



YORK AND NORTH YORKSHIRE DEPUTY MAYOR FOR POLICE, FIRE AND CRIME – FIRE FUNCTION

DRAFT Annual internal audit report for the 12 months ending 31 March 2025

31 March 2025

This report is solely for the use of the persons to whom it is addressed.

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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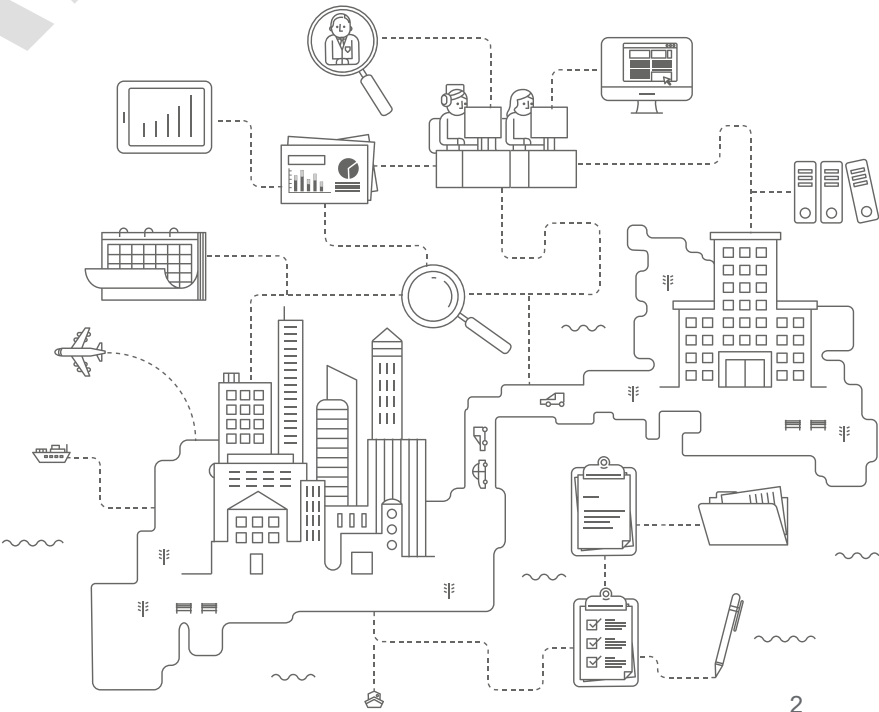
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THE DRAFT ANNUAL INTERNAL AUDIT OPINION

The DRAFT annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the 12 months ending 31 March 2025 the DRAFT head of internal audit opinion for York and North Yorkshire Deputy Mayor for Police, Fire and Crime – Fire Function is:

Annual opinion

Factors influencing our opinion



The factors which are considered when influencing our opinion are:

