



## YORK AND NORTH YORKSHIRE COMBINED AUTHORITY - FIRE

Internal Audit Strategy 2022/23 – 2028/29 (including the Internal Audit Plan 2026/27)

Presented at the Independent Audit Committee meeting of: 24 March 2026

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

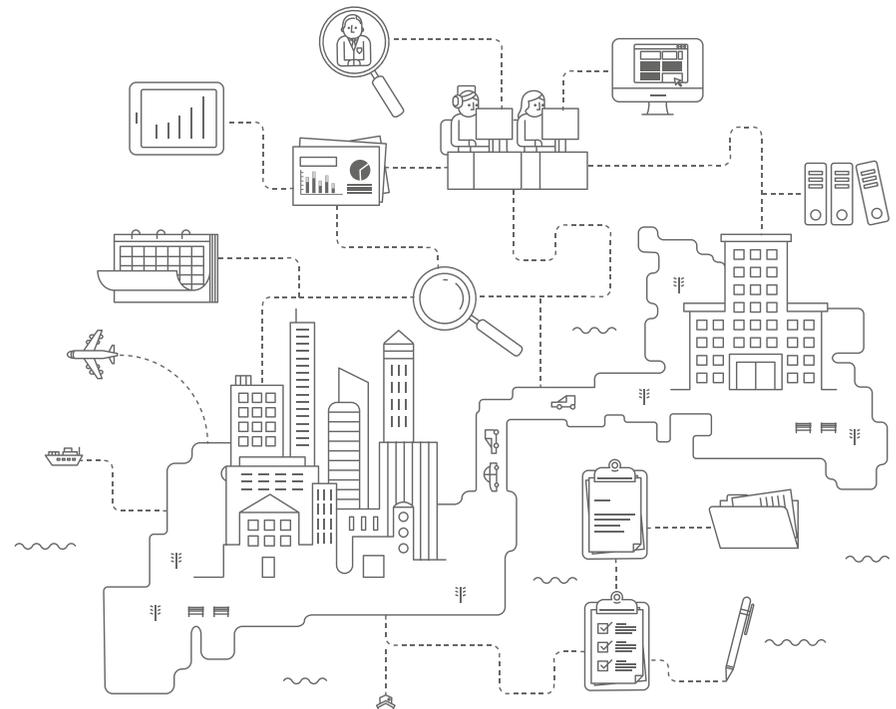
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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## EXECUTIVE SUMMARY

**Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other factors affecting the York and North Yorkshire Combined Authority - Fire in the year ahead, including changes within the sector.**

Our Internal Audit Plan for York and North Yorkshire Combined Authority - Fire is presented for approval by the Independent Audit Committee (IAC) at this meeting. The IAC are asked to approve the Internal Audit Plan and associated Internal Audit Charter. During the year, we will continue to work with management and hold regular meetings to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs.

The key points to note from our plan are:



Your core team are Dan Harris (Partner) and Matthew Stacey (Managing Consultant) who are supported by specialists, as required (such as use of Pensions specialists on the Payroll and Pensions review).



We have agreed delivery of eight audit areas, including follow up reviews during 2026/27, attendance at IAC meetings, liaison with External Audit and other assurance providers, meetings with Management, annual planning meetings and a mid-year review and an annual report and opinion.

The eight audit areas are set out in Section 1.1 below.



Flexible and agile approach to deliver in order to respond to your needs.



Internal Audit Charter, at Section 3.2.

