

1. Strengthen engagement and responsibility for delivering audit actions in a timely manner.
2. Approval of the bi-monthly reporting process at RAB.
3. Agreement on the quarterly report being presented to JIAC for internal control oversight.