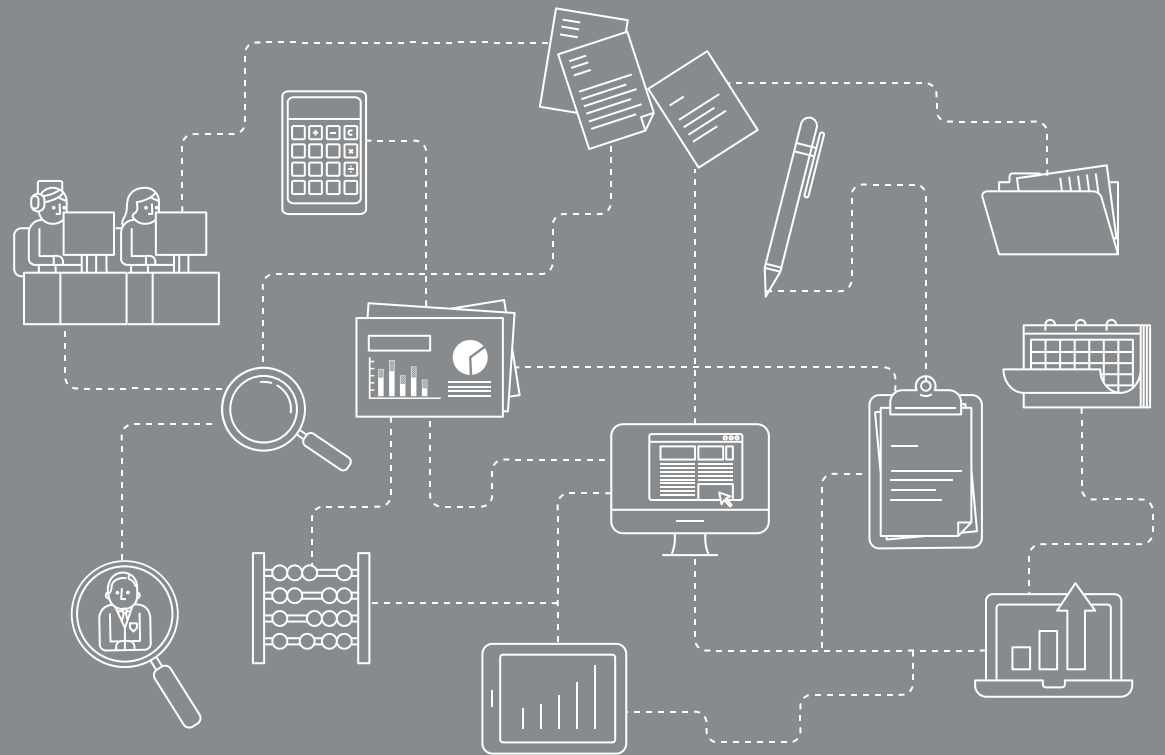
- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weaknesses identified;
- the level of risk exposure; and
- the response to management actions and timeliness of actions taken.



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

Scope and Limitations

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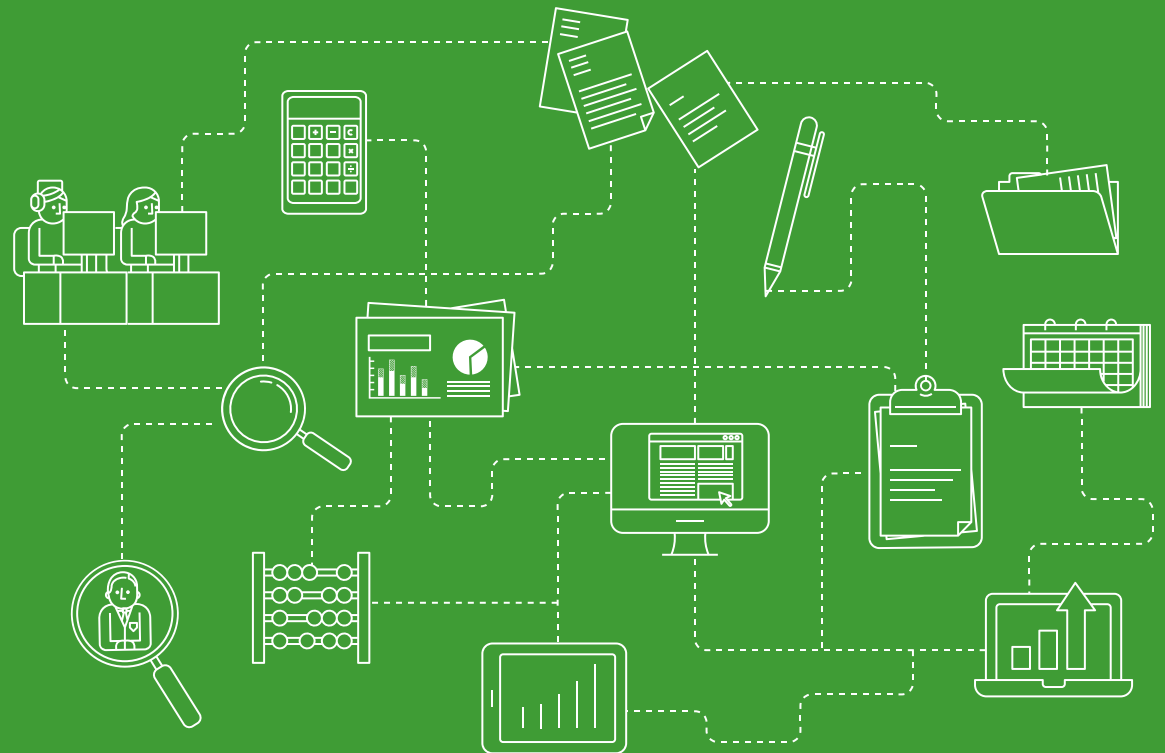
1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our DRAFT opinion is achieved through a risk-based plan of work, agreed with management and approved by the Independent Audit Committee (IAC), our opinion is subject to inherent limitations, as detailed below.



