



POLICE, FIRE AND CRIME COMMISSIONER FOR ESSEX AND ESSEX POLICE

Internal Audit Strategy 2024/25

Presented at the Audit Committee meeting of: 22 March 2024

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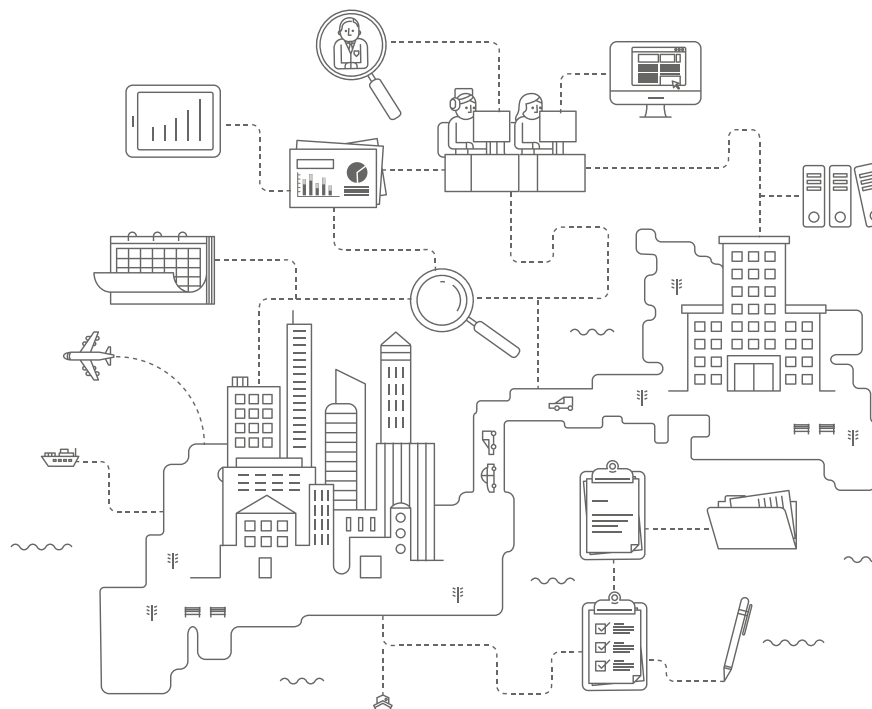
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EXECUTIVE SUMMARY

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 Police, Fire and Crime Commissioner for Essex and Essex Police in the year ahead, including changes within the sector.

Our Internal Audit Plan for Police, Fire and Crime Commissioner for Essex and Essex Police is presented for approval by the Joint Audit Committee at this meeting. The Committee 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 (Head of Internal Audit), Shalini Gandhi (Associate Director) and Alastair Foster (Assistant Manager) who are supported by a core team of auditors and wider specialists, as required.



Number of deliverables: 14 reviews



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



The 2024/25 plan is built upon a similar number of days input to 2023/24. This will allow us to provide a range of audits, including some joint audits with Kent and to provide two year end opinions.



