



YORK AND NORTH YORKSHIRE COMBINED AUTHORITY – FIRE

DRAFT annual internal audit report for the year end 31 March 2026

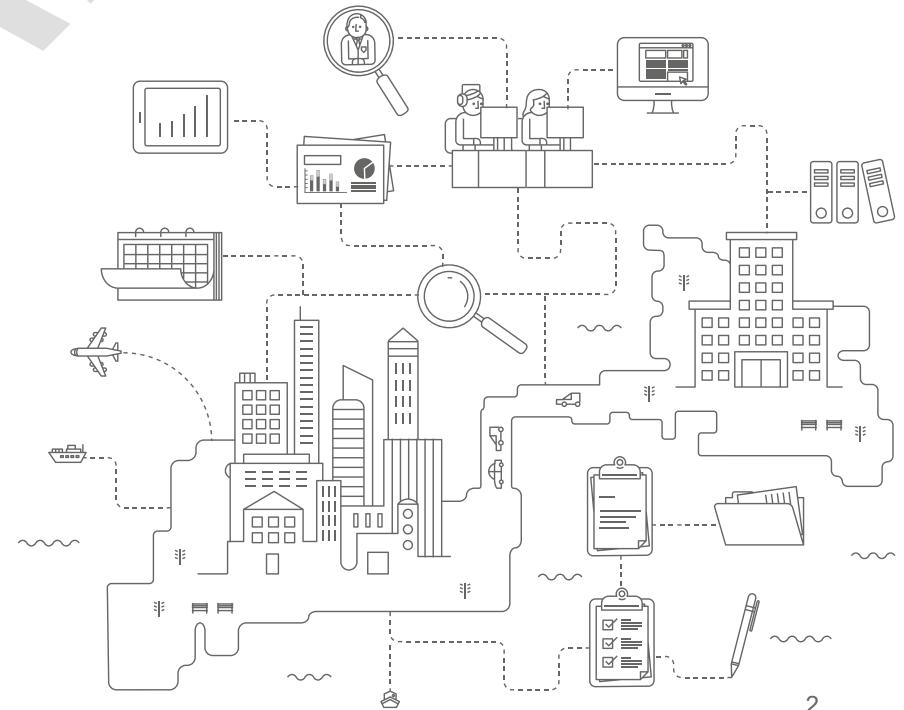
2 June 2026

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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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 year 2025/26 the head of internal audit opinion for York and North Yorkshire Combined Authority – Fire is:

Annual opinion

Factors influencing our opinion



The factors which are considered when influencing our opinion are:

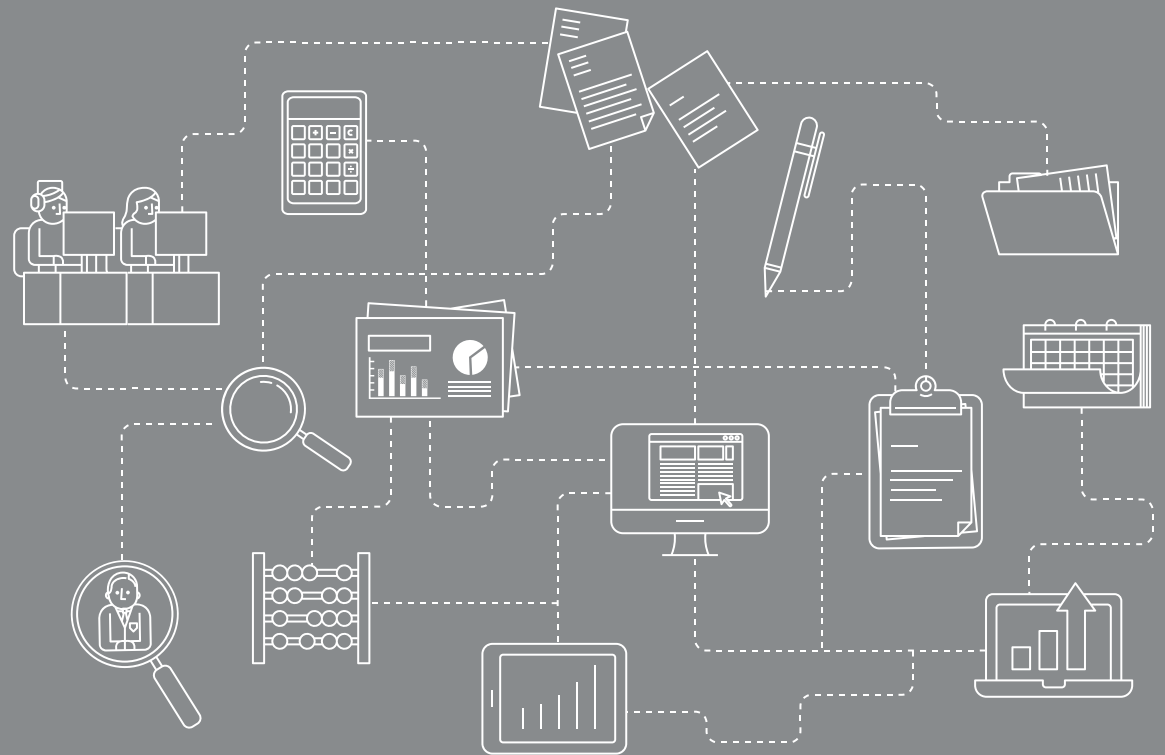
- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weaknesses identified;
- the level of risk exposure; and
- the response to management actions and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