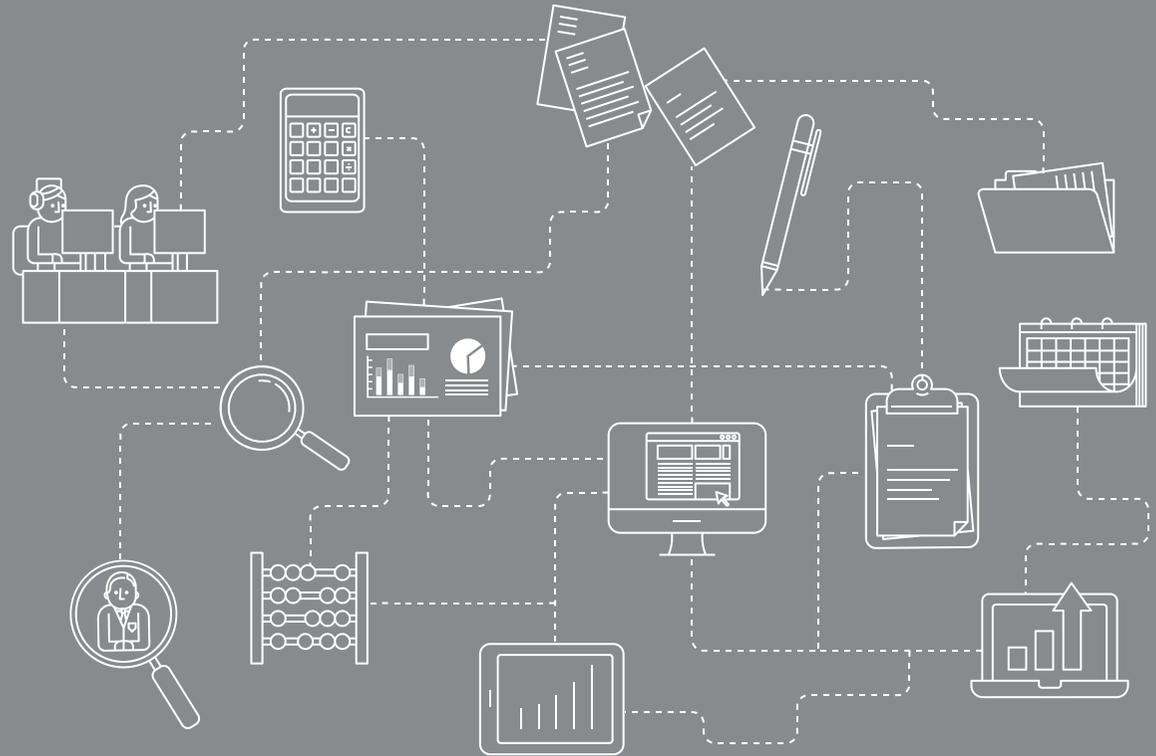
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**'RSM generally conforms to the requirements of the IIA Standards' and RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics'.**

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# Annual Internal Audit Plan and Methodology

# 01



## 1.1 INTERNAL AUDIT PLAN 2026/27

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2026/27. The table details the corporate risks which have focused our internal audit coverage. This review of your risks allows us to ensure that the proposed plan aligns with the organisation's assurance needs for the forthcoming and future years.

	Audit approach	Days	Proposed start	Proposed IAC Reporting
<b>Core Internal Audit Activity</b>				
<b>Audit areas</b>				
<b>Fleet Management</b>				
We will review the arrangements in place to manage the fleet including completion of servicing and maintenance and time allocation within the workshop. Due to shared resources, this review will be aligned with the Police's internal audit programme.	System based	15	W/c 8 June 2026	September 2026
<b>Estates</b>				
A review into the processes in place to ensure that the organisation's properties and estates are effectively maintained, in compliance with internal procedures. Due to shared resources, this review will be aligned with the Police's internal audit programme.	System based	15	W/c 23 November 2026	March 2027
<b>Delegated Budgeting and Forecasting</b>				
An audit to give assurance that budget management and control processes are in place and operating effectively, to monitor the effective use of funds, enable effective forecasting financial performance and the achievement of financial targets.	System based	12	W/c 31 August 2026	December 2026
<b>Payroll &amp; Pensions</b>				
This audit will be to ensure that payroll is correctly paid in a timely manner and are adequately controlled and recorded within the payroll and associated systems in accordance with statutory requirements and controls. This will include specialist pensions support from one of RSM's subject matter experts.	System based	12	W/c 20 July 2026	September 2026
<b>Building Security Controls</b>				
A review to assess whether premises are secure and with sufficient controls to prevent unauthorised access. This will include unannounced visits to a sample of premises.	Risk based	14	W/c 27 April 2026	June 2026
<a href="#">Risk 8503 – Physical security of fire stations and assets</a>				

