

# Progress on the update of the Devolved Resource Management Manual and related Internal Audit Actions

Document Information	
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Document Purpose:	To update JIAC on the delayed completion of the Devolved Resource Management (DRM) manual—affected by resourcing pressures, alignment work with NYFRS and YNYCA contract standing orders and procurement thresholds, as well as the NYFRS finance system development —and to outline the low assessed risk, the plan to progress the 17 related internal audit actions, and the revised timeline led by the newly established DRM Working Group for completion and reporting in September 2026.

Version No.	Date Changed	Details of Change	Author
1	17/03/2026	Current version	LBW

## Executive Summary

1.1 The update of the Devolved Resource Management (DRM) manual, originally due by March 2026, has been delayed due to resourcing challenges, alignment work with NYFRS and YNYCA on governance and procurement thresholds, and major ongoing activity including the NYFRS finance system migration and Purchase-to-Pay process review.

1.2 While the DRM remains broadly functional, some sections and authorisation limits are outdated, with the overall risk of significant governance or financial control failure being assessed as low. This is supported by strong HMICFRS assessment, along with Internal Audit and External Audit assurance. There are 18 related internal audit actions related to the DRM which will be progressed with the update manual.

1.3 A DRM manual Working Group has been established on 19<sup>th</sup> March 2026, meeting every three weeks, to drive completion. A soft launch will take place in July 2026, with the full updated DRM and all 17 audit actions scheduled to be reported to JIAC in September 2026

## Document Purpose

2.1 The purpose of this report is to explain:

- the delay in providing the update of the Devolved Resource Management (DRM) manual to Joint Independent Audit Committee (JIAC), as agreed by the end of March 2026;
- the associated risks;
- the approach to finalising the DRM manual to report to JIAC September 2026;
- the update on the 17 outstanding internal audit actions relating to the DRM.

## Background Information

### What is the DRM

3.1 The DRM provides a comprehensive framework for the financial monitoring, management and control of the organisation. It identifies the financial actions that are permitted and forms the financial regulations under which NYP operates. It describes the procedures appropriate to the actions and establishes limits to the authority of the various participants.

3.2 Attached at **Appendix A** is an overview of the Headings included in the DRM manual.

### Internal Audit Actions related to the DRM

3.3 There are 17 audit actions that relate to the DRM which would have been updated and finalised in line with the DRM by the end of March 2026. Due to the delay in the update of the DRM, the internal audit queries are also delayed and these will be addressed with the progress of the DRM.

## Matters for consideration

### 4.1 Why is the update of the DRM delayed

In January, the CFO confirmed to JIAC that the DRM manual would be finalised on 31 March 2026 and communicated round the Force during Qtr. 1 2026/27; this has not happened due to numerous matters as described in the narrative below:

- Recruitment and vetting took longer than anticipated with additional resources being approved at COT in November 2026. An additional resource 3 days a week had been employed in February 2025, and this role would undertake the coordination of the DRM amongst other duties, however following a workload prioritisation review based on risk, this role was diverted to fill that gap of Capital Accountant as the incumbent left the post in February 2025 and the new appointment was recruited 2nd February 2026.
- Since February 2026 NYP has had discussions with YNYCA Monitoring Officer (Director of Legal) in relation to the Constitution and contract standing orders that these should be aligned across North Yorkshire Police (NYP), North Yorkshire Fire & Rescue Services (NYFRS) and York & North Yorkshire Combined Authority (YNYCA). The DRM manual going forwards will reflect the contact standing orders aligned with the three organisations and also procurement threshold. The procurement thresholds are under revision as a result of the Procurement Act 2023 being adopted by all public bodies in February 2025 where this has given the opportunity to discuss and benchmark with regional colleagues as to the thresholds in which their procurements are conducted.
- These change to thresholds are at an early stage where it has been discussed at NYP Strategic Procurement Meeting which will then be reported to NYP Chief Officer Team (COT) and NYFRS Strategic Leadership Board (SLB) for approval during Qtr. 1 2026/27. The increase in the thresholds is moving with the change in the value for money over time since the last DRM manual update in 2022 and also due to the thresholds changing within the Procurement Act 2023 (PA23). The change in the PA23 thresholds has instigated the re-assessment of NYP internal thresholds for better opportunities which may create efficiencies going forward for the procurement team and ensure that the procurement process is less burdensome for lower value procurements.