Technology toolkit – 4 questionnaires, Alteryx, PowerBi

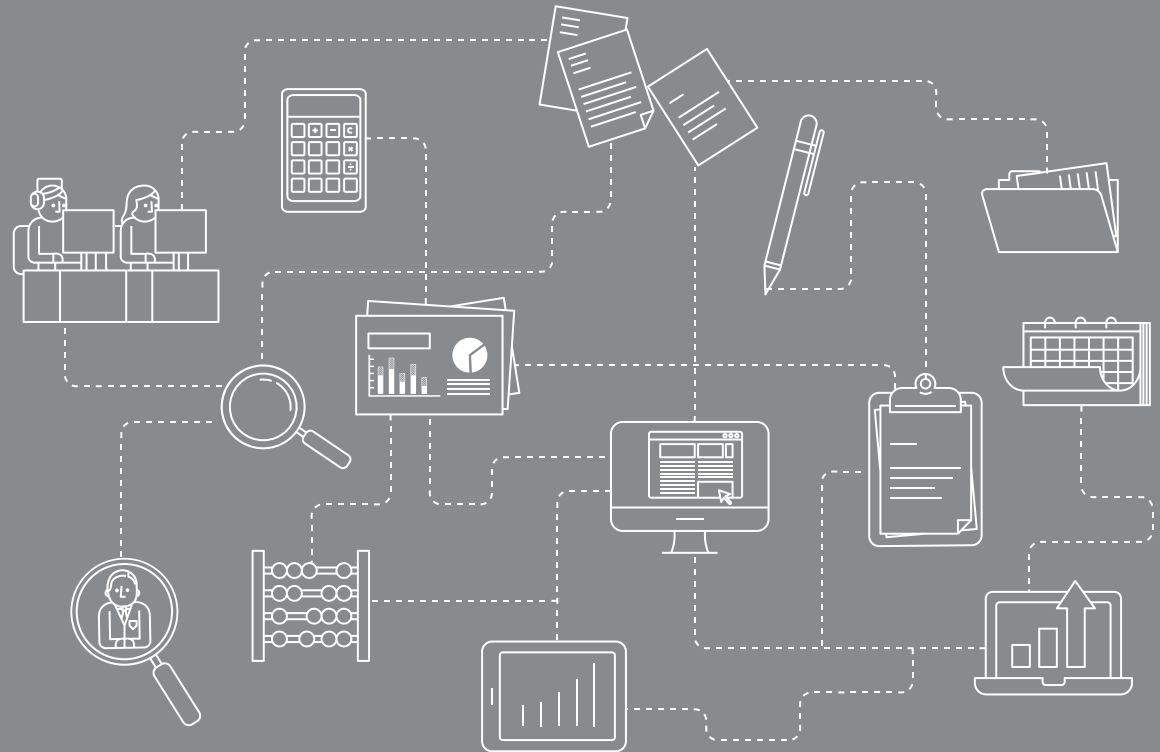


Internal Audit Charter, at Section 3.2.

‘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’.

Annual Internal Audit Plan and Methodology

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1.1 INTERNAL AUDIT PLAN 2024/25

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2024/25. The table details the strategic risks which warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet both organisations assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes time for tracking the implementation of actions and an audit management allocation.

Objective of the review (Strategic risk)	Audit approach	Days	Proposed timing	Proposed JAC Reporting
Risk Driven Coverage				
<p>Medium Term Financial Plan and Forecasting</p> <p>An assurance review into how the MTFP is monitored and reported through the governance structure, how assumptions are reviewed, and the accuracy of the reconciliations completed and forecasting controls.</p> <p><i>Risk PFCCR039 – Unable to set a balanced budget for the PFCC's office, Essex Police and the Essex County Fire and Rescue Service.</i></p>	Risk based	15	Q3	December 2024
<p>Crime Allocation</p> <p>Compliance with the College of Policing APP into investigation and the College of Policing guidance on the Victim's Code for Policing in respect of the way the force allocates crime.</p> <p><i>Risk 2659 – The Force is unable to manage calls for service through 101 call capacity, and challenges across the Resolution Centre such as QA and linking, and allocation of crimes to LPA. Undermining the ability to meet the force plan, respond to victims and maintain confidence.</i></p>	Risk based	15	Q1	June 2024
<p>Contract Governance</p> <p>This review will focus on how the Force monitors its key contracts, whether a contract register is in place and the Force is aware of when contracts may come to an end, and the contract management approaches adopted. This will link in with the 7Force Procurement Team and include testing compliance with Financial Regulations and Contract Standing Orders.</p> <p><i>PFCCR015 – Assurance that value for money is being achieved in our contracts is not achieved</i></p>	Risk based	17	Q1	June 2024
<p>Information Governance and Freedom of Information</p> <p>Following the introduction of the new Data Protection and Digital Information anticipated in early 2024 and subsequent changes to the Data Protection Act 2018 and UK-GDPR, we proposed to examine the governance, policies and procedures, data security and data sharing, training and professionalism and</p>	Risk based	20	Q3	March 2025

