

WYPCC – Decision

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| Timing: | Internal Audit provision will be carried out by the Office of the Police & Crime Commissioner for West Yorkshire, jointly, for West Yorkshire, North Yorkshire and Humberside Police & Crime Commissioners and Chief Constables. However the current collaborative arrangements with NY and Humberside end in March 2013. |
| Purpose: | Decision(s) required |
| Cleared by: | Chief Executive |

SUBJECT : Internal Audit Arrangements

Summary:

In the new policing governance environment commencing in November 2012 an elected Police & Crime Commissioner (PCC) replaces the Police Authority and the PCC and Chief Constable (CC) in each policing area both become separate legal entities requiring internal audit provision in order that their statutory officers are able to fully discharge their s151 responsibilities.

The Internal Audit Department of the Office of the Police & Crime Commissioner for West Yorkshire recognise the impact of these changes on our service, particularly the need to service both the PCCs and CCs in each area through a shared audit service and are currently developing a 'consortium' model of audit delivery through a Management Board.

Recommendation:

Both the Commissioner and the Chief Constable:

- (1) To support the decision to continue with the internal audit service under the current collaborative arrangements until March 2014, ensuring effective provision of the 2013/14 audit work plans.
- (2) To delegate to statutory officers the responsibility, through a management board structure, for developing the structure and delivery model for the internal audit service., ensuring that it meets the requirements of the new governance regime.

Consideration:

- The current collaborative internal audit arrangements between West Yorkshire, North Yorkshire and Humberside Police Authorities end in March 2013. Under the collaborative arrangements the internal audit service provision is normally subject to a review process six months before the end of the agreement to ensure effective business continuity and handover arrangements where necessary. The transition period and November elections have prevented a timely review.
- The normal audit planning cycle dictates that internal audit are required to consult on and gain approval for their audit plans in advance of the commencement of the respective financial year (April 2013-March 2014). This process, under normal circumstances, commences in November/ December, therefore an early decision is required on extending collaboration to ensure effective audit planning is undertaken across the whole client base.
- The Office of the Police & Crime Commissioner for West Yorkshire (OPCC WY) has a well resourced, qualified, experienced and specialised police sector internal audit function. The function has been resourced to in order to discharge an effective audit service in all three Force areas (West Yorkshire, North Yorkshire & Humberside).
- An additional strand of audit activity will be the imminent audit provision requirements in relation to the National Police Air Service (NPAS), the delivery of which is a significant risk to the PCC for West Yorkshire. This audit need therefore places further onus on the maintenance of the experienced, specialist audit resource currently in place.
- The OPCC WY internal audit team recognise the dynamic nature of the new policing governance arrangements and have been proactive in appraising a number of options for the model of audit delivery. It is recognised that this is work in progress and the extension to the current collaborative arrangement will allow the proposed model of audit delivery to be developed through a management board structure, therefore ensuring that it will meet the requirements of all the 'stakeholder' PCCs and CCs.

Affordability: The service costs of the Internal Audit will continue to be based current collaboration principles which are on a cost per productive audit, which recovers costs and is no-profit making.

Handling: No press coverage or media attention related to this decision.

Risks/Legal Opinion: Risks are principally associated with the ability of the statutory s151 officers to discharge their responsibilities for ensuring an effective system of internal control is in place.

Any subsequent proposals for the delivery models for audit will be cognisant of any relevant legal and procurement implications.

APPENDICES:

Summary appendix: Audit Consortium Proposal: Executive Summary (*attached*).
Supporting annexes: Organisational Structure & Constitution (Annex A), Audit Strategy (B), Legal Implications (C), Procurement Implication (D), Costings (E). (*Available to support decision if necessary*)