- Internal audit has not reviewed all risks and assurances relating to the organisation.
- The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance frameworks are one component that the board takes into account in preparing its annual governance statement (AGS).
- The opinion is based on the findings and conclusions of the agreed work which was limited to the area under review and 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.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the board and senior management of York and North Yorkshire Deputy Mayor for Police, Fire and Crime – Fire Function, and IAC.

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2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Governance	Risk Management	Internal Control
<p>It should be noted that the 2024/25 opinion in this report represents a positive direction of travel, with a third level overall opinion provided in 2024/25 (the previous two years have resulted in overall 4th line year end opinions). Whilst the opinion is still a qualified (negative) opinion, we can see that the organisation is getting a grip of a number of the risk management, governance and control related weaknesses and progress is clearly being made.</p>		
<p>We did not perform a specific governance review at the organisations in 2024/25, however we have covered elements of the governance frameworks in place for a number of our reviews and have used this work to support our governance opinions, notably for:</p> <ul style="list-style-type: none">Financial PlanningSafeguardingMisconduct <p>Financial Planning (substantial) and Safeguarding (reasonable) received positive assurance, while Misconduct (both partial) received a negative assurance opinion.</p>	<p>We did not perform a specific risk management review at the organisations in 2024/25. 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:</p> <ul style="list-style-type: none">Financial Planning (Risk 8494) – (substantial)Health and Safety (Risk 8497) – (partial)Safeguarding (Risk 8658) – (reasonable) <p>We have also attended all IAC meetings throughout the year and confirmed the organisation’s risk management arrangements continued to operate effectively and were adequately reported to and scrutinised by committee members; with regular updates provided and the risk register shared and reviewed, with appropriate oversight.</p>	<p>We have undertaken seven audits (including the risk driven reviews mentioned) of the control environment, with all ten resulting in formal assurance opinions. These reviews concluded that the organisations could take three partial assurance (negative), two reasonable assurance (positive), and one substantial assurance (positive) opinions. Furthermore, a little progress (negative) opinion was provided in relation to our Follow Up visit. Our visit determined that three high, five medium and one low priority action were still to be completed (and included a review of all 36 actions marked as closed by management).</p> <p>We identified the organisation had established control frameworks in place for a number of the audits undertaken, with Data Quality, Health and Safety and Follow Up all representing areas where weaknesses in the internal control framework were required.</p> <p>A summary of each negative assurance report has been provided below.</p>

Data Quality – Partial Assurance

Our review identified that whilst the Service have begun the journey to embed data quality across the organisation, this was still in its infancy and further development was required to ensure data quality is considered at all levels and management can rely upon information to make key decisions. Evidence of this could be seen with the ongoing recruitment of a Data Modeller responsible for assisting with data validation and data quality exercises.

An overarching Data Quality Policy or Strategy was not in place and the Service had not fully identified key data sets and owners. We identified that whilst work had begun to undertake data validation exercises, this had not been completed consistently, and the Service had identified areas with poor data quality. A series of key performance indicators were in the process of being identified and approved though this had not been finalised.

