OFFICE OF THE NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER
&
NORTHAMPTONSHIRE POLICE
&
NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY

JOINT INDEPENDENT AUDIT COMMITTEE

19th July 2023 10.00am to 13.00pm

Microsoft Teams virtual meeting

If you should have any queries in respect of this agenda, or would like to join the meeting please contact:

Kate.Osborne@northantspfcc.gov.uk

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

Further details regarding the process for asking questions or making an address to the Committee are set out at the end of this agenda notice

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Public Meeting of the Joint Independent Audit Committee				Time
	Public meeting of the Joint Audit Committee			
	There will be a private meeting of the committee members with the auditors without officers or the public present before the start of the formal meeting.			10-10.15
	Public Meeting of the Joint Independent Audit Committee			**Time**
1	Welcome and Apologies for non- attendance			10:15
2	Declarations of Interests			10:20
3 (pg 5)	Meetings and Action log 15th March 2023	Chair	Reports	10:25
4 (pg 13)	JIAC annual Report	Chair	Reports	10.35
	Internal Auditor Progress Reports		Reports	10:15
5a (pg 31)	PFCC & CC	Mazars		
5b	NCFRA	Mazars		
	Internal Audit Year end Reports 2022/23		Report	10:25
6a (pg 80)	PFCC & CC	Mazars		
6b (pg 97)	NCFRA			
	Internal Audit plans 2023/24	Mazars	Reports	10.35
7a (pg110)	PCC & CC			
7b (pg 130)	NCFRA			
	External Audit update – **REPORTS TO FOLLOW**			10:45
8a	PFCC & CC	EY	Report	
8b	NCFRA	EY	Report	
9 (pg 149)	NCFRA - Internal Audit recommendations implementation update	JO	Report	11:00
10 (pg171)	NCFRA – HMICFRS recommendations update	JO	Report	11:15
11 (pg 178)	Agenda Plan	HK	Report	11:25
12	AOB	Chair	Verbal	11.35
13	Confidential items – any	Chair	Verbal	11.40
	Resolution to exclude the public	Chair	Verbal	11.45
	Items for which the public be excluded from the meeting: In respect of the following items the Chair may move the resolution set out below on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them:			

	"That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A of the Act of the descriptions against each item would be disclosed to them".			
14 (pg181)	Benefits Realisation	PB	Report	11.55
15	Systems Implementation (including a review of the new finance system)	PB	Verbal	12:15
16 (pg 188)	Enabling Services Evaluation 2020-2023	PB	Report	12:25
17	Future Meetings held in public 10am-13.00pm: - 19th July 2023 - 13th September 2023 - 6th December 2023 Future Workshops not held in public: - Final Accounts Workshops – TBC when external audit dates agreed			

Further details regarding the process for asking questions or making an address to the Committee

i.   General

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

ii.   Notice of questions and addresses

A question may only be asked or an address given if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than noon two working days before the meeting.

Notice of questions or an address to the Committee should be sent to:

Kate Osborne
Office of the Police, Fire and Crime Commissioner
Darby House, Darby Close, Park Farm Industrial Estate, Wellingborough. NN8 6GS

or by email to:
kate.osborne@northantspfcc.gov.uk

Each notice of a question must give the name and address of the questioner and must name the person to whom it is to be put, and the nature of the question to be asked. Each notice of an address must give the name and address of the persons who will address the meeting and the purpose of the address.

iii. Scope of questions and addresses
The Chair of the Committee may reject a question or address if it:

- Is not about a matter for which the Committee has a responsibility or which affects Northamptonshire;

- is defamatory, frivolous, offensive or vexatious;

- is substantially the same as a question which has been put or an address made by some other person at the same meeting of the Committee or at another meeting of the Committee in the past six months; or

- requires the disclosure of confidential or exempt information.

iv. Asking the question or making the address at the meeting
The Chair of the Committee will invite the questioner to put the question to the person named in the notice. Alternatively, the Chair of the Committee will invite an address to the Committee for a period not exceeding three minutes. Every question must be put and answered without discussion but the person to whom the question has been put may decline to answer it or deal with it by a written answer. Every address must be made without discussion.

v. The Chair and Members of the Committee are:

Mrs A Battom (Chair of the Committee)

Mr J Holman

Mrs E Watson

Ms A Bruce

1 vacancy for JIAC member

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Joint Independent Audit Committee (JIAC) ACTION LOG –15th March 2023

Attendees: Members: Ann Battom (AB), John Holman (JH), Edith Watson (EW), Alicia Bruce (ABR)

Helen King – Chief Finance Officer OPFCC and NCFRA (HK), Vaughan Ashcroft – Chief Finance Officer (Police and Enabling Services) (VA), Paul Bullen (Assistant Chief Officer Enabling Services) (PB); Nick Alexander Head of Joint Finance Enabling Services (NA); Julie Oliver (JO); Rob Porter (RP) (Assistant Chief Fire Officer) ; Kate Osborne Project Support Officer OPFCC (KO)

External Audit EY – Elizabeth Jackson (EJ); Julie Kriek (JK);

Mark Lunn – Internal Audit (Police) Mazars (ML); Jacinta Fru – Internal Audit (Fire) - MK (JF),

Agenda	Issue	Actions	Comments/ actions
1	Welcome and apologies (Covered by ABR)		Nicci Marzec – Director for Early Intervention Monitoring officer OPFCC (NM), **Dev D'Souza (DD'S)**
2	Declarations of Interests		None
3	Meeting Log and Actions – 14th December 2022	**ACTION:**	1. Corporate development – PB – ROI – do have benchmarking data however it is only in HMICFRS it is not publicly available yet. Challenges are around changes in legislation. 2. Consideration about timing of fraud and corruption reports – as per agenda plan – will be moved if appropriate as per MFI data. Timing of reporting to JIAC will be kept under review.
4	Internal Auditor Progress Reports 4a PCC & CC	**ACTION:** HK & AB to discuss reporting and updating members between scheduled JIAC meetings	4a. 1. balance transfer as final report 2. Report reflects some previous commentary around challenging period for all organisations hopefully provides more detail. 3. All audits are very close to completion and will be closed in close succession. 4. Regular conversations with officers to ensure all parties are up to date with progress and impacts of the finalisations of reports and audits. Some may be after 31st March, but final audit opinion end April.

				5. There could be a need interim update for JIAC members prior to next JIAC meeting. ACTION - HK and AB to meet outside meeting to discuss the need for this update

5. There could be a need interim update for JIAC members prior to next JIAC meeting. ACTION - HK and AB to meet outside meeting to discuss the need for this update
6. AB – fieldwork of final reports – are there any issues highlighted from fieldwork? ML – nothing too fundamental to highlight at this stage
7. EW – concerned about delays where are the blockages coming from – ML – staff leave and workload. EW – is it just in your team or is it resources at both ends? And implications for resources – ML – Mazars have the resources but the workload of the team and auditees availability have snowball effect. Better discussions with officers will be put in place in future to ensure HK and team are aware. HK – have been few resourcing issues within OPFCC so where unexpected sickness e.g. in IT the profile has needed to be changed and amended. There are final reports to be completed and HK is assured by the level of fieldwork and end management completed. But confident on year end management report will be finished on time.
8. JH – pg 15 – itemised performance – 92% - how did we arrive – ML – should be 96%
9. JH – pg 16 – no target for IT disaster recovery – ML – target was for this meeting but due to sickness this has been moved to 20th March. Firearms licencing – deferred into April.
10. EW – any issues about signoff ? – HK – not from internal perspective. We do prioritize some audits to ensure end of year is met. E.g. core financials. To get end of year assurance. Exit meetings – any concerns raised would push other audits to be done.
11. AB – performance – issue draft report with 10 days – only 66% - not good. We need this to be better next year. Backending – how is this going to effect 23/24 – ML – yes to both. Key focus for next years plan. Expectations managed to ensure timeframes are managed effectively.
12. JH – different view or risk or tempo of audits. Seems like were chasing audits to be completed on time. Are we chasing something that cannot be done? See ITEM 8

4b

1. JF - Report presented is potentially last report to committee
2. 6 audits in progress at present and fairly confident will be completed by April time
3. EW – ICT privilege access controls – very late – reason? – JF – wanted to start early