Objective of the review (Strategic risk)	Audit approach	Days	Proposed timing	Proposed JAC Reporting
<p>legislative compliance. Scheduling for Q3 to allow the Force sufficient time to implement and embed arrangements.</p> <p>PFCCR063 – PFCC compliance with GDPR and Data Protection Act 2018 requirements and demonstration of compliance, is not achieved</p>				
<p>Use and Management of all Protective Orders Across the Force</p> <p>To examine Force policies and procedures relating to prevention and to test adherence to the guidance given the national guidance and locally applied practices. The review will assess wider use of Protected Orders and will include these relevant to Domestic Abuse.</p> <p><i>Risk 2678 – Domestic Violence Disclosure Scheme (DVDs) / PFCCR072 – The protection of vulnerable people and the reduction in the cycle of domestic abuse is not achieved</i></p>	Risk based	15	Q1	June 2024
<p>Technology Optimisation</p> <p>The review will assess whether effective and efficient processes are in place to ensure that the Force prioritises and optimises the adoption of technology that will provide highest policing business benefit aligned to force strategy and plans, within the resources available. This will also include whether technology is suitably and proportionately assessed in terms of functionality, cost, technical compatibility, service delivery and security compliance, to maximise the potential for success.</p> <p><i>Risk 1130 – Demand Management (if the Force is unable to manage existing and future demand through the use of technology and more efficient business processes it may not be able to provide an effective service that protects people from harm)</i></p>	System based	10	Q4	March 2025
<p>Collaboration and Impact of Savings – PFCC Lead</p> <p>Joint savings must be achieved between ECFRS, the ambulance service and the Police. This review will cover how savings have been identified and developed, the business case assumptions and approval process, reporting of savings and governance arrangements, as well as sample testing and tracing of savings back to source data. We will also consider how savings are categorised (e.g. cost avoidance).</p> <p><i>PFCCR033 – The delivery of the Local Business Case for Joint Governance of Police and Fire & Rescue Services is not achieved</i></p>	Risk based	20	Q3	December 2024
<p>Grants / Core Funding – PFCC Lead</p> <p>This review will cover how core funding is used and the value achieved from it, and how value for money is achieved. The review will include how the PFCC's office manages the funding, how business cases are developed and monitored. As part of this review, we will consult provider partners to understand how they monitor implementation. Our audit may involve reviewing areas such as youth offending, drugs, and/or alcohol partnerships.</p>	Risk based	15	Q2	September 2024

Objective of the review (Strategic risk)	Audit approach	Days	Proposed timing	Proposed JAC Reporting
PFCCR072 – The protection of vulnerable people and the reduction in the cycle of domestic abuse is not achieved				
Death Policy – Joint The Force has realigned its policies following the Steven Port enquiry and reviewed its own practices in respect of how engagement with other services work, such as Ambulance Trusts. This review will focus on how HMIC recommendations have been implemented by the Force to identify if lessons have been learned, as well as controls in place to prevent overlooking suspicious and sudden deaths, and the completion of the necessary reviews.	System based	15	Q1	June 2024
Core Assurance				
Estates – Health and Safety This audit will specifically focus on compliance with regulatory requirements in respect of the estate such as the completion of Fire Safety Risk Assessments, Asbestos and Legionella testing.	System based	15	Q2	September 2024
Covert Bank Accounts – Joint To include how Covert Bank Accounts are initiated, used, maintained, how access is controlled, the process for authorising payments and the checking and monitoring process for expenditure.	System based	15	Q2	September 2024
Petty Cash Compliance review into the adequacy of the policies and procedures and adherence to them for the management of petty cash within the organisation. To include the security of cash balances held and how access is controlled, and expenditure checked and authorised.	System based	8	Q3	December 2024
Business Services Centralised Expenditure Controls To review the centralised expenditure controls within Business Services to provide assurance that these are operating in line with policies and procedures and that there are appropriate controls, segregation of duties and approval processes, for expenditure by the function.	System based	15	Q4	March 2025
Risk Management – Force Key review into risk management within the Force, to inform the Force Head of Internal Audit Opinion. We will consider how risks are identified, assessed, monitored and reported within the governance structure to include the Joint Audit Committee. The review will include how risk appetite is defined and applied. We will specifically cover risk management within the Strategic Change Programme.	Risk based	14	Q4	March 2025