### What is the implication of not updating the DRM and delaying for a further 6 months

4.2 The update and finalisation of the DRM and reported to JIAC towards the end of September 2026 will result in a more complete, comprehensive accurate document.

4.3 Currently the document is out of date, with some areas dating back to 2015 which was highlighted in Internal audit report in 2022 prior to the current CFO's arrival at NYP in November 2023.

4.4 Implications of the delay:

4.4.1 On average the document is fit for purpose but in some areas limits and individuals who authorise need to be updated. However, there is no risk to the force as the finance, procurement and purchasing team works within the limits set in the DRM. Specifically for the authorisation of purchase requests these limits are set in the Oracle IProc purchasing system. Finance review and

update the Scheme of Authorisation where an exercise is currently occurring for the Force by June 2026.

4.4.2 The Scheme of Authorisation and delegation is currently being reviewed as a separate exercise in Finance to capture the correct structure of NYP and also the limits are being reviewed to ensure that the Hierarchy of limits is appropriate at each level of the organisation. For example, an Assistant Chief Constable (ACC) has authorisation of £50k and this being determined to remain reasonable or otherwise. Benchmarking is being undertaken for awareness in other Forces.

4.4.3 Time and resources have been allocated to other financial matters across the Force to ensure that NYP received a Good in HMICFRS in point 1 Leadership and Management in which Finance contributes; Finance was seen as a good robust pillar where there is a foundation to progress further developing the Medium Term Financial Plan and budget & business planning cycle along with further focusing the Force on savings and efficiency programmes that would not have been possible 2 years ago.

4.4.4 Currently NYFRS finance system is being transferred from the Oracle platform at North Yorkshire Council to the Oracle platform at NYP; this will be completed to go live at 01/04/2026. With this brings the opportunity to review the purchase to pay process in NYFRS where a review is currently being undertaken to identify how requisitions will be raised, purchase orders approved, good receipted and invoices paid.

4.4.5 In addition, external consultants support the NYFRS finance system work as well as the revised Purchase to Pay process to be brought into NYFRS. This is currently under development with discussion with NYP and wider regional colleagues which will result in the best way forward for NYFRS. Due to the ongoing internal work to understand the current process, this work is likely to be delayed with a go live date after September 2026.

4.4.5.1 This purchase to pay process (P2P) for NYP is linked with the DRM manual and also the learnings of the process review in NYFRS. In the past Transport & Logistics have operated a manual spreadsheet process for part of NYFRS process in raising orders as well as other areas of NYFRS holding spreadsheets with their own orders. Internal Audit report in summer 2023 detailed the work to be reviewed in Transport & Logistics which impacted on NYP and NYFRS and an examination of the process was required.

4.4.5.2 This P2P process is included and is part of the DRM and therefore the review of the P2P process, the internal audit report for T&L (impacting NYP as well as NYFRS) and the requirement for a new system has all been consolidated into the 2025/26 financial year and the review of the DRM as a whole. There remains a consideration as to how the current T&L Tranman system operates in relation to finance and the link between the two systems. This is under review where further work is being undertaken.

4.4.6 Therefore, there are 17 NYP outstanding internal audit actions which are to be addressed in the next 6 months as part of the overall review of the DRM manual where a progress update will be provided in September 2026. These outstanding internal audit queries are attached at **Appendix B**.

### **What is the risk of the delay in updating the DRM**

5.1 Failing to update internal financial regulations and policies poses multi-faceted risks which could result in worst case scenarios such as legal penalties, severe reputational damage, and

operational inefficiencies. Outdated policies can fail to address evolving compliance requirements and new technologies, creating hidden traps that can lead to substantial financial losses.