	4b.NCFRA	**ACTION:** JF - a paragraph to explain this to be included in report to explain why n/a for risk management NFI update to be included in Sept/ Dec meetings	and at middle of year at start date we needed to understand how fire was working with police and needed clarity so there was a delay with work of transferring systems so further meetings were needed. Hence the holdback on ICT audits. But are comfortable this can be completed 4. JH – pg 28 audit plan – why is n/a for risk management review – JF – not an audit as such – attend quarterly workshop with risk owners so don't do an audit which offers opinion. Instead have input at workshops with risk owners. JF- **ACTION** - a paragraph to explain this to be included to show assurance to be included in annual report 5. ABr – number of audits in Q3 and Q4 that have got 50% or less – are they more advanced now – JF – yes they have advanced since report was written. 6. AB – pg25 – counter fraud 3.2 – what was the scale? – JF – wasn't massive number around 20 – HK - its quite minimal. They are reviewed one by one and timescale is by end of March. VA – only one item requiring action but it was a minor matter. No cause for concern. NA – no fraud indicators 7. AB – 3.3 – should we be worried? On call firefighters working for neighbouring services – HK – don't know until work has been completed. This is being looked at and if there is any concerns they will be raised. This would be covered in NFI update. **ACTION**- agenda items for September and December but if any concerns identified these would be escalated to corporation soles, JIAC and auditors. 8. Thanks given to Jacinta and her team for all their hard work and collaboration.
5	Internal and External Audit Appointment Updates and Fire and Police 2023/24 Internal Audit Plans		1. HK – 1. External audit arrangements – thank you to Liz and Mark for looking at draft report. Highlight we have had new external auditors appointed under PSAA arrangements. But will continue to work with EY for continued work. We do hope that we can catch up on some timescales. Need to have accounts all parties are happy with. 2. JH – item 8 – increase in costs accepting those costs – should we review attitudes to risk or template/ timetables of audits – to control costs but still have same assurance – AB – assurance sought that because not EY are not auditors going forward this wont impact on timescales? – EJ - we want to finish audits we are handing over – our view is prioritising audits requiring finishing and closing – easier for fire as year ahead but we are working with new auditors and are confident on new arrangements and have been in contact with new auditors. Process will be smooth and will try and close down as soon as possible. Unlikely to hit September 2024 deadline. The costs are the costs, there are elements that we can control but ultimately the costs are what they are. 3. Finance team are reactive to needs of auditors. One things that is delaying – where audits

			are so delayed some quality of audits is in question. But this is NOT the case in Northamptonshire. Other delays are from other audits – this impacts other work. 4. JH – do we have an up to date programme of GT that can be monitored? If some are so old what is the process? – EJ – raised by FRC – being debated not sure when it will be resolved. HK – no contact for GT yet. Does seem to be some auditor etiquette. There is likely to be a "hello email/ letter" and then will lead to handover meetings in the future. HK – there will be fee discussions alongside PSAA and audit providers. 5. HK – internal audit – regional framework contract has gone to Mazars – contracted for 23/24 thanks to Ann and Vaughan for help with this. HK confident was a thorough process. HK specifically asked about Northamptonshire arrangements to ensure consistency across police and fire – as in shared audit for shared services. Contract to be signed imminently. As soon as regional contract is signed work can move forward but informal discussions have begun as already in contact with Mazars due to current relationships. 6. AB – good result – look forward to benefit going forward

6a
 	
6b
	External Audit Update
	
	PFCC & CC
			6a.
			  1. AB – looking for clear commitments for completion.
			  2. EJ – valuation differences being assessed. Not yet at point – there are differences and discrepancies.
			  3. EJ – happy where we are – previously listed work at December JIAC have been completed
			  4. EJ – don't have timeline as yet – there is a timelag on responding. 2021 accounts – everything is being done that can be. They will be signed when EY are in a position they can do.
			  5. EJ – valuation teams still discrepancies within ranges and this has to wait until both figures agree to reflect new valuations from WHE
			  6. ABr – seems like an awful lot of back and forward that is costing money. HK – it's a nightmare to pay experts about other experts views – unfortunately that is the system – meetings have taken place and discussions with valuers. This is ongoing. HK – to give committee assurance that work is ongoing to try to get this resolved/ pragmatic outcome.
			  7. JH – is there not a dispute solution – an independent expert to give definitive decision? – EJ – the only route would involve another external valuer. Which would have further cost implications.
			
			  6b.
			1. Fire external report has been issued

	NCFRA		2. JK – smoother than police – very quick turnarounds and responses. 3. Pg 38 – issues identified related to pensions liability tested and amendments agreed 4. GT awaiting letter but it is imminent but holding up signing of audit 5. EJ – there is 31st March 2022 – Northamptonshire pension fund – the latest one as at 31/3/22 – legally this has to be reported to pension fund within a year – this report will be delivered in the next few weeks. This will impact the 2022 accounts. Very live. No solution as yet – watch this space. Could have impact on signing of 2021/22 6. Pg 50 – listed audited adjustments 7. Top up grant and receivable to HMIC 8. 3rd issue – financial instruments disclosures. There originally wasn't any as per previous years – the authority now has borrowings and investments – finance team has provided this information and will be included in the accounts. 9. Value for money - completed work and no significant risks have been identified around arrangements. This will be reported in June (or 3 months post signing of accounts) 10. Pg 58 – audit fees – TBC and estimates. Using the lower end of PSAA ranges. Previous years scale for variation has been approved. 11. AB – pleased Fire has moved on, frustration at live issue. Thanks for work on this! 12. HK – huge thanks for working from all parties.
7	Policing – Internal Audit recommendations implementation update	**ACTION – PB to update report following end of March meeting**	1. PB – indebted to former CC. 2. Now down to 5 one of which overdue (health and safety reporting system) – long term fix requires more work. However there is an off system process to provide mitigation. 3. Others are as reported. 4. AB – really good such an improvement. 5. AB – pg 82 – GDPR 4.1 – sign off by 28th Feb – did this happen? – PB – no update yet – meeting Monday next week where PB will get assurance on whether this has happened 6. AB – IT 4.1 p85 – 21/22 IT security –no update since November - PB – recommendations have moved on since then, trying to align with new process – this is a self check rather than national thing. AB – should this be closed and a new item raised? PB – conversation at meeting next week **ACTION** 7. AB – ROI – 4.1 – pg 90 – PB yes this happened this is reported through Crime and Justice Board. AB – does that close the risk? PB – probably at a point of closing. **ACTION.**
8	Police – HMICFRS recommendations update		1. PB – next inspection in August / September sand building towards that inspection 2. With the exception of one of the AFI (5) we believe they are ready to be signed off. assuming HMICFRS agree 3. The report outlines how HMIC follow up 4. They appear to be looking to find the positives rather than seek the negatives.

			5. Self assessment against PEEL framework. Feel are working against an adequate level but arrangements in place to keep this. regular meetings to examine this 6. In some areas looking at good/ outstanding 7. AB – do we have a date for completion for AFI 5 – PB – difficulties around partner organisations involvement. Not confident to sign off at the moment but work is ongoing. No firm date and will be assessed against PEEL anyway. 8. EW – encouraged to see morphing into proactive approach
9	Feedback from the Risk workshop		1. Fire transfer to 4risk in April still on track 2. Members felt assured. Good workshop, more understanding from fire. 3. JH – covered a lot of ground. Improved knowledge and way colleagues and JIAC works. Got thinking about broader approach for succession planning of JIAC. Could there a curriculum of induction for members – structured learning programme for members? Role of JIAC and how add value 4. ABR – good to understand how applied in different setting. Helps to understand where the other assurances are coming from. 5. EW – need more structured training/ induction. Risk workshop was very valuable and good structure. 6. AB thank officers for their time and effort within workshops.
10 A B	Treasury Management Strategy 2023/24 Policing Fire		10a 1. VA – a lot is similar to previous years 2. Continued to aligned with police and fire to maximise efficiency and processes and time spend revises processes. 3. Highlights – minor updates in code which are reflected in report. 4. Capital programme aligned with capital finances as signed of within 2023/24 budget 5. P113 – graph – indication on amount of cash in bank accounts across next 12 months – similar patterns base on income (big influx July) 6. Borrowing strategy very similar – para 6.3 (pg)114 7. Highlight possibility to borrow from fire – enabling streamlined borrowing – good progress 8. Treasury indicators - largely the same 9. Para 11.3 pg 116 – broad indication of how much the average investment balance we have and potential interest could bring. This has changed this year for the positive 10. Treasury management reporting requirements have not changed 11. Capital strategy currently being revised to be published soon. 12. AB – significant changed – not many – VA – no material changes to speak of 13. AB – borrowing between police and fire – need to be sure about documentation and

			decision making and implications to lender and borrowing organisation – VA – protocols and mechanics behind it are in treasury management processes and this ensures any borrowing is signed off appropriately 14. AB – pg 118 – no plans to use financial derivatives – VA – no plans 15. JH – assume where we borrow from they have codes of practise etc. – VA – strategy lays out who and why and due diligence completed (including the ethics). 16. JH – are interest being factored back into financial plan? – VA – factored into budget predictions and medium term budget plan 17. JH – p118 – interest rates charged through borrowing – VA – changes often but strategy is to get the lowest rate as possible. Currently slightly lower than budgeted. Much higher than predictions. Recommend approval to PFCC 10b 1. NA – broadly strategies are similar but different underlying positions between police and fire 2. Capital programmes and underlying expenditure differences between police and fire. 3. The average funds expectations broadly remains black because of position of capital programme 4. Have used same treasury advisors for police and fire 5. Borrowing strategies same 6. Investment strategy – not expecting derivatives – 11.3 table – level forecast income is significantly higher and this will be re-visited 7. All of base of report is legislative requirement and no breaches throughout the year 8. Expected MRP position – table 15 – 9. AB – useful to have strategies aligned Recommended approval to PFCC
11	Agenda Plan		1. 19th July 13th Sept and 6th December – happy with dates 2. ABr – plan good 3. AB – tentative – fraud and corruption – keep posted. 4. Benefits realisation July - ? still on track – PB – yes 5. HK – accounts workshops pending – pencil in for Autumn – **ACTION -** KO to pencil dates in when she returns from MAT leave