Objective of the review (Strategic risk)	Audit approach	Days	Proposed timing	Proposed JAC Reporting
Other Internal Audit Activity				
Follow Up To meet internal auditing standards, and to provide assurance on action taken to address management actions previously agreed with Officers.	Follow Up	12	Q3	March 2025
Management This will include: <ul style="list-style-type: none"> • Annual planning • Preparation for, and attendance at, JAC • Regular liaison and progress updates with CFOs • Liaison with external audit and other assurance providers • Preparation of the annual opinions 	N/A	25	Throughout the year	Ongoing

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.

Working with other assurance providers

The Joint Audit Committee 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.

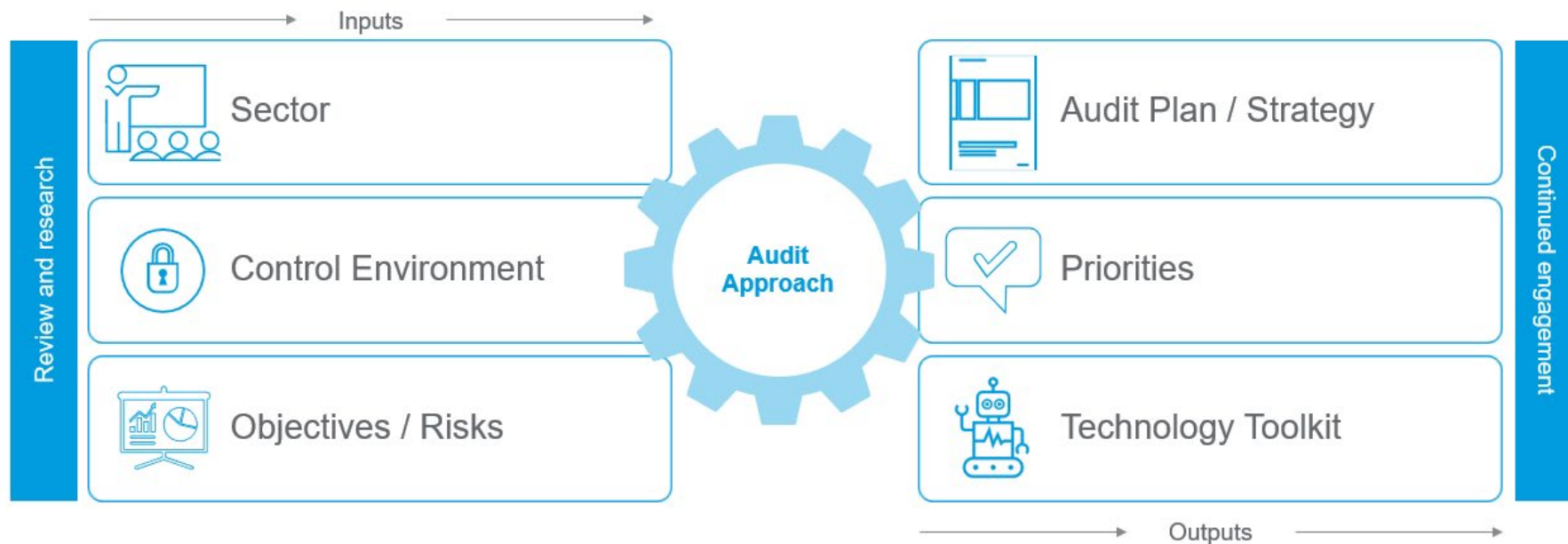
1.2 INTERNAL AUDIT METHODOLOGY

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 Police, Fire and Crime Commissioner for Essex and Essex Police in the year ahead, including changes within the sector. We also discuss audit priorities and coverage with management and the Audit Committee.