	Audit approach	Days	Proposed start	Proposed IAC Reporting
<p><b>Sickness Absence</b></p> <p>A review to assess the level of compliance with the organisation’s attendance and absence management policies and procedures and with the governance and reporting mechanisms in place to oversee this function. What consideration is given to themes, actions etc since there was an uptick in physical and mental health related sickness year on year.</p>	Sysetem based	12	W/c 19 October 2026	December 2026
<p><b>Procurement</b></p> <p>A review of the procurement arrangements in place to include: Governance structure, reporting, procedures, frequency and activities of governance groups, terms of reference and compliance with these, information being considered. Procurement purchasing and invoicing processes and the arrangements and systems in place to ensure that there is awareness in advance of any required procurements and that these are effectively planned and delivered to minimise the use of any waivers and ensure procurement procedures can be effectively followed. purchasing/invoice processing There is compliance with porcurement rules (including the new Procurement Act) and authorisation and with Financial Regulations.</p> <p><a href="#">Risk 9698 - Provision of business-critical financial management capability</a></p>	Risk Based	14	W/c 18 January 2027	March 2027
<b>Other Internal Audit Activity</b>				
<p><b>Management</b></p> <p>This will include:</p> <ul style="list-style-type: none"> <li>• Annual planning meetings and drafting the plan;</li> <li>• Preparation for, and attendance at, the IAC;</li> <li>• Regular liaison and progress updates;</li> <li>• Liaison with external audit and other assurance providers; and</li> <li>• Preparation of the annual opinion.</li> </ul>	n/a	15	Ongoing	Ongoing
<p><b>Follow Up Visit</b></p> <p>To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.</p>	Follow Up	10	W/c 8 March 2027	June 2027

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

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## **Working with other assurance providers**

The IAC is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

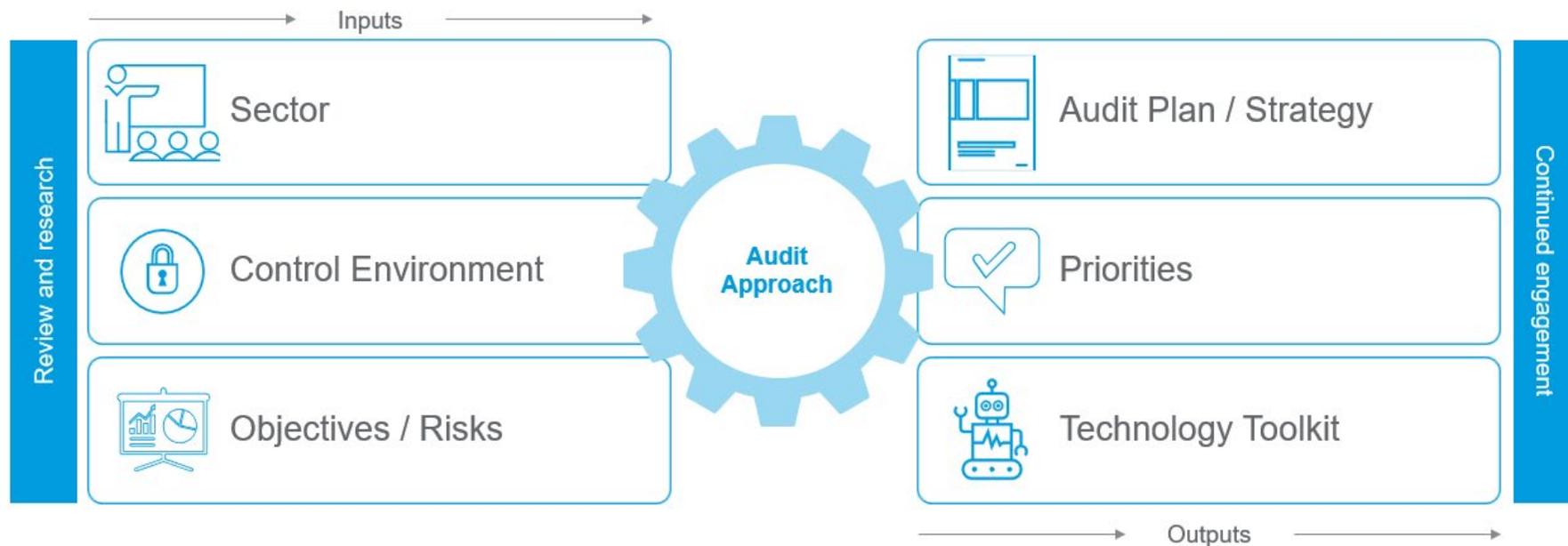
## 1.2 INTERNAL AUDIT METHODOLOGY

Our approach to developing your internal audit plan is based on analysing your organisational objectives, risk profile and assurance framework as well as other factors affecting the York and North Yorkshire Combined Authority - Fire in the year ahead, including changes within the sector. We also discuss audit priorities and coverage with management and the IAC.

### Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with leadership and the IAC to develop your annual audit plan and high-level strategic plan (See Section 2.1 and 3.2).

**Figure A:** Audit considerations when developing the Internal Audit Strategy.



# Your Internal Audit Strategy 2022/23 – 2028/29

# 02



## 2.1 INTERNAL AUDIT STRATEGY 2022/23 – 2028/29

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1.1 above, as well as our own view of the risks facing the sector as a whole.

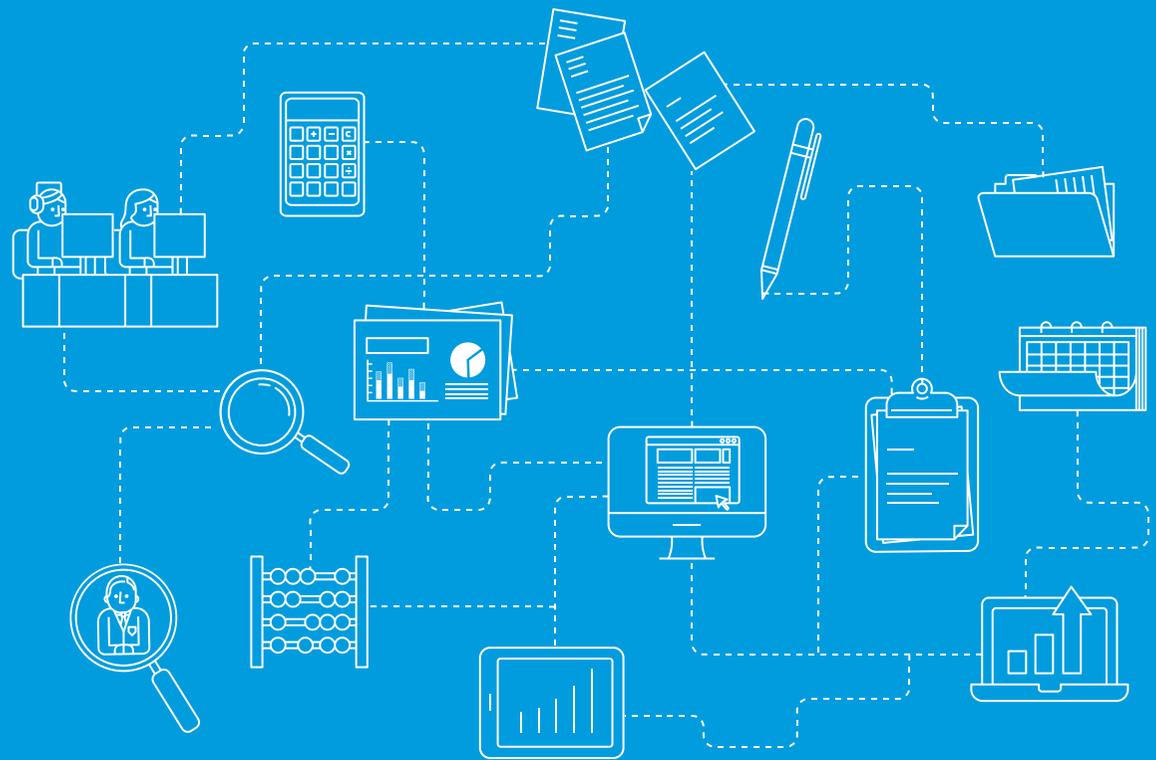
Audit Area	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Corporate Risks</b>							
Risk 8494 – Failure to ensure effective financial control and financial planning processes.			✓ (Financial Planning)		✓ (Delegated Budgeting and Forecasting)		✓
Risk 8495 – Ineffective workforce planning results in loss of key skills and resources at all levels of the organisation				✓ (Workforce Planning) / (Equality and Diversity)			
Risk 8496 – Legal Compliance - CAFRA / NYFRS acts unlawfully resulting in litigation or regulatory action.				✓ (Code of Ethics)			
Risk 8497 - NYFRS fail to adhere to relevant statutory guidance and practices in relation to Health and Safety which places officers, staff and the public at risk.	✓ (Health and Safety)		✓ (Health and Safety)	*follow up		✓	
Risk 8498 – NYFRS fails to develop organisational resilience which impacts on the ability to effectively deliver the objectives outlined in the Fire and Rescue Plan.				✓ (Fire and Rescue Plan)			
Risk 8499 – NYFRS fails to meet its strategic sustainability ambitions and legal requirements imposed through Environmental legislation or regulation						✓	