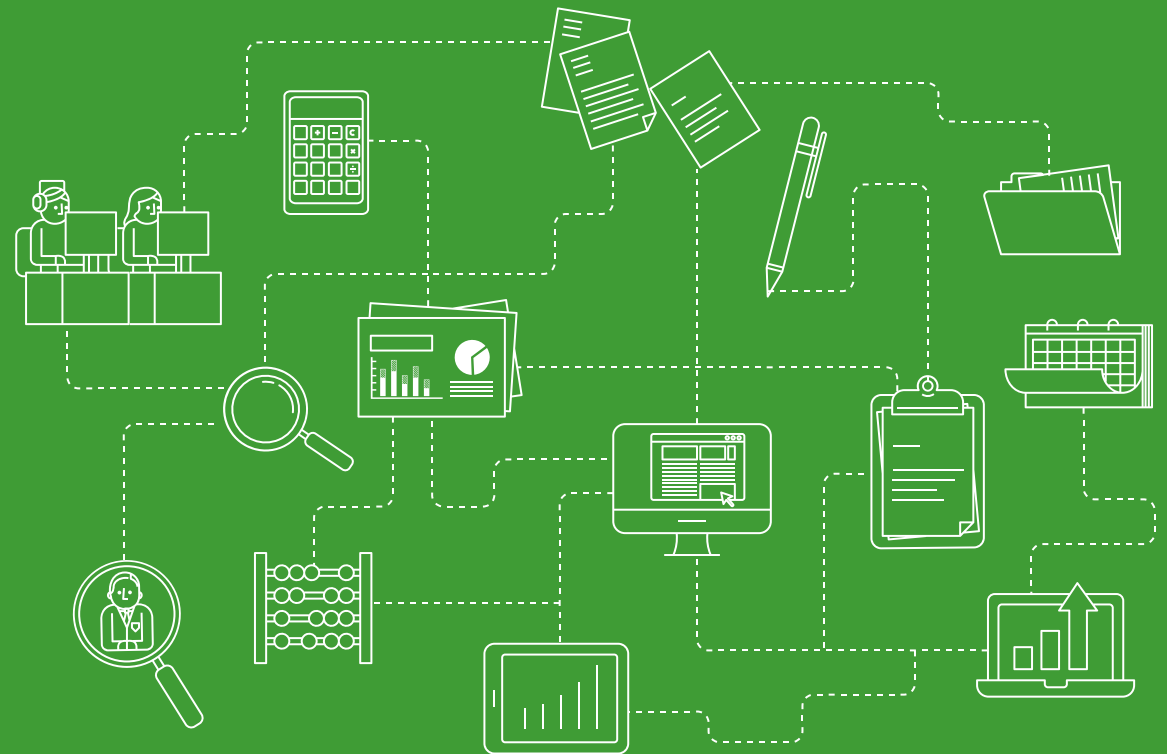
The formation of our draft opinion is achieved through a risk-based plan of work, agreed with management and approved by the Independent Audit Committee (IAC), our opinion is subject to inherent limitations, as detailed below.