Risk management processes

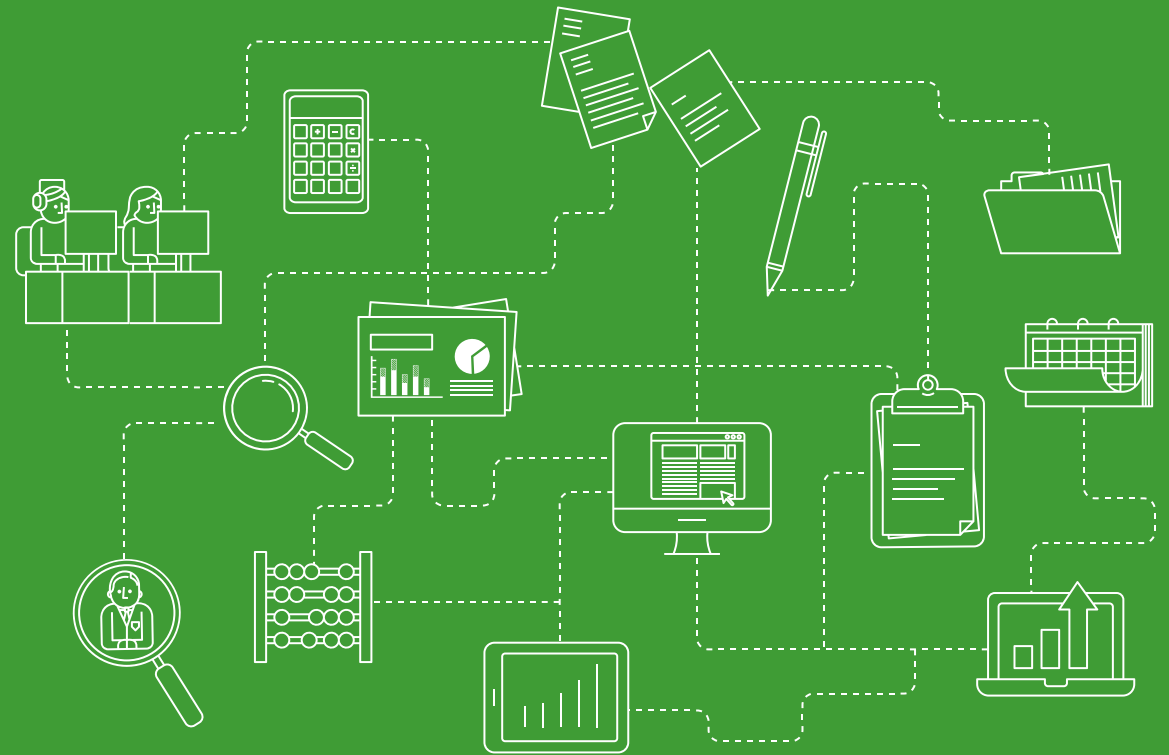
We have evaluated your risk management processes and consider that we can place reliance on your risk registers to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management and the Joint Audit Committee 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 2023 - 2026