12	AOB		1. KO return from MAT leave planned for April 2023 – AB requested discussions about JIAC recruitment upon return.
13	Confidential items – any		
14	Fire Risk Register		1. JO – hasn't been presented in a year so will appear to be a lot of changes 2. Industrial action of staff – risk is reduced. 3. Red risk – around data – new risk – replaces old red risk which was closed SR 33 and 34 are new risks but are redefined old risks. 4. HMI report since last risk report – EDI and risk information risks are within SR 30 and 31 5. EW – what exactly is causing problems with data and information – PB – old systems being worked through. EW is it impacting operational performance – PB probably impacting assurances that can be offered/ reportability. On track for end of March 6. ABr -
15	Enabling services update		1. 2 weeks away for go live on fire finance system. 2. Pushed back payroll implementation to at least October 2023 if not April 2024 as soon as assured we can effectively process the payroll 3. HR hit uplift numbers for policing – 1518 will be at 1528 by end of month 4. Recruitment system now live. HR will go live alongside payroll 5. Wellbeing – OH coming back in house 6. AB – good news on finance systems for 2 weeks – why is payroll pushed back? PB – want to make sure its right.

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER, NORTHAMPTONSHIRE FIRE AND RESCUE AUTHORITY and NORTHAMPTONSHIRE POLICE

JOINT INDEPENDENT AUDIT COMMITTEE

TO THE POLICE FIRE AND CRIME COMMISSIONER OF NORTHAMPTONSHIRE (AS PFCC AND NCFRA) AND THE CHIEF CONSTABLE OF NORTHAMPTONSHIRE POLICE

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 OF THE JOINT INDEPENDENT AUDIT COMMITTEE

1. Introduction

The Joint Independent Audit Committee (JIAC) provides independent assurance that adequate corporate and strategic risk management arrangements are in place for the Police, Fire and Crime Commissioner for Northamptonshire (PFCC – acting as PFCC and NCFRA) and the Chief Constable (CC). It jointly advises the PFCC and the CC on governance matters as well as good practices.

The Chartered Institute of Public Finance and Accounting (CIPFA) guidance, recommends that the JIAC report annually on how they have discharged their duties and responsibilities.

This report provides the PFCC and CC with a summary of the Committee's activities in the financial year 2022/23. It also seeks to provide assurance that the Committee has fulfilled its terms of reference, and added value to the overall governance arrangements that were in place for both the PFCC and the CC.

The Committee wishes to record its gratitude to the Chief Officers from Police and Fire for their constant support and to the staff of all three organisations who have attended JIAC meetings and who ensure that it has been able to carry out its business efficiently. To this list I would like to add Internal Audit and External Audit who have assisted the Committee to fulfil its role.

I would like to record my thanks to them and my fellow JIAC members for their wise advice and invaluable efforts throughout this year. Steps are being taken to appoint a new member to bring the JIAC to full compliment.

2. Role of the Committee

The current purpose of the Committee is:

'To support the Police Fire and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments and the integrity of financial statements and reporting.'

The Police, Fire and Crime Commissioner in his role as corporation sole for both PFCC and NCFRA.

This is the tenth Annual Report of the JIAC and it sets out how the Committee fulfilled its purpose and responsibilities in 2022/23

The JIAC seeks to provide independent assurance to the three organisations through a review of:

- Corporate Governance
- Internal Control Environment
- Corporate Risk Management
- Regulatory Framework
- Internal Audit
- External Audit
- External Financial Reporting
- Updates on Inspections and Reviews (HMICFRS)
- Counter Fraud

It will seek assurance on the effective and timely implementation of recommendations and action plans.

The JIAC provides the independent assurance function to the PFCC and should discharge the responsibilities of the PFCC (acting as PFCC and NCFRA) and the CC in independent assurance. The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the function and operation of Police Audit Committees and sets criteria for assessing the effectiveness of the JIAC, which forms an integral part of this report.

Additionally, this report provides the PFCC and CC with a summary of the areas of work considered by the JIAC during the year ended 31st March 2023. This is in line with the CIPFA guidance that recommends that Audit Committees should report annually on how they have discharged their responsibilities.

The full responsibilities of the JIAC are contained in its Terms of Reference in Appendix 1.

3. Committee Membership

Membership of the Committee during the financial year was:

Name	Appointment	Qualifications
Ann Battom (Chair)	Appointed December 2018	CIPFA, MSc
John Holman	Appointed 23rd September 2019	TA MA MRICS
Edith Watson	Appointed 23rd September 2019	MBA
Alicia Bruce	Appointed 1st May 2022	FCCA FCMI CMgr

4. Meetings

The Committee met on 4 occasions during the financial year. Meetings are open to the public with minutes being published on the PFCC website.

During the year we had hybrid meetings, ie in person and online, with the PFCC and CC, and both the Internal and External Auditors. These meetings have worked very well, enabling our full programme of work to be concluded safely.

From July 2023 meetings will be predominantly in person although allowing for online attendance where necessary.

5. Terms of Reference

The JIAC Terms of Reference follow CIPFA guidance and the formal annual review forms part of this report. Details of the current Terms of Reference can be found on the PFCC website and in Appendix 1. This report also constitutes the annual review of the Terms of Reference.

The JIAC covers three organisations: the Police, Fire and Crime Commissioner (PFCC), the Force and the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA). The Northamptonshire Fire and Rescue Service (FRS) is part of NCFRA.

The Committee believes it met the requirements of the Terms of Reference, both in terms of relevant agenda items and the effectiveness of its review.

The committee's work and scope is now well established, the Terms of Reference were reviewed as part of the recruitment process for both the new JIAC chair, and additional JIAC members in 2021. The updated terms of reference are attached and reflect the annual review for 2021/22.The 2022/23 review has identified no further changes.

6. How the Committee discharges its responsibilities

The JIAC meets at least 4 times a year and has a schedule of matters to be considered at each meeting. Internal and external audit activity is reviewed at every meeting.

The attendance of JIAC Committee members at meetings was as follows:

Name	Attendance / Possible attendance
Ann Battom	4/4
John Holman	4/4
Edith Watson	4/4
Alicia Bruce	4/4

The Committee's meetings have been well supported by officers from the Force, OPFCC and the FRS. The excellent quality and timeliness of reports facilitates good, well informed discussions. In addition, the Committee has appreciated the open and transparent approach of officers.

In addition, representatives of the Internal Auditors and the External Auditor attended the meetings and the Committee took the opportunity as it felt necessary to discuss topics in private with the auditors without officers being present.

The JIAC has received regular reports on:

- the Statement of Accounts (2018/19, 2019/20, 2020/21 and 2021/22);
- risk management and risk registers;
- treasury management;
- internal and external audit plans, recommendations and updates on progress; and
- updates on the inspectorate (HMICFRS) reports and recommendations.

It has also received updates or sought extra assurance on areas of specific risk or concern, including:

- Transition from Multi Force Shared Services (MFSS) and Local Government Shared Services (LGSS) to the new in-house Police (and in April 2023 Fire) financial systems;
- Enabling Services and Future Systems Update
- Future Internal and External Audit Arrangements;
- Budget and Medium Term Financial Plan update and timetable;

- Corruption and fraud controls and processes;
- JIAC Recruitment.

The following workshops were held:

- July 2022 – Induction / JIAC member briefing.
- November 2022 - Fire Accounts; and
- November 2022 - Police Accounts.
- February 2023 – Risk Management Workshop

The two internal audit teams have successfully delivered almost a full program of reviews.

The Committee continues to gain significant assurance from both the reports and officers. Key topics and issues are set out below. However the members of the Committee appreciate the openness of the officers to discuss all areas of the business and willingness to respond to questions.