- Internal audit has not reviewed all risks and assurances relating to the organisations.
- The opinions are 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 take into account in preparing its annual governance statement (AGS).
- The opinions are 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 Combined Authority – Fire, and the IAC.

Informing Our Opinion

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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	Control
<p>We did not perform a specific governance review at the organisation in 2025/26, 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"> • Code of Ethics. • Fire and Rescue Plan. • Operational Training. <p>Each of these reviews provided a positive assurance opinion.</p>	<p>We did not perform a specific risk management review at the organisations in 2025/26. However, our risk management opinion was 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"> • Equality and Diversity (Risk 8495) • Code of Ethics (Risk 8496) • Workforce Planning (Risk 8495) • Fire and Rescue Plan (Risk 8498) • Operational Fire Review (Risk 8497 & 8658) <p>These reviews all concluded with positive assurance opinions.</p> <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 nine audits (including the risk driven reviews mentioned) of the control environment, with eight resulting in formal assurance opinions. These reviews concluded that the organisations could take:</p> <ul style="list-style-type: none"> • one partial assurance (negative); • three reasonable assurance (positive); • three substantial assurance (positive); and • one reasonable progress (positive) for the follow up reviews <p>The remaining review on Equality and Diversity was advisory, and agreed three low and seven medium priority management actions.</p> <p>Our follow up included dedicated coverage to follow up the progress made to implementation management actions from prior year negative assurance opinions from 2023/24 alongside further high and medium priority actions. A total of 25 actions (10 high, 15 medium) were reviewed to determine progress made. We concluded that 22/25 actions were implemented, one was superseded and two original high priority actions were in progress, and revised to medium priority. Therefore, we concluded with a reasonable progress (positive) opinion.</p>

Culture, including Engagement with Internal Audit - During the year there has been a positive level of engagement by management and staff. Prior to and during our reviews, management have been engaged and proactive and we have held regular catch ups. Responses to our audit queries, along with documentation, have mostly been provided in a timely manner. In addition, management have continued to ensure that we have been able to undertake and complete our work through onsite/remote working mechanisms where necessary.

Partial Assurance reviews

Credit Cards (Partial Assurance) - As part of our review of the controls in place surrounding credit cards we concluded that the Service had some well-designed controls in place to help mitigate risks associated with credit card spending, however these were not always consistently applied.

As a result of our audit testing, we identified findings which resulted in two low priority, two medium priority and one high priority actions being agreed with management. The high action was agreed as a result of identifying non-compliance with the procedure for approving credit card purchases. Additionally, we suggested the service review the outcome of our data analytics, regarding one instance in which the monthly credit card spend limit was exceeded for one cardholder. The medium actions relate to the Service not having a formal process in place to ensure credit cards are cancelled for leavers and monitoring of expenditure. The low actions were in relation to credit card acknowledgements not being signed in a timely manner and not reviewing or signing off reconciliations.



Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2025/26. Please note two reports remain in draft.



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 IAC, with the validation of the action status confirmed by internal audit.

Our follow up visit incorporated actions from a number of prior year negative assurance opinion reviews and all other high priority actions, and a sample of medium actions agreed to address previous years' internal audit findings. We concluded that the organisation had made **reasonable progress** in implementing the agreed actions.



Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers. However, in delivering our internal audit plan, we have regular liaison with the internal audit provider for the York and North Yorkshire Combined Authority. This supports a joint up approach when covering areas where some responsibility sits within the Combined Authority, and to support the internal audit provider in forming their overall opinion for the Combined Authority.



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

We have issued one partial assurance (negative) opinion in 2025/26.

