



**Northamptonshire Commissioner
Fire & Rescue Authority**

**Auditor's Annual Report
Year ended 31 March 2021**

27 May 2022



EY

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Joint Independent Audit Committee and management of Northamptonshire Commissioner Fire & Rescue Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Joint Independent Audit Committee and management of Northamptonshire Commissioner Fire & Rescue Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Joint Independent Audit Committee and management of Northamptonshire Commissioner Fire & Rescue Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Section 1

Executive Summary



Executive Summary: Key conclusions from our 2020/21 audit

| Area of work | Conclusion |
|------------------------------------|---|
| Opinion on the Authority's: | |
| Financial statements | Unqualified – the financial statements give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its expenditure and income for the year then ended. The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. We issued our auditor's report on 25 February /2022. |
| Going concern | We have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. |

| Area of work | Conclusion |
|---|---|
| Reports by exception: | |
| Value for money (VFM) | We had no matters to report by exception on the Authority's VFM arrangements. We have included our VFM commentary in Section 04. |
| Consistency of the annual governance statement | We were satisfied that the annual governance statement was consistent with our understanding of the Authority. |
| Public interest report and other auditor powers | We had no reason to use our auditor powers. |

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

| Outcomes | Conclusion |
|---|---|
| Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit. | We issued an Audit Results Report dated 25 February 2022 to the Joint Independent Audit Committee (JIAC). |
| Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice. | We have not yet issued our certificate for 2020/21 as we have not yet performed the procedures required by the National Audit Office on the Whole of Government Accounts submission. The guidance for 2020/21 has been delayed and was not issued until May 2022. |

Fees

We carried out our audit of the Fire Authority's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the valuation of property, plant and equipment, pension valuation and management override risks. As a result, we have agreed an associated additional fee with the Chief Finance Officer. We include details of the final audit fees in Appendix 1.

We would like to take this opportunity to thank the [Fire Authority](#) staff for their assistance during the course of our work.

Neil Hanson

Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and responsibilities



Purpose and responsibilities

This report summarises our audit work on the 2020/21 financial statements.

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the Fire Authority or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 28 July 2021. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the annual report.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Fire Authority;
- If we identify a significant weakness in the Fire Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Fire Authority

The Fire Authority is responsible for preparing and publishing its financial statements and governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit



Financial Statement Audit

We have issued an unqualified audit opinion on the Fire Authority's 2020/21 financial statements.

Key issues

The Annual Report and Accounts is an important tool for the Fire Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

On 25 February 2022, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the December 2021 and the March 2022 Joint Independent Audit Committee meeting. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

| Significant risk | Conclusion |
|--|---|
| <p>Misstatements due to fraud or error - management override of controls An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> | <p>Our audit work has not identified any material issues, inappropriate judgements or unusual transactions which indicated that there had been any misreporting of the Authority's financial position, or that management had overridden control.</p> <p>We have completed our journals testing. We are satisfied that journal entries had been posted properly and for genuine business reasons.</p> <p>We have reviewed material estimates. Our work in these areas resulted in amendment to the financial statements, but we did not identify any indication of fraud.</p> <p>There were no unusual transactions identified.</p> |

Continued over.

Financial Statement Audit (continued)

In addition to the significant risk above, we also concluded on the following areas of audit focus.

| Other area of audit focus | Conclusion |
|---|--|
| <p>Valuation of land and buildings</p> <p>Land and buildings is the most significant balance in the Fire Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.</p> | <p>We have completed our work in this area. We tested all 23 properties and did not identify any issues in regards to the assumptions and methodologies applied to the valuation of land and buildings valued at fair value / existing use value or depreciated replacement cost (DRC). We concluded that the:</p> <ul style="list-style-type: none">➤ Use of methodologies was in line with standard valuation practices;➤ Use of rates were supportable by evidence or market data; and➤ Inputs into the valuation calculation, such as land areas, build cost indexes, yield, price per square foot, current and future rent and useful lives were appropriate. |

Pension Liability valuation

The Pension Fund liability is a material balance in the Balance Sheet. Accounting for the LGPS and FFPF schemes involve significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