Audit Area	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Risk 8502 – Unable to effectively manage cyber risk.	✓ (ICT – Maintenance and Updates)					✓	
Risk 8503 – Physical security of fire stations and assets		✓ (Security Policy Framework)			✓ (Building Security Controls)		✓
Risk: 8658 - Organisational safeguarding compliance.			✓ (Safeguarding)				✓
Risk 9698 - Provision of business-critical financial management capability	✓ (Supplier Payments)	*follow up			✓ (Procurement)		
Risk 9718 - Severe Workforce Shortfall in Joint Transport & Logistics Hub Impacting Operational Delivery							
Risk 9724 - Recruitment and retention at strategic level within the Service	✓ (On call Fire Recruitment Process)					✓	
<b>Core Assurance</b>							
Assets		✓ (Asset Management)	*follow up			✓	
Training				✓ (Operational Training)			✓
Process and Control Assurance Review	✓	✓	✓		✓	✓	✓

Audit Area	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	(Payroll)	(Supplier Payments)	(Payroll)		(Payroll)		
Risk Management / Governance							✓
Fleet Management	✓				✓		✓
General Data Protection Regulation (GDPR)						✓	
Estates		✓			✓		
Data Quality			✓	*follow up		✓	
Mental Health and Wellbeing					✓ (Sickness Absence)		
Grenfell Action Plans		✓					
Misconduct			✓				
Follow Up of Negative Assurance Opinions from 2023/24				✓			
Recommendation tracking from external parties				✓			
Operational Fire Review: Prevent and Protection Engagement				✓			
Gazetteer Patching Review	✓						
Follow Up of Previous Internal Audit Management Actions		✓	✓	✓	✓	✓	✓

# Your Internal Audit Service and Internal Audit Charter

# 03



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## 3.1 YOUR INTERNAL AUDIT SERVICE

### Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Global Internal Audit Standards in the UK Public Sector. Our next external quality assessment (EQA) will take place in 2026.

Under the Standards, internal audit services are required to have an EQA 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.

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.

## 3.2 INTERNAL AUDIT CHARTER

### Need for the charter

This charter establishes the purpose, mandate, authority, role and responsibilities for the internal audit service for the York and North Yorkshire Combined Authority - Fire. The establishment of a charter is a requirement of the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. Our internal audit services are designed to conform with the Global Internal Audit Standards in the UK Public Sector.

Approval of the charter is the responsibility of the IAC. The internal audit service is provided by RSM UK Risk Assurance Services LLP ('RSM').

### Purpose

The purpose of the internal audit function is to strengthen the York and North Yorkshire Combined Authority - Fire's ability to create, protect, and sustain value by providing the Deputy Mayor for Police, Fire and Crime and management with independent, risk-based, and objective assurance, advice, insight, and foresight. We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives.

### Mandate

#### Authority

In approving this Charter, the York and North Yorkshire Combined Authority - Fire grants RSM the mandate to provide the IAC and senior management with objective assurance, advice, insight and foresight.

The internal audit team is authorised by the IAC to:

- Have full and unrestricted access to all functions, records, data, information, property and personnel which it considers necessary to fulfil its role.
- Have full and free access to the IAC.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.

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- Initiate or approve accounting transactions on behalf of the organisation.
  - Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

### Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Dan Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Assistant Director of Resource (Deputy s73 Officer for Police, Fire and Crime Functions).