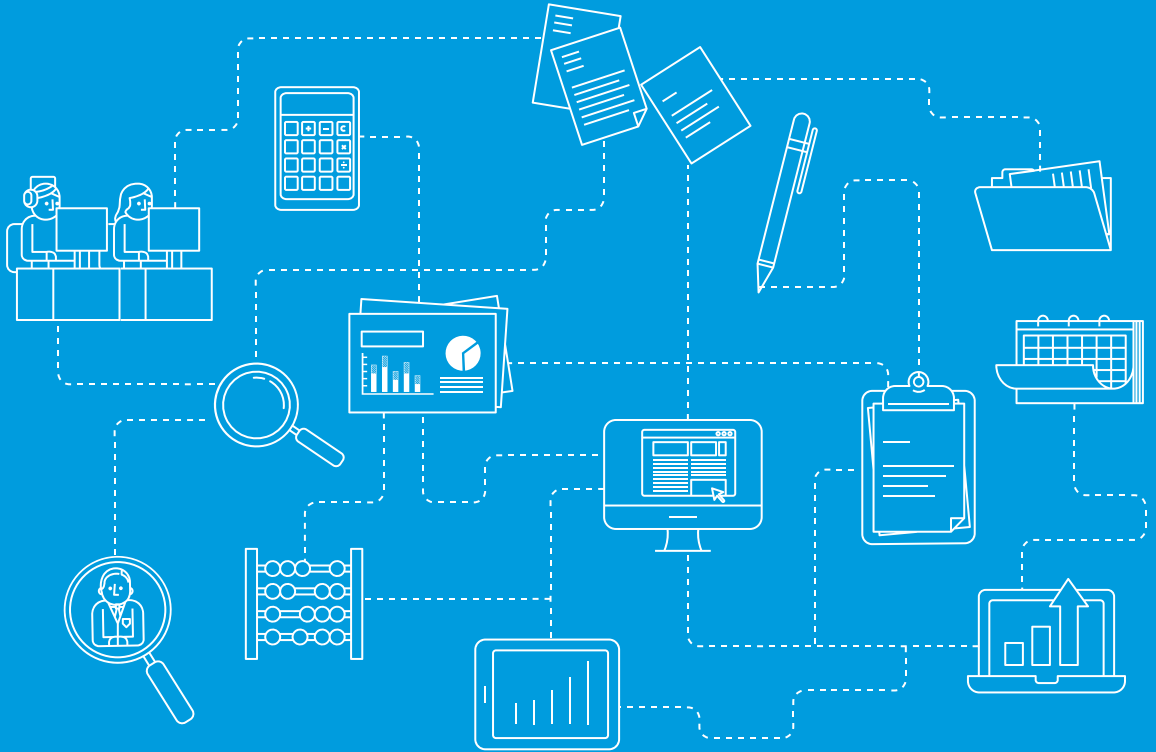
The organisation should therefore consider the partial assurance opinion for the Credit Cards review, when completing their annual governance statement, together with any actions already taken and action planned by management to address the actions agreed.

The positive progress to implement previously agreed management actions, following a series of negative opinions from recent years internal audit coverage could also be referenced within the annual governance statement to reflect the positive action taken by management, and improved management action tracking arrangements.

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Our Performance

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3.1 Wider value adding delivery

We have used subject matter experts to deliver some of our work in 2025/26 (for example, Equality and Diversity). We will continue to use subject matter experts when appropriate to ensure true value is added to the organisations. Further examples of added value are shown below:

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 government white paper on police reform; police misconduct; police workforce statistics; the annual assessment of policing and other key topical areas.
Emergency Services benchmarking of internal audit findings 2024/25	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: <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.
Emerging Risk Radar	The emerging risk radars are based on survey responses from board members and professional advisors from across all industries and highlights key emerging risks and emerging risk considerations. These are provided two or three times per annum.
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 2025/26 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 2025/26.

3.3 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.

3.4 Quality assurance and continual improvement

To ensure that RSM remains compliant with the GIAS 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 2025/26. 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.

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.