We were satisfied there was no evidence of material misstatement arising from the work completed above. The assurance report from the Northamptonshire Pension Fund auditor noted two differences impacting on the Authority's accounts which arose due to timing differences between the estimates on which the IAS19 report and draft accounts were based and actual year end information:

- We obtained assurances from the Pension Fund auditors which identified an under/overstatement of level 2 and 3 investment assets due to the most up to date information available in relation to valuations as at 31 March 2021 in comparison to the fund manager estimates. This has identified a reduction in the value of investment assets of £0.074 million. Management did not adjust for this misstatement on the basis that it is not material.
- The Authority's share of the Pension Fund differences resulting in an understatement error benefits paid of £0.095 million. Management did not adjust for this misstatement on the basis that it is not material.

In response to the revised requirements of ISA540, the auditing standard on accounting estimates, we updated our audit approach based on procedures to evaluate management's estimation process. The revised standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model.

Continued over.

Financial Statement Audit (continued)

In addition to the significant risk above, we also concluded on the following areas of audit focus.

| Other area of audit focus | Conclusion |
|---|---|
| <p>Pension Liability valuation Continued.</p> | <p>Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local government sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we modified our planned approach and undertook alternate procedures to create an auditor's estimate, to provide a different method of gaining assurance. We employed the services of an EY Pensions specialist to review the Authority's IAS 19 reports and run a parallel actuarial model which was compared to that produced by Hyman's Robertson for LGPS and GAD for the Firefighter Pension Fund (FFPF). This confirmed there was no material misstatement arising from those estimation procedures undertaken by Hymans Robertson and GAD.</p> |
| <p>Going concern disclosures The Fire Authority is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approval of the financial statements. There is a risk that the Fire Authority's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.</p> | <p>We have completed our audit work in this area, and based on the work undertaken, we are satisfied that the Authority's use of the going concern assumption is appropriate. We reviewed the Authority's disclosures within the financial statements and requested some minor amendments, which have been made. We have no matters to report.</p> |

Continued over.

Financial Statement Audit (continued)

Audit differences

We identified a small number of misstatements in disclosures which management corrected. We identified two uncorrected misstatements identified due to the immateriality of the amounts were consisted of the Fire Authority's share of:

- (i) The Pension Fund auditor differences on Level 2 and level 3 investments of £0.074m, and estimated return on PF assets item in our findings, and
- (ii) The Pension Fund auditor difference on benefits paid between the IAS 19 and Pension Fund records of £0.095m.

Management did not adjust for this misstatement on the basis that it is not material.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

| Item | Thresholds applied |
|-----------------------------|--|
| Planning materiality | We determined planning materiality to be £0.792m as 2% of gross revenue expenditure reported in the accounts. We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Fire Authority. |
| Reporting threshold | We agreed with the Joint Independent Audit Committee that we would report to the Committee all audit differences in excess of £0.039m. |

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Cash/bank balance: We audited all disclosures and undertook procedures to confirm material completeness
- ▶ Related party transactions. We audited all disclosures and undertook procedures to confirm material completeness
- ▶ Remuneration disclosures, member allowances and exit packages. We audited all disclosures and did not identify any differences exceeding £10k.

Section 4

Value for Money



Value for Money (VFM)

We did not identify any risks of significant weaknesses in the Fire Authority's VFM arrangements for 2020/21.

Scope and risks

We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Note in respect of VFM. We presented our VFM risk assessment in our 25 February 2022 Auditors Results Report - Addendum which was based on a combination of our cumulative audit knowledge and experience, our review of Authority and JIAC reports, and evaluation of associated documentation through our regular engagement with management and the finance team.

We reported that we had not identified any risks of significant weaknesses in the Fire Authority's VFM arrangements for 2020/21.

Reporting

We completed our planned VFM arrangements work on 25 February 2022 and did not identify any significant weaknesses in the Fire Authority's VFM arrangements. As a result, we had no matters to report by exception in the audit report on the financial statements.

We had no matters to report by exception in the audit report.

VFM Commentary

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

- Financial sustainability
How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Fire Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Our VFM commentary highlights relevant issues for the Fire Authority and the wider public.