7. Assessment of the Audit Committee's performance against its plan and terms of reference

The Committee is keen to be effective and in particular make a positive and constructive contribution to the work of the PFCC, CC and NFRA and the achievement of their strategic priorities.

The Committee's aims and objectives for 2022/23 are set out in Appendix 2. Four of the five objectives have been completed. The first objective – a review of organisational effectiveness across the three organisations will continue into 2023 due to the embedding of new procedures and processes from the future system changes.

Appendix 3 sets out the objectives for 2023/24. There are some key areas which the Committee will keep under review including keeping updated on the embedded enabling services support services and statutory accounts. The agreed work programme covers all core areas and increasingly reports now cover all three organisations in a single document. This has reduced pressure on the Agenda for meetings, which gives the Committee space to explore assurance in other areas ; these will be discussed with officers.

8. Identification of key topics and issues

During 2022/23 the Committee considered a range of topics and issues including:

Annual Accounts 2020/21 and 2021/22– frustratingly the delays, resourcing issues and missed deadlines from external auditors Ernst Young as experienced last year continued throughout 2022 and are still a problem at the time of writing this report.

Just when we hoped that audit work was complete, changes to our EY senior audit management resulted in further reviews which once again impacted negatively on the sign off timeline.

All Finance staff worked extremely hard to ensure that audit queries and additional requests were answered promptly, despite the on-going disruption to finance business as usual.

JIAC have made their concerns known in local and national forums and are aware that this issue is not ours alone – unbelievably we are in a slightly better position than some or our counterparts across the country. In order to fulfil its obligations around scrutiny and assurance the JIAC reviewed draft Annual Accounts 2021/22 for both Police and Fire in November 2022, on the understanding that the external audit work was substantially, if not fully, complete for Fire for 2021/22, and that the audit work for Police for 2020/21 was well underway and any potential outstanding issues were known.

NCFRA Accounts 2021/22 were finally signed off in June 2023 and PFCC and CC accounts for 2021/22 are anticipated to follow in the near future.

The committee recognises the hard work of officers in maintaining a good working relationship with the external audit team members throughout this challenging situation.

During the year a contract procurement process by PSAA for future external audit provision was undertaken, the result of which is a change in our providers. With effect from the 2023/24 Statement of Accounts, Grant Thornton will undertake external audit work for all three organisations. The committee are hopeful that deadlines will return to more acceptable timeframes, however we are mindful that the backlog for Police and auditor changes and handovers may increase risk and we will continue to monitor the situation closely.

Future Systems – Embedding the future systems arrangements implemented for policing, in place of those delivered by the Multi Force Shared Service (MFSS), as from 1st April 2022 continued, together with assurance on the implementation which has been a critical work stream during this financial year.

The JIAC have required and received, regular updates on progress and associated risks during the year. Enabling Services are now embedded and a review 2020-2023 will be considered by the Committee in July 2023.

In terms of future systems, Police future systems were successfully implemented by 1st April 2022 and the financial system transition to include Fire from 1st April 2023 was implemented as planned.HR and payroll services for Fire will transition by 1st April 2024.

Progress during the year has been steady. The JIAC have received an update on the assurance in terms of the implementation of the future systems arrangements and have focused on the outcomes of a benefits realisation exercise.

The JIAC will continue seek assurance in respect of the future systems implementation and embedding for Fire in 2023/24.

Risk management – the Committee had an in depth workshop on risk which covered all areas of risk, including the appetite for risk, risk evaluation and importantly the mechanisms for the escalation of risks.

Risk management processes are well established and the joint risk register is regularly monitored (including by the JIAC). The transitioning of Fire to the current risk system is planned for April 2023.

The fluctuating political and local landscape continues to create new risks and/ or increase existing risks. Officers have provided in depth information on how such risks are managed and mitigated if possible, from which the JIAC has gained assurance.

Capital programme – there is a comprehensive capital programme for both Police and Fire. This is supported by the Digital and Estates strategies. It also provides an important input to the Treasury Management Strategy and the Medium-Term Financial Plan.

Medium term financial plan (MTFP) – during the year the JIAC received a report on the MTFP and the detailed timescale and strategy, which supported the plan.

Governance framework – The JIAC considered and supported the Internal Audit plans for the year in June 2022 and progress in delivering that plan so far, has been good. Progress reports on the implementation of Internal Audit recommendations are reviewed at JIAC meetings to ensure that actions are completed in a timely fashion.

The JIAC consider and place reliance on the annual Internal audit assessments of the Chief Internal Auditors for all three organisations. Taking their assessments into account and the additional areas considered by them. Taking all the above into account the JIAC is of the view that there is a broadly effective governance and control regime in place within the OPFCC, NCFRA and the Force.

Specifically, the JIAC believe that the current arrangements for internal audit remain constructive and effective and expect that the consistency of provider for all three organisations going forward will be positive.

Significant improvements are still required in the delivery of the external audit service by Ernst Young in 2022-23 and a timely handover to Grant Thornton in 2023 will bring the external audit of the financial statements back to a more acceptable timeframe. The JIAC continues to give this matter close attention.

9. Assessment of Internal Audit

PFCC and CC

Mazars were appointed as the internal auditor for four years with effect from 1 April 2017 following a successful submission.

The internal audit plan for 2022/23 was approved by the JIAC and the Committee recommended the Commissioner and the Chief Constable to sign off the plan. Progress against the audit plan has been good.

Where Internal Audit recommendations have been made the Force and OPFCC have accepted the recommendation unless good justifiable reasons exist for not acceptance, such instances are the exception. In the majority of instances managers have progressed the agreed actions to the agreed timescale.

The Committee receives regular update reports on the progress of agreed actions, taking specific interest in actions where implementation dates are moved out or exceeded.

The internal audit service was re-tendered in 2022/23 by Derbyshire on behalf of the region. Northamptonshire Chief Finance Officers were an integral part of the process and our JIAC Chair was included in the local assessment of candidates' submissions.

Mazars were re-appointed as the internal auditor for four years with effect from 1st April 2023 for both OPFCC and CC following a successful submission.

NCFRA

The internal audit of NCFRA was undertaken by Milton Keynes Internal Audit Service for 2022/23.

The internal audit plan for NCFRA was approved at the March 2022 JIAC meeting and the Committee recommended the Commissioner to sign off the plan. Progress against the Audit Plan has been good. The Committee has monitored progress on the audit report recommendations for the Service and has taken assurance from the progress made to date.

Due to the planned expiry of the existing NCFRA internal audit contract the organization was included in the tendering process detailed above. Following a successful bid Mazars were appointed as the internal auditor for four years with effect from 1st April 2023. This will provide continuity of internal audit service across all three organisations.

10. Assessment of External Audit

Paragraph seven above comments on the late conclusion of the external audit of the statutory accounts.

The Committee has received updates where the PFCC, NCFRA and CC have explored the possibility of tendering independently or with a group of similar organisations for future external audit provision. There has been no appetite from others to adopt this approach and the cons of making an individual tender are significant. With reluctance, given the recent history of performance, the PFCC, NCFRA and CC once again joined the national consortium for the next tender process.

Locally, whilst subject to a number of staffing changes, the external audit team has been thorough and engagement has remained positive and constructive, however the timing and fees associated with the delivery of the audit work have continued to be below expectations which remains a significant cause of concern to the Committee.

11. Looking forward

Appendix 3 sets out the draft Aims and Priorities for the Committee for 2023/24

These reflect:

- Any outstanding recommendations from 2022/23
- Known areas of concern / high risk; and
- Emerging areas or change programmes likely to be related to the control framework.

12. Conclusion

The Committee has an effective work programme based on robust governance frameworks across the three organisations.

The Committee is grateful to officers who have provided honest and objective assurance about the arrangements which exist, and especially to the Finance teams including the statutory officers all of whom have been put under additional pressure throughout the last year because of the protracted audit timetable.

The JIAC will continue to undertake the responsibilities assigned to it in the agreed terms of reference and seek to ensure that it makes a constructive contribution to achieving the agreed priorities. It is important that the JIAC adds value to the organisations in discharging its responsibilities and so will continue to assess its own effectiveness.

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A Battom
Chair of Joint
Independent Audit Committee

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**NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,
NORTHAMPTONSHIRE CHIEF CONSTABLE AND
NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY**

JOINT INDEPENDENT AUDIT COMMITTEE

TERMS OF REFERENCE

1   Purpose

To support the Police, Fire and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments and the integrity of financial statements and reporting.