5.2 The DRM manual will be updated in the next 6 months and to provide assurance that the worst case scenarios will not occur in this time frame, it should be noted that this has not occurred in the past (although it is recognised the past is no reflection of the future) and the following mitigation is described below:

- **HMICFRS assessment** – in November 2024 this was deemed as Good due to the progress made in Force since November 2023. In addition, the progress that has been made since then and discussion with the assessors for the 2025 assessment indicates that on 30 March 2026 when the report is due to be released, Finance will again be confirmed as Good.
- **Annual Governance Statement** - The Annual Governance Statement (AGS) is a statutory public document produced every year that reports on how risk management, internal control, and governance frameworks have operated over the previous year. Published alongside financial accounts, it assures stakeholders that public money is properly accounted for, risks are managed, and performance is monitored. In 2024/25, the AGS confirmed that Internal Audit views [waswere](#) of reasonable assurance for risk management and governance with partial assurance for internal control. NYP was determined to change this and so in JIAC July 2025 NYP reported [#sits](#) revised approach to internal audit process at the same meeting where Internal audit raised their concern. This highlights the good working relationship between NYP and internal audit as well as the proactive positive response.
- **Internal Audit** – every year the internal audit plan is approved at Risk, Assurance and Improvement Board (RAIB) as well as being presented to JIAC and COT to ensure the Chief Constable is aware to the good financial management approach. In every internal audit plan, there is always an internal audit on Key Financial Controls. The mitigation to risk is borne out in the reports that have been received in the last two years as follows:
  - In 2024/25 substantial assurance for MTFP
  - In 2024/25 reasonable assurance for management of credit cards
  - In 2025/26 reasonable assurance for payroll
- **External Audit** - overall there are no significant issues with reference to the Chief Constable's accounts where external audit confirmed an unmodified opinion. One matter on internal control was raised in reference to the approval of journals which Management agreed to put in place segregation of duty of authorisation of manual journals above £100k which is being kept under review to ensure that this workload is manageable and reasonable going forwards. This highlights that improvements are ongoing with the DRM to reflect such changes by September 2026.

## Next Steps

6.1 To ensure the DRM manual is completed and 17 internal audit actions are progressed by the JIAC meeting in September 2026, NYP are setting up a working group has been set up to engage with all relevant contributors listed below with the Head of Strategy & Governance attending the meeting to scrutinise progress and hold the CFO, who will chair the group, to account.

6.2 The working group will meet every three weeks and comprise:

- CFO – Chair
- Head of Strategy & Governance
- Heda of Finance
- Head of Procurement
- Head of Transport & Logistics

6.3 A soft launch of the DRM manual will occur in July 2026 at Strategic Planning Day attended by Chief Inspectors, and staff equivalent, to raise their awareness. These are the individuals across the force who would need an understanding of financial monitoring, management and control of the organisation.

## Decisions Required

7.1 JIAC note:

- the 'next steps' section of the report as to the timeline and approach to finalising the DRM manual, raising awareness across the Force and progressing the 17 outstanding audit actions to be reported at the September 2026

**NORTH YORKSHIRE POLICE  
DEVOLVED RESOURCE MANAGEMENT MANUAL**

Contents	Glossary	Introduction and background
<b>Audit, records and resource management</b> 1) Audit arrangements 2) Capital accounting	3) Budgetary control 4) Assets and inventories 5) Document retention 6) Annual inspection of accounts	7) Police objective analysis 8) Investment management and banking 9) Major incidents/ mutual aid
<b>Expenditure</b> 10) Procurement procedures 11) Properties and facilities procedures	12) Creditor payments 13) Petty cash 14) Construction industry scheme	15) Purchase and credit cards 16) Value added tax 17) Covert financial transactions
<b>Income</b> 18) Customer invoice process	19) Miscellaneous income 20) Income and resource generation	See also Ch16 value added tax
	21) Payroll / pay slips 23) Expenses	22) Payment for overtime/ time off in lieu
<b>Miscellaneous</b> 24) Voluntary and non-Commissioner funds 25) Community and Police Groups 26) Reporting of financial irregularity 27) Signature/sealing of contracts 28) Partnership arrangements	29) Internal control environment 30) Register of Authorisers of Financial Actions 31) Gifts, gratuities and hospitality 32) Regional financial instructions	33) Executive and statutory officers ways of working