Introduction and context

The 2020 Code confirms that the focus of our work should be on the arrangements that the audited body is expected to have in place, based on the relevant governance framework for the type of public sector body being audited, together with any other relevant guidance or requirements. Audited bodies are required to maintain a system of internal control that secures value for money from the funds available to them whilst supporting the achievement of their policies, aims and objectives. They are required to comment on the operation of their governance framework during the reporting period, including arrangements for securing value for money from their use of resources, in a governance statement.

We have previously reported the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

The Fire Authority has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

For 2020/21, the significant impact that the Covid-19 pandemic has had on the Fire Authority has shaped decisions made, how services have been delivered and financial plans have necessarily had to be reconsidered and revised.

We have reflected these national and local contexts in our VFM commentary.

Financial sustainability

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The budget and precept timescale and reports reflect how the S151 and Police, Fire & Crime Commissioner (PFCC) as NCFRA have considered the medium-term as well as short-term budget pressures. These pressures are identified through the budget preparation, horizon scanning, reviews with the business, and peer considerations. Over the medium-term, borrowing must only be used for capital purposes and we note that the Authority has disclosed the PWLB borrowing which was utilised for a capital purchase.

The Medium Term Financial Plan (MTFP) comprises two key elements; (i) an assessment of the resources available to the Authority over the medium term; and (ii) an assessment of spending pressures based on existing levels of service delivery, known policy/legislative changes and demand driven service pressures, which taken together displays the movement over the planning period of these elements which constitutes the financial challenge facing the Authority. This is reviewed at least annually and budget monitoring reporting to the JIAC and NPFCA which occurs at least quarterly.

The Authority maintains a risk register which is reviewed by the JIAC and reflects a risk relevant to financial budgeting resilience. The risk is mitigated by the Authority's various procedures including the implementation of its IRMP, Fire & Rescue Plan, Revenue Strategy, MTFP agreed (and updated), quarterly performance monitoring, amongst other Boards and procurement controls.

Financial sustainability (continued)

How the body plans to bridge its funding gaps and identifies achievable savings

the MTFP is reviewed and updated regular. This is questioned at meetings of the JIAC, Police, Fire & Crime Panel and the Fire & Accountability Panel (NPFCA). In these reviews and strategy they review what they are spending now and if any savings are possible.

These review are undertaken more regularly if there is an overspend or underspend by service of the Authority. This allows the Authority to identify where is over/under spending and allows them to react. The Home Secretary signed off the governance of NCFRA recognising future funding challenges and that it would take some time to create a sustainable organisation. The budget is looked at for the future year and across the MTFP. Where shortfalls are identified, the Authority puts mitigations in place and can make use of contingency funding.

The Fire Authority has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

The MTFP on 4th February 2020 identified a funding gap of £2.142m over the 2021/22 – 2024/25 period. In order to produce a balanced budget for 2020/21 a transfer from reserves of £0.15m was required. Savings were identified for the period 2022/23 - 2024/25 of £2.407m in line with the efficiencies plan in light of the ongoing reduction in real terms funding from Government and emerging cost pressures.

The Authority has a strong track record of achieving its savings plans, and this is consistent with our knowledge of the Authority over the years since its inception in January 2019, where it has both delivered savings and achieved its forecast outturn with few variances. Despite the challenges and savings target in the 2020/21 MTFP (presented to the NPFCA on 4th February 2020) a contingency fund of £0.32m was established to assist with budgetary pressures / fluctuations. The Authority recorded a positive revenue outturn position for 2020/21 with an underspend of £0.637m in the August 2021 NPFCA meeting.

We consider the financial position of the Authority to be in a relatively good position in terms of reserves and savings plans. The Authority maintains a good level of General Fund Reserves of which at 31st March 2021 (2019/20: £1.167m, 2018/19: £0.669m) was £3m, and Usable Reserves available for use of £0.57m, which are above the minimum level of General Fund reserves set by the CFO is £0.669m.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

In the MTFP we can see that they plan to finance in the future. They make prudent estimates when it comes to receiving grants and acknowledge that they will be getting less funding from central government. The Authority also has implemented an efficiency plan 2019-24 on 13 October 2019 in order to meet the funding gap over the short to medium term, and was revised on April 2020.