2   Membership

a)   The Commissioner, Chief Constable and the Chief Fire Officer (acting on behalf of NCFRA) jointly will appoint the Committee.
b)   The Committee shall consist of no fewer than five members.
c)   A quorum shall be two members.
d)   At least one member shall be a CCAB qualified accountant with recent and relevant financial experience
e)   The Commissioner, Chief Constable and the Chief Fire Officer jointly will appoint the Chair of the Committee, following discussion with the members of the Committee.
f)   The Chair shall normally be a CCAB qualified accountant, with recent and relevant financial experience.
g)   Members shall normally be appointed for a period of up to four years, extendable by no more than one additional three-year period, so long as members continue to be independent.
h)   In the absence of the Chair at any meeting of the Committee, the members attending the meeting will elect a Chair for the meeting.

3   Secretary of the Committee

The Monitoring Officer of the Commission will nominate an officer from the Commissioner's Office to act as Secretary to the Committee.

4   Frequency of Meetings

a)   Meetings shall be held at least four times each year, timed to align with the financial reporting cycle.
b)   Extra-ordinary meetings can be held for specific purposes at the discretion of the Chair.
c)   External or internal auditors may request the Chair to call a meeting if they consider one is necessary.

5   Protocols for Meetings

a)   Agenda and supporting papers will be circulated to members at least five working days prior to any meeting.

b) Where possible, minutes/actions shall be prepared and distributed to members of the Committee, regular attendees and the Commissioner, Chief Constable and Chief Fire Officer in draft, unapproved format within 10 working days of the meeting.

c) All papers/minutes should be read prior to the meeting and the meeting will be conducted on this basis with papers being introduced concisely

d) It is expected that all actions are reviewed prior to the meeting and updates provided even if individuals cannot attend the meeting.

e) The Chair of the Committee shall draw to the attention of the Commissioner, Chief Constable and Chief Fire Officer any issues that require disclosure or require executive action

f) QUESTIONS AND ADDRESSES BY THE PUBLIC

i. General
Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

ii. Order of questions and address
(a) Questions will be asked and addresses given in the order notice of them was received, except that the Chair of the Committee may group together similar questions or addresses.

(b) A list of questions and addresses of which notice has been given shall be circulated to members of the Committee at or before the meeting.

iii. Notice of questions and addresses
A question may only be asked or an address given if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than noon two working days before the meeting. Each notice of a question must give the name and address of the questioner and must name the person to whom it is to be put, and the nature of the question to be asked. Each notice of an address must give the name and address of the persons who will address the meeting and the purpose of the address.

iv. Scope of questions and addresses
The Chair of the Committee may reject a question or address if it:

- Is not about a matter for which the Committee has a responsibility or which affects Northamptonshire;
- is defamatory, frivolous, offensive or vexatious;
- is substantially the same as a question which has been put or an address made by some other person at the same meeting of the Committee or at another meeting of the Committee in the past six months; or
- requires the disclosure of confidential or exempt information.

v. Asking the question or making the address at the meeting
The Chair of the Committee will invite the questioner to put the question to the person named in the notice. Alternatively, the Chair of the Committee will invite an address to the Committee for a period not exceeding three minutes. Every question must be put and answered without discussion but the person to whom the question has been put may decline to answer it or deal with it by a written answer. Every address must be made without discussion.

6   Attendance at Meetings

a)   The Committee may invite any person to attend its meetings.
b)   The Commissioner, Chief Constable and Chief Fire Officer shall be represented at each meeting of the Committee.
c)   The Commissioner's representation will normally comprise the statutory officers and/or appropriate deputies;
d)   The Chief Constable shall normally be represented by the Deputy Chief Constable of the Force, and / or deputies;
e)   The Chief Fire Officer shall normally be represented by an Assistant Chief Fire Officer;
f)   Internal and External auditors will normally attend each meeting of the Committee.
g)   There should be at least one meeting each year where the Committee meets the external and internal auditors without the Commissioner's, Chief Fire Officer's and Chief Constable's officers being present. This need not be the same meeting; and such meetings would usually take place before or after the normal Committee meeting has concluded.

7   Authority

a)   The Committee is authorised by the Commissioner, Chief Constable and Chief Fire Officer to:

- investigate any activity within its Terms of Reference;
- seek any information it requires from any employee;
- obtain outside legal or other independent professional advice;
- secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- undertake training of its new members as required.

b)   All employees are directed to co-operate with any request made by the Committee.

c)   The Committee may only make decisions within the remit set out in these Terms of Reference. The Committee has no authority to reverse decisions made by the Commissioner, NCFRA or Chief Constable. It has no authority to incur expenditure.

8   Duties

The Committee's scope encompasses:

- the Office of the Police, Fire and Crime Commissioner (including the Fire and Rescue Authority after the transfer of governance on 1 January 2019);
- the interface between the OPFCC and associated bodies and directly controlled / associated companies but not the bodies themselves;
- the Northamptonshire Police Force;
- the Northamptonshire Fire and Rescue Service (NFRS) and
- Any collaborative / partnership arrangements involving the OPFCC, Force or NFRS.

The duties of the Committee shall be:

**A   Corporate Governance, Risk Management, Internal Control
and the Regulatory Framework**

To support the PFCC, Chief Constable, Chief Fire Officer and statutory officers in ensuring effective governance arrangements are in place and are functioning efficiently and effectively, across the whole of the Commission's, Force's and Service's activities, making any recommendations for improvement, to support the achievement of the organisations' objectives.

Specific annual activities of the Committee will include:

a) Review of corporate governance arrangements against the 'Good Governance framework';
b) Consideration of the framework of assurances to assess if it adequately reflects the Commission's, Force's and Service's priorities and risks;
c) Consideration of the processes for assurances in relation to collaborations, partnerships and outsourced activities.
d) Consideration of the processes for assurances that support the Annual Governance Statement;
e) Consideration of VFM arrangements and review of assurances;
f) To review any issue referred to it by the statutory officers of the Commission, the Chief Constable and the Chief Fire Officer and to make recommendations as appropriate;
g) To monitor the effective development and operation of risk management and to make recommendations as appropriate;
h) To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies
i) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

B   External Financial Reporting

To scrutinise the draft statements of accounts and annual governance statements prior to approval by the Commissioner, Chief Constable and NCFRA and publication. The Committee will challenge where necessary the actions and judgments of management, and make any recommendations as appropriate, to ensure the integrity of the statements.

Particular attention should be paid to the following:

o Critical accounting policies and practices, and any changes in them;
o Decisions requiring a significant element of judgment;
o The extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
o The clarity of disclosures;
o Significant adjustments resulting from the audit;
o Compliance with accounting standards;
o Compliance with other legal requirements

C   Internal Audit

The Committee shall monitor and review the internal audit function to ensure that it meets mandatory Internal Audit Standards and Public Sector Internal Standards and provides appropriate independent assurance to the JIAC, Monitoring Officer of the Commission, the Commissioner, Chief Fire Officer and Chief Constable.

This will be achieved by:

a) Overseeing the appointment of the internal auditors and making recommendations to the Commissioner and Chief Constable, who will make the respective appointments;
b) Consideration of the internal audit strategy and annual plan, and making recommendations as appropriate;
c) Consideration of the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate;
d) Consideration of summaries of internal audit reports, and managers' responses, and make recommendations as appropriate;
e) Consideration of the management and performance of internal audit, and its cost, capacity and capability, in the context of the overall governance and risk management arrangements, and to make recommendations as appropriate;
f) Consideration of a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate;
g) Consideration of the effectiveness of the co-ordination between Internal and External Audit, to optimise the use of audit resources;
h) Consideration of any issues of resignation or dismissal from the Internal Audit function.

D   External Audit

The Committee shall review and monitor External Audit's independence and objectivity and the effectiveness of the audit process.

This will be achieved by consideration of:

a) the Commission's, Force's and Service's relationships with the external auditor;
b) proposals made by officers and Public Sector Audit Appointments (PSAA) regarding the appointment, re-appointment and removal of the external auditor;
c) the qualifications, expertise and resources, effectiveness and independence of the external auditor annually;
d) the external auditor's annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate;
e) the draft Management Representation letters before authorisation by the Commissioner, Chief Fire Officer and Chief Constable, giving particular consideration to non-standard issues;
f) the effectiveness of the audit process;
g) the effectiveness of relationships between internal and external audit other inspection agencies or relevant bodies;
h) the Commissioner's and Chief Constable's policies on the engagement of the External Auditors to supply non-audit services, taking into account relevant guidance.

E   Other Assurance Functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation.

F   Counter Fraud

The Committee shall satisfy itself:

  a) that the Commission, Force and Service have adequate arrangements in place for detecting fraud and preventing bribery and corruption;
  b) that effective complaints and whistle blowing arrangements exist and proportionate and independent investigation arrangements are in place.