However, we confirmed that governance groups had been established to critique performance and data quality and there was also consistent agreement from discussion with management that the Service had improved the culture regarding data quality over the past 12 to 18 months, although there was acknowledgement that significant work was still required. As a result of our audit we agreed six **medium** and two **low** priority management actions.

Health and Safety – Partial Assurance

Our audit identified that the Service had a control framework in place for managing health and safety although we identified instances of non-compliance. Overall, the review identified that all but one action agreed in the previous audit had been embedded, although development was still required to ensure all controls were fully effective and working as designed. Whilst mandatory health and safety training had been implemented, we identified instances of non-compliance up to and including Area Managers.

An incident reporting process had been implemented although sample testing had flagged instances where this was not completed by staff in a timely manner. Whilst risk assessments were in place, there were a significant number of similar documents (such as standard operating procedures and manufacturer instructions) and a lack of clarity regarding which are to be used.

We agreed three **high**, two **medium** and two **low** priority management actions. It should be noted that one of the high actions was also identified during the 2022/23 audit and had not been resolved. Furthermore, whilst we have given an assurance opinion of partial, a majority of the actions agreed require involvement from other areas of the Service and are not due to non-compliance from the Health and Safety Unit.

As well as the headline findings discussed above, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix A.



Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2024/25.



Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the audit committee, with the validation of the action status confirmed by internal audit on specific follow up.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **little progress** in implementing the agreed actions. We noted that all of these remaining actions related to previous negative opinion reports. The three **high** and five **medium** priority actions outstanding related to:

- One **medium** priority action relating to On-call Firefighter Recruitment 5.22.23 (partial assurance).
- One **high** priority action relating to Procurement 8.22.23 (minimal assurance).
- One **medium** priority action relating to Estates Management 1.23.24 (minimal assurance).
- Two **high** priority and one **medium** priority actions relating to Supplier Payments - Process and Control Assurance 4.23.24 (minimal assurance).
As the agreed response to both high priority actions relate to introduction of a new system, we have merged these into a single action going forward.
- Two **medium** priority actions relating to Security Policy Framework 5.23.24 (minimal assurance).



Working with other assurance providers

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



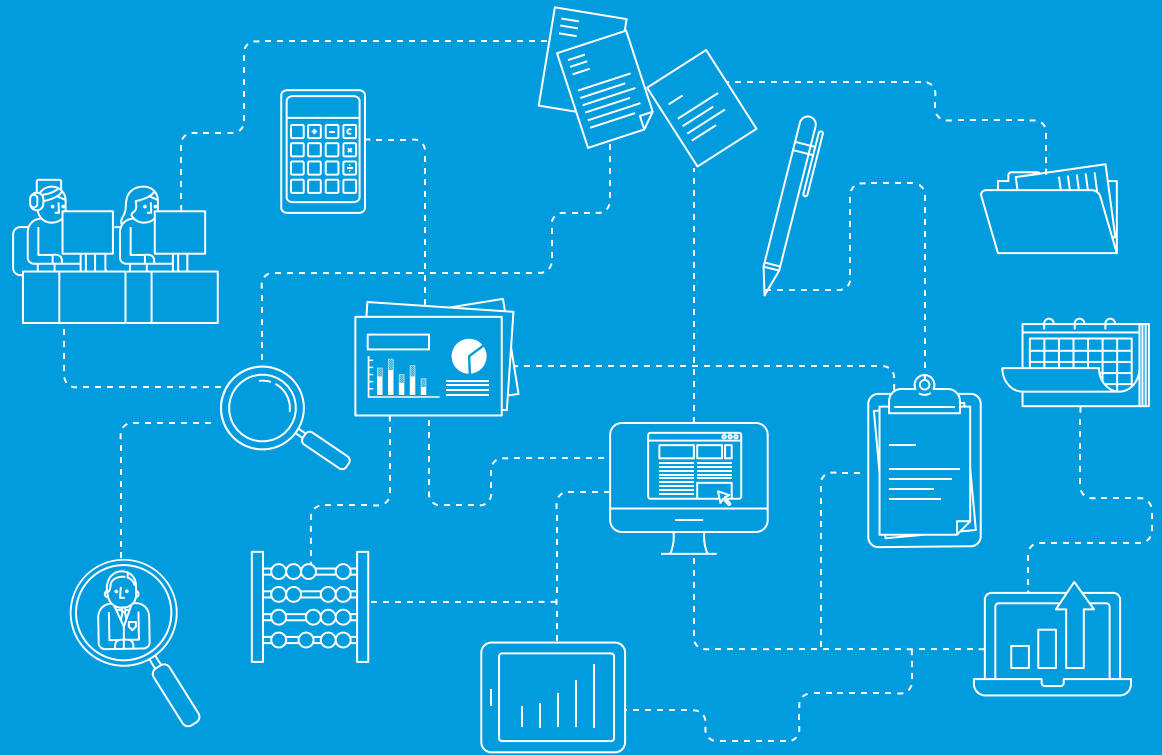
Topics judged relevant for consideration as part of the annual governance statement