Through this charter, RSM confirms the organisational independence of internal audit annually. Should any changes in governance structure arise during the year, limiting independence, this will be brought to attention and the safeguards put in place communicated.

Circumstances may justify a follow-up discussion between the head of internal audit, board, and senior management on the internal audit mandate or other aspects of the charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the head of internal audit, board, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

The head of internal audit has unrestricted access to the Chair of the IAC to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Internal audit conforms with the Global Internal Audit Standards which includes the principles and standards of ethics and professionalism. Internal auditors maintain an unbiased mental attitude. This allows auditors to perform engagements objectively, and without their judgment on audit matters impacted by others, either in fact or appearance.

Conflicts of interest may arise where RSM provides services other than internal audit to York and North Yorkshire Combined Authority - Fire. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the Board. The nature of the disclosure will depend upon the potential impairment, and it is important that our role does not appear to be compromised in reporting the matter to the Board. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

## IAC oversight

In establishing the internal audit function, ensuring it is positioned independently and overseeing performance, the IAC will:

- Support and champion the mandate of internal audit, enabling it to fulfil its objectives, and working with senior management, enable unrestricted access to information and records.
- Discuss with the head of internal audit and senior management internal audit's authority, role, responsibilities, scope and types of services (assurance / advisory).
- Establish and protect the internal audit function's independence and ensure a direct reporting relationship, allowing the head of internal audit to discuss matters with the board without senior management present.
- Review, discuss other topics for inclusion, and approve annually the internal audit charter. This includes approving the mandate, the scope and internal audit services.
- Participate in discussions with the head of internal audit and senior management about the 'essential conditions' in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review the internal audit charter annually with the head of internal audit to consider changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks.
- Approve the risk-based internal audit plan.
- Appoint and remove the internal audit function and approve our fee.
- Collaborate with senior management to determine the competencies, experience and qualifications required of the head of internal audit.
- Review internal audit performance and receive communications from the head of internal audit on performance relative to plan.
- Discuss the quality assurance and improvement programme (QAIP) and review the QAIP annual briefing sharing themes and learning from reviews undertaken across our client base.
- In collaboration with senior management, ensure internal audit has the resource to fulfil the mandate and internal audit plan. At least annually, discuss with the head of internal audit whether internal audit scope and resource is sufficient.

## Internal audit responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the IAC and senior management for review. The plan will be approved each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the IAC. The plan will be updated in response to organisational changes including risks, operations, programmes, systems and controls. All significant changes are communicated to the IAC and senior management.
- Ensure the internal audit team consists of professional audit staff with the competencies, knowledge, skills, and experience to meet the requirements of the Global Internal Audit Standards and enable internal audit to fulfil its mandate.
- Establish a quality assurance and improvement programme to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives and improving the efficiency of governance, risk management and internal control processes.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Identify themes, trends and emerging issues that could impact the organisation and where appropriate communicate matters to the board and senior management.
- Communicate the impact of resource limitations on the internal audit plan to the board and senior management.
- Report regularly to the board to demonstrate the performance of the internal audit service.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the head of internal audit cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the board.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an

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organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

- Senior management - who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Board - The highest-level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, 'board' may refer to a committee or another body to which the governing body has delegated certain functions (eg the IAC).

## Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / client portal.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

## Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the IAC. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the IAC and management summarising outcomes of audit activities, including follow up reviews.

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As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service, we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute.

The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM UK Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

### **Data protection**

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties. Internal auditors are accountable for confidentiality and safeguarding records and information.

### **Quality Assurance and Improvement**

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. We have in place a quality assurance and improvement programme, consisting of both internal and external assessments. Internal assessments are led by a dedicated Quality Assurance Department who undertake these reviews. Under the standards, internal audit services are required to have an external quality assessment every five years. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the Board.

### **Fraud**

The Board recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Board recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

### **Approval of the internal audit charter**

By approving this document, the internal audit strategy, the IAC is also approving the internal audit charter.

## FOR FURTHER INFORMATION CONTACT

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We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email [admin.south.rm@rsmuk.com](mailto:admin.south.rm@rsmuk.com).

**rsmuk.com**

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 Combined Authority - Fire 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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