9   Reporting

  a) The Chairman shall be entitled to meet with the Commissioner, Chief Constable and Chief Fire Officer ideally prior to their approving the accounts each year;
  b) The Committee shall annually review its Terms of Reference and its own effectiveness and recommend any necessary changes to the Commissioner and Chief Constable;
  c) The Committee shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual accounts;
  d) Such a report shall specifically include:

  o   A summary of the role of the Committee
  o   The names and qualifications of all members of the Committee during the period
  o   The number of Committee meetings and attendance by each member; and
  o   The way the Committee has discharged its responsibilities
  o   An assessment of the Committee's performance against its plan and terms of reference;
  o   Identification of the key issues considered by the Committee and those highlighted to the Commissioner, Chief Constable and Chief Fire Officer
  o   An assessment of Internal and external Audit

  e) If the Commissioner and / or the Chief Constable do not accept the Committee's recommendations regarding the appointment, re-appointment or removal of the external auditor the Committee shall include a statement explaining its recommendation and the reasons why the Commissioner / Chief Constable has taken a different stance in its annual report.

10   Standing Agenda Items

The agenda for each meeting of the Committee shall normally include the following:

Procedural items:
Apologies for absence
Declaration of Interests
Minutes of the last meeting
Matters Arising Action Log
Date, time and venue of next meeting

Business items:
Progress Reports
- Internal Audit
- External Audit

Update on implementation of Audit Recommendations
Items for escalation to the Commissioner and / or Chief Constable
Agenda Plan for the next four meetings

11 Accountability

The Committee is accountable to the Commissioner and Chief Constable.

Appendix 2

The Joint Independent Audit Committee's – Aims and Objectives 2022/23

Aims and Objectives
Review Organisational effectiveness across the three organisations - ie the extent to which the current management structures are fit for purpose and seeking assurance that strategic aims filter through the organisations effectively.
Continue to place importance on the prompt production and audit of the organisations' statutory account
Review action plans and recommendations that come from Governmental reviews,(eg Peel and HMICFRS) are implemented in a timely manner, having regard to organisational resources and strategic direction.
Initiate up to 3 reviews in areas of strategic importance in the governance of the organisations. [Note: possible areas – in-house procurement services, Fire Standards and the implications for Fire reform as a result of Government White paper, joint delivery services for police and fire, Digital technology, equality and diversity.
Conclude the JIAC review of effectiveness.

The Joint Independent Audit Committee's – Draft Aims and Objectives 2023/24

Aims and Objectives
Review Organisational effectiveness across the three organisations - ie the extent to which the current management structures are fit for purpose and seeking assurance that strategic aims filter through the organisations effectively.
Review the effectiveness of enabling services across the three organisations, seeking assurance that expected outcomes and benefits are being realised, especially in terms of organisational culture.
Continue to place importance on the prompt production and audit of the organisations' statutory accounts
Review action plans and recommendations that come from HMICFRS eg Peel and HMICFRS are implemented inline with agreed timescales and standards,
Initiate up to 3 assurance reviews in areas of strategic importance in the governance of the organisations. [Note: possible areas – the implications for Fire cultural reform as a result of government inspection, Joint delivery services for police and fire, Benefits Realisation, Equality and Diversity.
JIAC member recruitment.

Office of the Police, Fire & Crime Commissioner for Northamptonshire, Northamptonshire Police and Northamptonshire Commissioner Fire & Rescue Authority

Internal Audit Progress Report 2023/24

Audit Committee – 19 July 2023

Prepared by: Mazars LLP

Date: July 2023

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Contents

Status of our Reports

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Northamptonshire Police, Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) and the Officer of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Northamptonshire Police, Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) and the Officer of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility on the final page of this report for further information about responsibilities, limitations and confidentiality.

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01

Section 01:

Introduction

Introduction

The purpose of this report is to update the Joint Independent Audit Committee (JIAC) as to the progress in respect of the Operational Plan for 31st March 2024, which was considered and approved by the JIAC at its meeting on 15 March 2023.

Responsibility for a sound system of internal control rests with the Police, Fire & Crime Commissioner, Chief Fire Officer and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

Our work is delivered is accordance with the Public Sector Internal Audit Standards (PSIAS).

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Background

The purpose of the internal audit plan is to identify the work required to achieve a reasonable level of assurance to be provided by Mazars LLP in compliance with the Public Sector Internal Audit Standards (PSIAS).

The Police, Fire & Crime Commissioner, Chief Fire Officer and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police, Fire & Crime Commissioner, Chief Fire Officer and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPFCC, NCFRA and Force's overall assurance framework and assists in preparing an informed statement on internal control.

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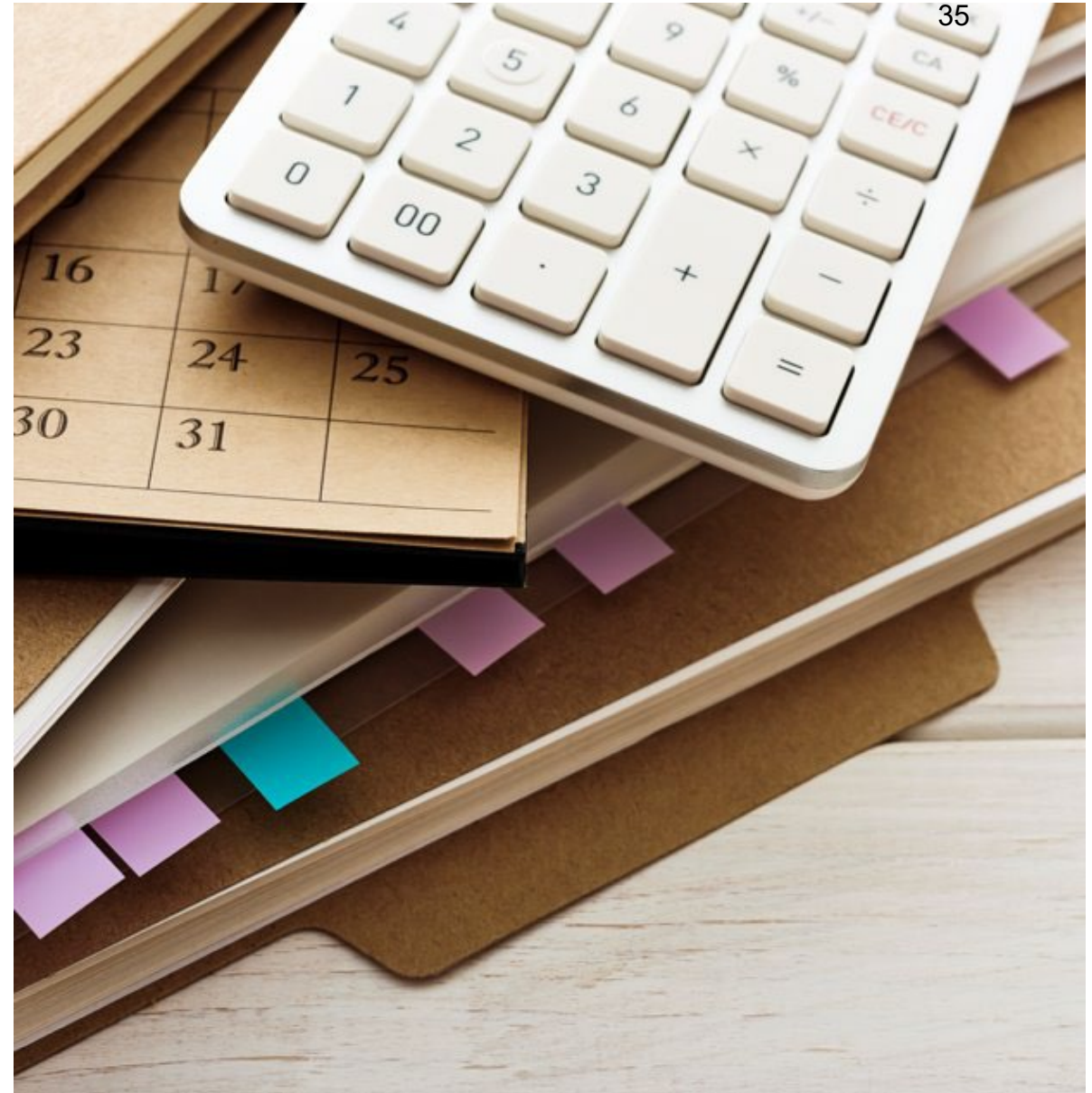
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Progress to Date
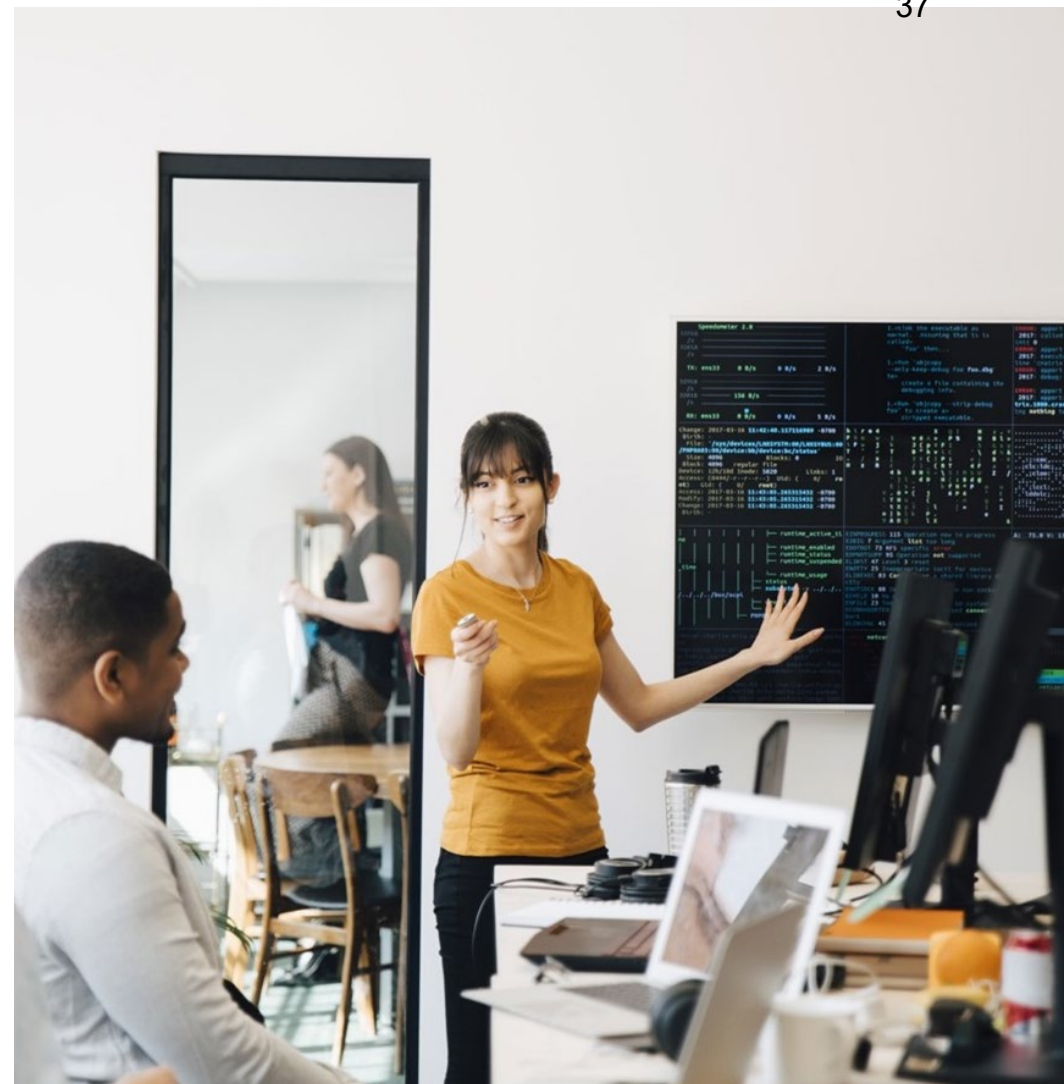
Progress to Date