We issued two partial (negative) assurance opinions in 2024/25 given for Data Quality, and Health and Safety. We also issued a little progress opinion for our Follow Up, which by request of the organisation, focused on all 36 actions that were considered by management to be closed (implemented). We assessed that three **high** and five **medium** actions remained open, with one further medium moving to a **low** priority action. The organisation should therefore consider the partial assurance opinions and the little progress in the follow up when completing the annual governance statement, together with any actions already taken and actions planned by management to address the actions agreed. In addition, the organisation should consider controls in place to monitor and implement those actions raised by internal audit to ensure actions are closed in a timely manner.

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 in a timely manner.

Our Performance

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3.1 Wider value adding delivery

Area of work	How has this added value?
Issue of Emergency Services and general briefings	In our regular news briefings, we drew attention to some of the key developments and publications in the sector, such as the published fire and rescue services inspection programme and framework, fire and rescue incident statistics for the year ending September 2024, and the handling of misconduct, and the launch of the seventeenth professional Internal Governance and Assurance Fire Standard.
Emergency Services benchmarking of internal audit findings 2023/24	<p>This paper provided a benchmark for our individual clients, allowing for self-assessment against all of our emergency services clients. At the assignment level, benchmarking provided:</p> <ul style="list-style-type: none">• a comparison against the numbers of actions agreed;• the assurance opinions provided across the sector in our client base;• a summary of the key areas where high internal audit management actions were agreed; and• a comparison of Head of Internal Audit (HOIA) opinions.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs designed specifically for our NED community.
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.
Emergency Services Risk Register Analysis	Analysis of the risk facing the fire and rescue services across the country to enable the organisation to compare and benchmark your risks and identify any potential gaps in risk identification.
Emerging Risk Radar	The emerging risk radar is based on 129 survey responses from board members and professional advisors from across all industries and highlights key emerging risks and emerging risk considerations
Attendance at IAC	We have attended every IAC throughout the year to present our papers and contribute to the wider agenda items as required.

3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2024/25 that would lead us to declare any conflict of interest. Internal audit remains independent and there have been no threats to our independence when delivering the audit plan during 2024/25.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS) and the Global Internal Audit Standards.

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.

3.4 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.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

3.6 Performance indicators

	Delivery				Quality		
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 days	21 days** (average)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 days	5 days (average)		Response time for all general enquiries for assistance	2 working days	100%	
Final report issued within 3 days of management response	3 days	3 days (average)		Response for emergencies and potential fraud	1 working day	Not applicable	