Governance

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The Integrated Risk Management and Fire and Rescue Plans are aligned to the budget and resources included in the budget to meet those services. Finances are reviewed monthly and demand issues identified in advance during MTFP and budget work and during the year. The Fire Authority's performance and demand is also managed throughout the year and resources are regularly reviewed to ensure demand can be met.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

There is a risk management strategy in place where all committee members, senior officers, employees and partner organisations have a role to play in ensuring that risk is effectively managed.

The Fire Authority has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

These consist of considering risks before plans and after plans putting risks on the register. Risks assessments are undertaken for all services in line with the strategy. All high risks issues are identified and addressed as part of the annual review. The JIAC will then provide independent assurance for the Authority's risk management. They also periodically review the risk register. These risks will include all kinds of risks which will include the financial risks.

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Authority has an effective shared internal audit function with Milton Keynes Council (previously LGSS) which reports on a regular basis to the Joint Independent Audit Committee (JIAC). The JIAC monitors action taken to address any weaknesses identified. The annual Chief of Internal Audit opinion has not identified a number of significant findings and management is implementing the agreed actions.

Internal audit will also review and test controls after which they will report to management for them to review and mitigate. The Authority maintains a risk register which is regularly reviewed and updated, and informs the internal audit plan which is risk based.

There are appropriate policies for such matters as corruption and fraud controls that are adequately communicated throughout the organization. A code of ethics is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues (including fraud).

Governance (continued)

How the body approaches and carries out its annual budget setting process

An annual budget strategy is prepared and this is reviewed at the autumn JIAC in each year - this also sets out the budget and precept setting timescale, the final date of which is set by statute. Internal audits assess the approach to budget setting and the MTFP.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

There is a clear understanding of reporting protocols for the various committees and Authority with a clear presentation of financial information comparing actual performance with budget and forecasting year end outturn at key points in the financial year as part of regular budget monitoring. A Corporate Governance Framework is in place and published on the website. An annual audit programme is in place which considers budgetary management.

The risk register and Internal Audit will also recommend of have findings that are of high priority, these are attempted to be mitigated as fast as possible, and are then followed up at the JIAC.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Joint Independent Audit Committee.

The Corporate Governance Framework sets out processes for decision making. Business cases are prepared and reviewed for areas of consideration and decision records are published for items of a significant nature.

Responsibilities of committees and officers are detailed on the website.

Meetings are supported by various reports from service areas and if applicable external bodies.

The Monitoring Officer has overall responsibility for ensuring the Authority acts lawfully and without maladministration. This includes reporting on any proposal, decision or omission by the Authority likely to contravene any enactment or rule of law or any maladministration.

The Fire Authority has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The Authority has a code of conduct for members and officers (and for the relationship between these two). These include codes of conduct covering conflicts of interest and gifts and hospitality and appropriate policies for partnership working.

Management takes appropriate action in response to departures from approved policies and procedures or the code of conduct.

There are appropriate policies for such matters as conflicts of interest, and security practices that are adequately communicated throughout the organization. A whistle blowing policy is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues. Allegations of fraud or other concerns can be raised with internal audit.

The Fire Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

The Code of conduct is reviewed annually by the Standards Committee.

A contracts register is maintained by the Authority.

The Authority makes use of a shared internal audit function with Milton Keynes Council (previously LGSS) who will test controls annually.

A gifts and hospitality register is maintained and officers and JIAC members complete a related party disclosure annually. Corrupt behaviour will lead to dismissal and is a crime. The Authority has a zero tolerance policy on fraud and has a confidential mechanism for reporting malpractice and participates in the national Fraud Initiative.

Improving economy, efficiency and effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement.

The Authority regularly reports on the performance of its services and measures performance against key indicators. Internal Audit undertook a review of the internal controls operating over the Covid-19 spend and undertook a contract analysis, and found that the Authority has a good system design over governance measures have been in place over Covid-19 contract management and spending. The control environment over Covid-19 contracting and spending had mainly operated largely as intended.