Progress against the 2022/23 Internal Audit Plan is shown in Appendix 1

We have issued the following 2022/23 Final Reports since the last meeting of the Audit Committee:

- Positive Action (**Significant**)

- Reasonable Adjustment (**Limited**)

- Data Quality (**Satisfactory**)

- Risk Management (**Satisfactory**)

- Information Management (**Satisfactory**)

- IT Disaster Recovery (**Limited**)

- MFSS Follow Up (**Significant**)

- Medium Term Financial Planning (**Significant**)

- Core Financials (**Satisfactory**)

The following 2022/23 audits have been deferred to 2023/24 since the last meeting of the Audit Committee:

- Estates Management

- Firearms Licensing

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Progress to Date (Continued)

Progress against the Collaboration Audit Plans is shown in Appendix 3 and progress against the 2023/24 Internal Audit Plan is shown in Appendix 2.

We have issued the following 2022/23 Collaboration Final Reports since the last meeting of the Audit Committee:

- Collaboration Performance Management (**Satisfactory**)

- EMSOT Closedown (**Limited**)

- Digital Currency (**Satisfactory**)

We have issued the following 2023/24 Draft Reports since the last meeting of the Audit Committee:

- Firearms Licensing

- Released Under Investigation Follow Up

At the time of preparing this report, 2 audits have been issued as draft reports with a further 2 to start before the end of August - Business Continuity and Fleet Follow Up. Whilst we are still working to agree the dates for the rest of the audits in the plan, we have provided an indicative month of each audit in the IA plan and will continue to update the committee at each meeting as to the status.

As in previous years, the collaboration audit plan for 2023/24 has been agreed by the regional CFOs, as discussed at the approval of the Internal Audit Plan, with a reduced amount of audit time due to the reduced amount of regional collaboration.

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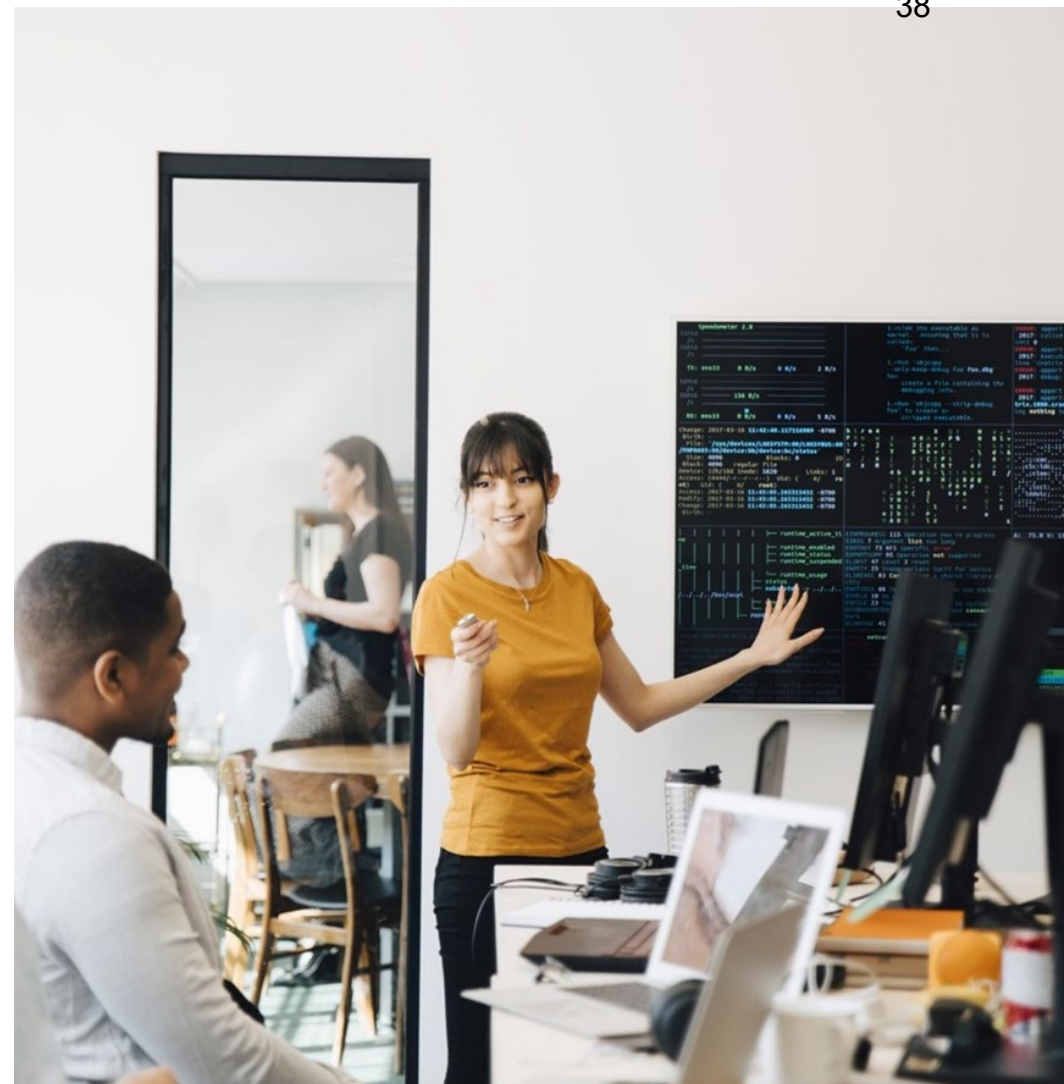
Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