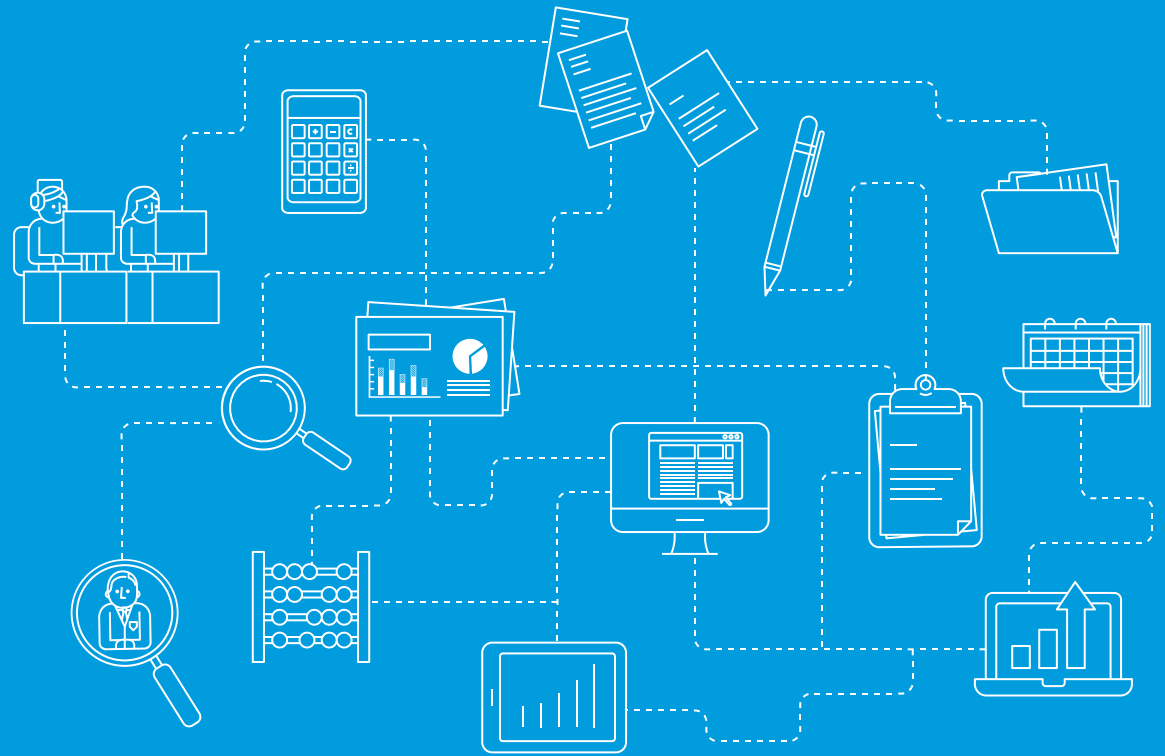
Notes

* This takes into account changes agreed by management and Audit Committee during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

** Further evidence requests were made following completion of the quality assurance process impacting the KPI. All of these were also impacted by auditor annual leave, sickness and study leave. Please note all but one of our audit reports have hit the correct IAC meeting.

Appendices

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APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

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

Assignment	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
Data Quality (4.24/25)	Director of Service Improvement and Assurance	Partial Assurance	2	6	0
Health and Safety (5.24/25)	Head of People Services	Partial Assurance	2	2	3
Follow Up of Previous Internal Audit Management Actions (7.24/25)	Director of Service Design and Delivery	Little Progress	1	5	2
Safeguarding (6.24/25)	Director of Capabilities, Community Risk and Resilience	Reasonable Assurance	2	1	0
Payroll: Process and Control Assurance (2.24/25)	Payroll & Pensions Manager	Reasonable Assurance	3	3	0
Misconduct (3.24/25)	Head of People Services	Reasonable Assurance	2	1	1
Financial Planning (1.24/25)	Chief Finance Officer PFCC	Substantial Assurance	2	0	0
Total			14	18	6

APPENDIX B: OPINION CLASSIFICATION

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



Minimal Assurance

Taking account of the issues identified, the board 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(s).



Partial Assurance

Taking account of the issues identified, the board 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(s).



Reasonable Assurance

Taking account of the issues identified, the board 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(s).



Substantial Assurance

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

- | +

FOR FURTHER INFORMATION CONTACT



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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 York and North Yorkshire Deputy Mayor for Police, Fire and Crime – Fire Function, 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.

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.

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