Performance Information is reviewed regularly alongside financial information at the Accountability and Fire Executive Group Meetings.

The Authority has a strategy for efficiencies with the aim of improving the service whilst keeping within budget. As part of the regular budget monitoring there are regular updates to inform the Accountability and Fire Executive Group Meetings if targets are not being met then plans are made to meet the targets and reasoning behind the missed targets is given.

Improving economy, efficiency and effectiveness (continued)

There is also robust monitoring of financial performance in terms of monitoring against budgets, where the Accountability and Fire Executive Group will regularly review outturn reports and act upon where there is over/underspending in any areas in order to keep the budget balanced. These regular meetings challenge the responses from the various budget holders and set follow up actions / recommendations which are monitored.

Areas that are not meeting targets or overspending are then targeted for improvement.

How the body evaluates the services it provides to assess performance and identify areas for improvement

Most Fire services are set by statute and HMICFRS undertook its first inspection whilst the Authority was under Northamptonshire County Council governance in November 2018 where all three areas of review were found to require improvement and two areas of concern were identified. The first inspection of the corporate sole was a follow up of the two areas of concern to which an action plan was prepared, and was undertaken in March 2020 where positive progress updates were reported by September 2020.

In response to the Covid-19 pandemic the Authority was visited by HMICFRS in October 2020 which concluded that the services performed were satisfactory, and a further follow up was scheduled to commence in September 2021.

Performance is also reported annually in the Annual Report and Fire & Rescue Statement 2020/21.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

A Fire Authority is a statutory emergency response service which supports other organisations at times of mutual aid. During the Covid-19 pandemic, agreements were in place for partnership support arrangements, which were funded where possible and where not funded, mutual aid funding was sought and received from the Home Office. The Authority has close working relation with Northamptonshire Police which includes shared store, communication and some fleet costs. Through PFCC established a Limited Liability Partnership, Mint, to deliver procurement services to organisations and for the East Midlands Strategic Commercial Services Unit (EMSCU) collaboration to terminate. NCFRA contracted with EMSCU and now Mint for their procurement arrangements.

The Fire Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

Procurement policies and delegation levels are set out in the corporate governance framework on the OPFCC website. Compliance with these is tested and assurance gained through targeted internal audits. Each quarter EMSCU publishes a contracts list which includes all of the current procurement contracts with a total value of £25,000 and above that are held by its member Forces. Internal Audit routinely tests controls and contracts to ensure that the correct process has been followed. Officers are made aware of the rules. This risk has been brought up in the risk register and has controls implemented for it.

The Fire Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.



Section 5

Other Reporting Issues

Other Reporting Issues

Governance Statement

We are required to consider the completeness of disclosures in the Fire Authority's governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Whole of Government Accounts

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts consolidation pack submission. The guidance for 20/21 has been issued in May 2022. We will liaise with the Fire Authority to complete this work as required.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Fire Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Appendix A

Audit Fees



Audit Fees

Our fee for 2020/21 is in line with the audit fee agreed and reported in our 28 July 2021 Audit Plan.

| Description | Final Fee 2020/21 £ | Planned Fee 2020/21 £ | Final Fee 2019/20 £ |
|---|------------------------|--------------------------|------------------------|
| Total Audit Fee - Code work | | | |
| PSAA Scale Fee | 25,000 | 25,000 | 25,000 |
| Pension Valuations | | | 1,600 (1) |
| PPE Valuations | | | 3,800 (1) |
| Covid-19 impact on Going Concern | | 1,520 | 3,356 (1) |
| Increased FRC challenge | | | 1,500 (1) |
| Additional work required to respond to the requirements of ISA540, including the use of EY Pensions | | 1,900 | |
| Technical accounting issues | | | |
| Value for Money arrangements | | 5,000 | |
| Total Audit Fee * | | 33,420 | 35,256 |

Note 1: 2019/20, we proposed a total additional fee of £25,096 which represented the scale fee rebasing. PSAA has now determined this and has approved £10,256 of this total value.

We confirm we have not undertaken any non-audit work.

* All fees exclude VAT.

EY | Assurance | Tax | Transactions | Advisory

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