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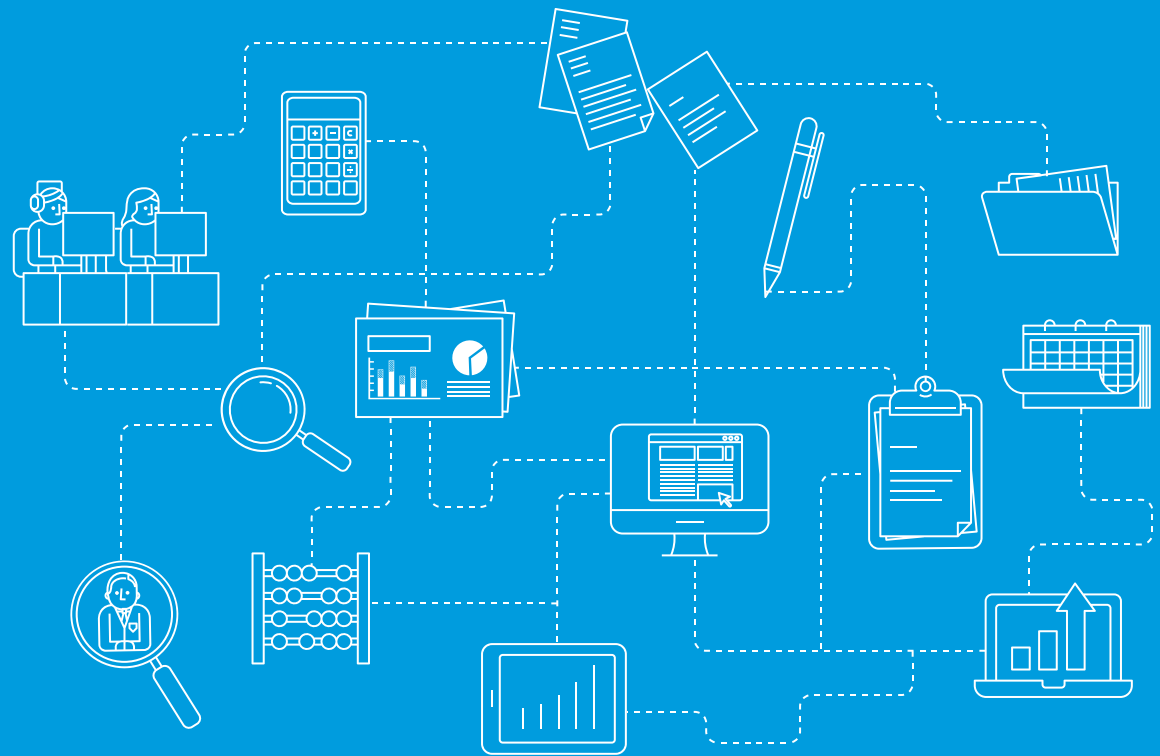


2.1 INTERNAL AUDIT STRATEGY 2023 - 2026

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.

Your Internal Audit Service and Internal Audit Charter

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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 Public Sector Internal Audit Standards (PSIAS).

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.

Working with other assurance providers

The Joint Audit Committee 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.

3.2 INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Police, Fire and Crime Commissioner for Essex and Essex Police. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Audit Committee.

The internal audit service is provided by RSM UK Risk Assurance Services LLP ('RSM').

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. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- [Core principles for the professional practice of internal auditing](#)
- Code of ethics
- Definition of internal auditing
- The Standards

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to 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 Police, Fire and Crime Commissioner for Essex and Essex Police, with further reporting lines to the Section 151 Officers. Your head of internal audit, Daniel Harris has been in place for twelve years. The Internal Audit Code of Practice as published by the Chartered IIA suggests that this is brought to the attention of the Joint Audit Committee to review and confirm your assessment on the independence of your internal audit services. To assist the assessment; RSM is able to remain independent for the following reasons:

- As an outsourced provider of internal audit services to Police, Fire and Crime Commissioner for Essex and Essex Police, independence is inherent in our delivery and audit methodology.
- Our internal auditors do not have any operational responsibilities across Police, Fire and Crime Commissioner for Essex and Essex Police.
- No member of the audit team is employed by Police, Fire and Crime Commissioner for Essex and Essex Police.

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- The head of internal audit reports to the Joint Audit Committee chair.
 - RSM methodology includes a second partner review (by another head of internal audit who does not work on Police, Fire and Crime Commissioner for Essex and Essex Police) of the annual plan, the year-end annual report and opinion.
 - The Internal Audit Charter details our role and responsibilities and the authority we have which enables us to undertake our internal audit service.

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

Conflicts of interest may arise where RSM provides services other than internal audit to Police, Fire and Crime Commissioner for Essex and Essex Police. 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 Audit Committee. 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 Audit Committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

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 Audit Committee for review and approval 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 Audit Committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program 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.
- 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.
- Report regularly to the Audit Committee to demonstrate the performance of the internal audit service.

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

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- 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 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.

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 four weeks before the agreed audit start date.
- Key information such as the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 10 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 15 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.
- Management responses to the draft report should be submitted to RSM.

Within five 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.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the Audit Committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.

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- 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.
- 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.

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 Audit Committee. 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 Audit Committee and management summarising outcomes of audit activities, including follow up reviews.

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.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. 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 Audit Committee.

Fraud

The Audit Committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Audit Committee 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 Audit Committee 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.

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 Police, Fire and Crime Commissioner for Essex and Essex Police 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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