**17 NYP OUTSTANDING INTERNAL AUIDT ACTIONS RELATING TO THE DRM MANUAL**

**APPENDIX B**

Report	Assurance level	Action	Baseline due date	Revised due date	Comments	Current Due Date	Rationale	Status
<b>06.22.23 Fleet Management</b>	High	3. Review Force financial governance documents and update to reflect current governance arrangements.	31.07.23	01.07.25	Linked to Devolved Resource Manual (DRM) update	31.03.26 (no change)	A thorough review of the 218 pages of the DRM incl. the financial regulations will complete by 31.12.25 with the consultation across the Force being complete by 31.03.2026	
<b>12.22.23 Purchasing Process Review</b>	Medium	5. Consider whether formalised training should be implemented for budget holders	31.03.25	31.07.25	Linked to Devolved Resource Manual (DRM) update	31.03.26 (no change)	A thorough review of the 218 pages of the DRM incl. the financial regulations will complete by 31.12.25 with the consultation across the Force being complete by 31.03.2026	
		14. The Force should liaise with system providers to review whether audit trails of changes made within Tranman are available.	31.07.24	31.03.26	This will be updated along with the DRM	31.03.26 (no change)		
		16. Conduct a review of iProc to determine if additional restrictions can be applied	30.09.24	31.07.25	Linked to Devolved Resource Manual (DRM) update	31.03.26 (no change)		
	Low	1. Consider streamlining the information within the DRM to be more user-friendly.	31.03.25	31.07.25	Linked to Devolved Resource Manual (DRM) update	31.03.26 (no change)	A thorough review of the 218 pages of the DRM incl. the financial regulations will complete by 31.12.25 with the consultation across the Force being complete by 31.03.2026	
		2. Document processes for ordering and authorising purchases in the Tranman system within the DRM.	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
		3. Develop a procedural document on the use of the Tranman system.	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
		4. Streamline financial procedural documentation.	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		

		6. Review documentation to ensure processes are up to date.	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
		7. A review of responsibilities should be undertaken.	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
		8. The process to change delegations to approve will be reviewed.	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
		9. Establish segregation of duties	31.03.25	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
		17. Update the Accounts Payable flowchart to accurately reflect the value check as required by the DRM.	30.09.24	31.07.25	This will be updated along with the DRM	31.03.26 (no change)		
<b>07.23.24 Key Financial Controls: Accounts Receivable</b>	Medium	2. Consider creating process notes for key procedures such as debt chasing, debt write off and raising credit notes and invoices.	31.07.24	31.08.25	This will be updated along with the DRM	31.03.26 (No change)	A thorough review of the 218 pages of the DRM incl. the financial regulations will complete by 31.12.25 with the consultation across the Force being complete by 31.03.2026	
<b>09.24.25 (Key Financial Controls – Purchase Cards)</b>		1. The Force will review the DRM to confirm it is up to date and reflects current working practice.	31.03.26			31.03.26 (No change)		
	Medium	2. All cardholders will sign a card acknowledgment form every two years, to ensure they are aware of the current credit card policy. Alternatively, at each update to the credit card policy, the cardholders could be contacted and requested to provided confirmation they have read and understood the changes to the policy.	31.07.25	30.09.25		31.03.26 (no change)	Extension requested and granted by SRO – CFO. The credit card policy is being updated as part of the DRM review and therefore all card acknowledgement forms will be sent out for signing by 31/03/2026	

		3. Line Managers who are responsible for reviewing and approving credit cards spending will sign the acknowledgment confirming that they have read and understand the Credit Card Policy detailed in the Devolved Resources Manual (DRM).	31.07.25	30.09.25		31.03.26 (no change)	Extension requested and granted by SRO – CFO. The credit card policy is being updated as part of the DRM review and therefore all card acknowledgement forms will be sent out for signing by 31/03/2026	
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