3.6 Performance indicators

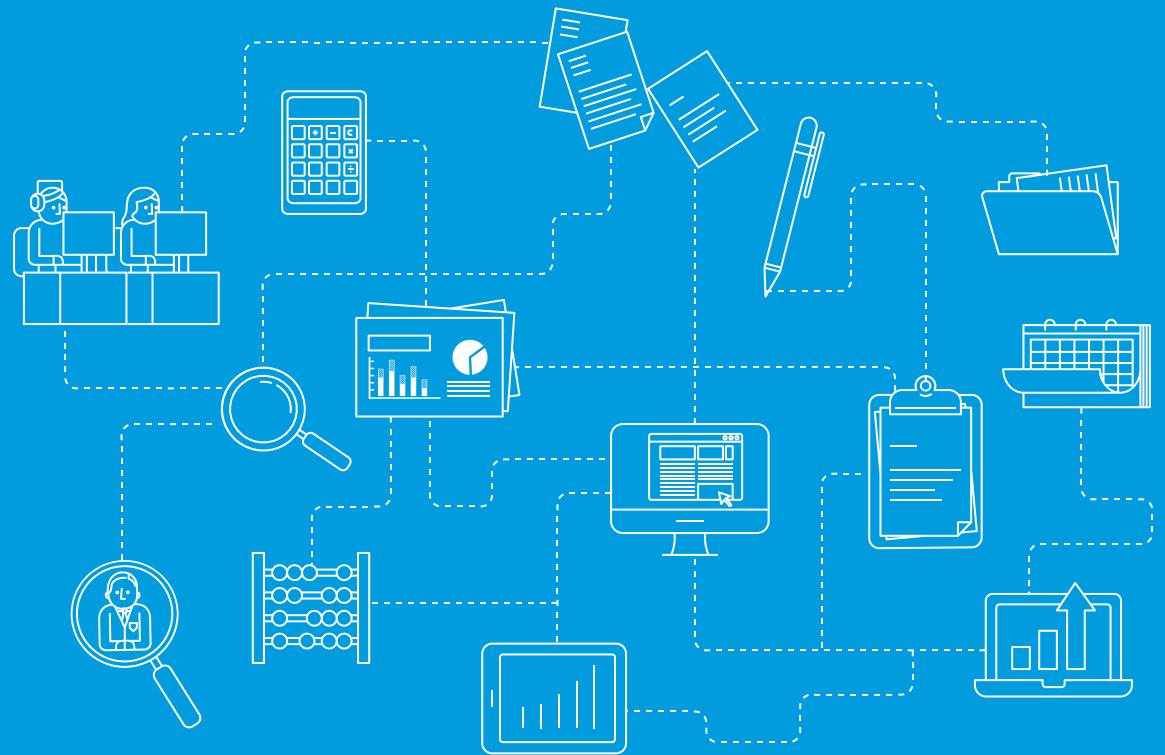
	Delivery				Quality		
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with the Global Internal Audit Standards in the UK Public Sector	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 days	6 / 9 (11 days average)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on our work	Yes	Yes	
Management responses received within 10 days of draft report	10 days	4 / 7 (13.3 days average)		Response time for all general enquiries for assistance	2 working days	2 working days	
Final report issued within 3 days of management response	3 days	6 / 7 (86%)		Response for emergencies and potential fraud	1 working day	N/A	

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.

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			
			A	L	M	H
Equality and Diversity - DRAFT	Head of People Services	Advisory	0	3	7	0
Code of Ethics	Director of Community Risk and Resilience	Substantial Assurance	0	2	0	0
Recommendation tracking from external parties	Director of Service Design and Delivery	Substantial Assurance	0	0	0	0
Fire and Rescue Plan	Director for Service Improvement and Assurance	Substantial Assurance	2	1	0	0
Workforce Planning	Director of Emergency Response and Training	Reasonable Assurance	0	3	0	0
Operational Fire Review: Prevent and Protection Engagement	Director of Community Risk and Resilience	Reasonable Assurance	0	1	2	0
Operational Training	Director of Emergency Response and Training	Reasonable Assurance	0	0	1	0
Follow Up - DRAFT	Director of Service Design and Delivery	Reasonable Progress	0	0	2	0
Credit Cards	Finance Manager	Partial Assurance	1	2	1	1
Totals			3	12	13	1

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.

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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 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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