

## WYPCC – Briefing / Decision template

**From:** Neil Rickwood , Head of Audit & Risk

**Date:** 26 April 2013

<b>Timing:</b>	Pressing
<b>Purpose:</b>	Decision 'in principle' required
<b>Cleared by:</b>	Chief Executive

**SUBJECT :** Internal Audit Service Development Opportunities

### Summary:

As previously documented the WY OPCC has a sector-leading internal audit function which in addition to West Yorkshire also provides the internal audit services to both the commissioners and forces in North Yorkshire and Humberside policing areas. In addition the section also provides audit services for NPAS and the regional programme team. We have secured commitment until March 2014 for the provision of the audit services for these external bodies. However beyond this date there are significant economic pressures and indications that the services for internal audit provision will be subject to a tender exercise in at least one of the external policing areas.

Although there are substantial benefits associated with a well resourced and diverse internal audit function a lot of work is also taking place to mitigate the risk, wherever possible, to the West Yorkshire PCC/ OPCC and currently:

- Aim to secure external commitment for our audit services beyond March 2014 through an audit consortium approach to internal audit provision which is being developed through a 'shadow' management board.
- Internal Audit are developing their own identity within the OPCC in order that it is more clearly demonstrable, whether as part of a Shared Services Unit or through another arrangement, that the internal audit resources of the PCC provides a shared service to a range of other external organisations and that the costs are not directly and solely attributable to the PCC for WY.
- The audit function is also looking at their costs and pricing model to ensure, both, that full costs are recovered and that the provision remains competitively priced.

The remaining strand of activity required to mitigate future resourcing risks is the identification of appropriate business development opportunities which are either proactively sought or present themselves. The audit section is therefore keen to

be proactive and innovative in expanding in to other policing areas in the North of England.

This, in turn, will assist the PCC in meeting a commitment in the Police & Crime Plan to identify new sources of income and funding.

The proposal will require an agreement 'in principle' from the PCC.

Assurance will be provided that any strategy adopted and opportunities identified will be based on a number of core principles:

- Full cost recovery and transparent pricing models;
- Services provided to policing sector or other closely aligned sectors;
- Will ensure that current service level and quality is maintained for policing areas already serviced;
- Whilst acting proactively we will not aggressively seek opportunities which may present a reputational risk to both ourselves or the WY OPCC
- Full business cases will be presented to the PCC for WY before business development opportunities are formally progressed.

**Recommendation:**

**To support the decision 'in principle' for internal audit to identify and develop suitable business opportunities.**

**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.