Number	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	Achieved (July 23)
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved (July 23)
3	Progress report to the JIAC	7 working days prior to the meeting	Achieved
4	Issue of draft report	Within 10 working days of completion of the final exit meeting	62% (8 / 13)
5	Issue of final report	Within 5 working days of agreement of responses	92% (12 / 13)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
7	Follow-up of other recommendations	100% within 12 months of date of final report	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	85% (11 / 13)
9	Customer satisfaction (measured by survey) Very Good / Good / Satisfactory / Poor / Very Poor	85% average satisfactory or above	100% (1 / 1) Very Good

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Definition of Assurance & Priorities

Audit Assessment

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance:	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Definitions of Recommendations	
Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

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03

Section 03:

Appendices:

1. Status of Audit Work 2022/23

2. Status of Audit Work 2023/24

3. Status of Collaboration Audit Plan

4. Final Reports Issued

Appendix 1 – Status of Audit Work 2022/23

The table below lists the 2022/23 Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Fieldwork Date	Draft Report Date	Final Report Date	Target JARAC	Comments
MINT	Q1	May 22	May 22	July 22	Final Report Issued
RUI Follow Up	Q2	Jun 22	Sept 22	Oct 22	Final Report Issued
Complaints Management	Q2	Jul 22	Aug 22	Oct 22	Final Report Issued
Core Financials	Q3	Jan 23	Jun 23	Mar 23	Final Report Issued
Positive Action	Q3	Feb 23	Mar 23	Mar 23	Final Report Issued
Balance Transfer	Q3	Mar 23	Mar 23	Mar 23	Final Report Issued
MFSS Follow Up	Q3	Mar 23	May 23	Jun 23	Final Report Issued
Information Management (automated decision making)	Q4	May 23	May 23	Jun 23	Final Report Issued
Risk Management	Q4	May 23	May 23	Jun 23	Final Report Issued
Data Quality	Q3	May 23	May 23	Jun 23	Final Report Issued
Estates Management			Deferred to 2023/24 Plan		
MTFP	Q4	May 23	May 23	Jun 23	Final Report Issued
Reasonable Adjustment	Q4	Apr 23	Apr 23	Jun 23	Final Report Issued
Firearms Licensing			Deferred to 2023/24 Plan		
IT Disaster Recovery	Q3	Mar 23	May 23	Jun 23	Final Report Issued

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Appendix 2 – Status of Audit Work 2023/24

The table below lists the 2023/24 Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Fieldwork Date	Draft Report Date	Final Report Date	Target JARAC	Comments
Police - Firearms Licensing	Q1	Jun 23	Jul 23	Sept 23	Draft Report Issued
Police - RUI Follow Up	Q1	Jul 23	Aug 23	Sept 23	Draft Report Issued
Police - Estates Management	Q1	Jul 23	Aug 23	Sept 23	Fieldwork in progress
Police – Business Continuity	Q2	Aug 23	Sept 23	Dec 23	
Police – Fleet Follow Up	Q2	Aug 23	Sept 23	Dec 23	
Police – Payroll	Q2	Oct 23	Nov 23	Dec 23	
Police – Reasonable Adjustments Follow Up	Q2	Oct 23	Nov 23	Dec 23	
Police – Procurement & Supply Chain	Q3	Oct 23	Nov 23	Dec 23	
Police – OPCC Grants	Q3	Nov 23	Dec 23	Mar 23	

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Appendix 2 – Status of Audit Work 2023/24 (Continued)

The table below lists the 2023/24 Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Fieldwork Date	Draft Report Date	Final Report Date	Target JARAC	Comments
Police – Vetting	Q4	Feb 24	Mar 24	Jul 24	
Fire – Risk Management	Q2	Aug 23	Sept 23	Dec 23	
Fire - Payroll	Q2	Sept 23	Oct 23	Dec 23	
Fire – EDI Plan	Q2	Jan 24	Feb 24	Mar 24	
Fire – Grievance Policies and Procedures	Q3	Feb 24	Mar 24	Jul 24	
Fire – New Systems Assurance	Q4	Mar 24	Apr 24	Jul 24	
Joint – Core Financials	Q3	Nov 23	Dec 23	Mar 24	
Joint – IT Disaster Recovery	Q3/4	Mar 24	Apr 24	Jul 24	
Joint – IT Asset Management	Q3/4	Mar 24	Apr 24	Jul 24	

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Appendix 3 – Status of Collaboration Audit Work

The table below lists the 2022/23 Collaboration Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Forces	Status
EMSOT Closedown	Leics, Lincs & Northants	Final Report Issued
EMSLDH Governance	Derby, Leics, Northants & Notts	Final Report Issued
EMSOU Business Continuity	Five Forces	Final Report Issued
EMSOU Risk Management	Five Forces	Final Report Issued
Collaboration Performance Management	Five Forces	Final Report Issued
Digital Currency	Five Forces	Final Report Issued

The table below lists the 2023/24 Collaboration Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Forces	Status
EMSOU Capital Programme	Five Forces	
EMSOU Workforce Planning	Five Forces	
EMSOU HMICFRS Action Plan	Five Forces	

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Appendix 4 – Final Reports Issued

On the following pages, we provide brief outlines of the work carried out, a summary of our key findings raised, and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the 2022/2023 plan.

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Positive Action

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

Complaints

- Policies and procedures are in place, are regularly updated to reflect lessons learnt and legislative changes and are communicated to all relevant staff.

- Procedures clearly set out the different roles and responsibilities for recruitment and are reviewed and kept up to date.

Positive Action

- Objectives for positive action are outlined within a Plan/Strategy, outlining deliverables and milestones.

- Positive action activity is closely aligned to community engagement.

- Positive action activity is guided by insights from recruitment reviews.

- Recruitment process is regularly reviewed to identify points of failure and opportunities for future initiatives.

- Internal talent identification processes provide support and guidance to internal candidates to increase representation from within the workforce.

- Analysis of workforce information, including exit interviews, provides insight into causes of attrition.

Recruitment

- The recruitment process is aligned with the force's workforce planning processes, including national recruitment initiatives and positive action strategies.

- Approaches to advertising and recruitment agencies are reviewed for their effectiveness.

- Alternative advertisement and communication channels are utilised for recruitment.

- Only applications received by the advertised closing date are considered and that shortlisted applications meet the key requirements of the person specification/job description.

- Shortlisting criteria are reviewed to ensure that they are not impacting positive action activity.

- Selection panels are of an appropriate seniority and are provided with suitable support and/or training to enable them to fulfil this role. This includes support from the Positive Action team and training regarding implicit bias.

- All interviews are fully documented to ensure full transparency in the selection process. In addition, all decisions are documented, approved and justified in accordance with pre-determined selection criteria.

Performance

- Standards and KPI's have been agreed against which the recruitment process can be assessed against positive action measures.

- Objectives, deliverables and/or milestones for positive action are regularly monitored at a relevant governance body.

- Complaints relating to discrimination within the recruitment process are monitored and dealt with appropriately.

Positive Action (Continued)

We have raised one Priority 2 recommendation which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Force/OPCC should consider implementing a data sharing process for the Positive Action team and Recruitment/HR teams to allow for the identification, support and tracking of candidates through the recruitment process by the Positive Action team.
Finding	The Positive Action Team require information regarding candidates and their progress from the Recruitment team on a regular basis to be able to identify candidates to contact regarding support. However, it was noted through a review of current processes that the Positive Action team does not always receive this data in a timely manner, which can lead to candidates not being offered support prior to some of the key steps in the recruitment pipeline. Additionally, the Positive Action team has discussed the requirement for more regular data being provided instead of just at the closing of application windows. This would allow the team to more clearly track candidate progress and provide feedback to the team of any hurdles/barriers to progression through the recruitment process. One way to facilitate this may be through giving the team read-only access to the recruitment platform, to allow them to identify relevant candidates and track their progress "live" and without making requests of other teams.
Risk	Positive action activity is not offered or provided to all relevant candidates in a timely manner to support them through the recruitment process.
Response	Accepted
Responsibility / Timescale	June 2023 – Workforce Planning Manager

Reasonable Adjustments

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

Governance

- There is a clear governance structure within the Force and OPCC that has effective oversight of the management of reasonable adjustments.

- The governance structure includes all relevant stakeholders such as union representation.

Approach to Reasonable Adjustments

- Policies and procedures are in place, are regularly updated to reflect lessons learnt and legislative changes and are communicated to all relevant staff.

- Procedures clearly set out the different roles and responsibilities for recruitment and are reviewed and kept up to date.

- The Force policies and procedures comply with the relevant legislation.

Training and Guidance

- A communication plan is in place to ensure all staff are aware of the reasonable adjustments policy and procedure.

- Staff have been trained to enable them to carry out their duties effectively.

- There is appropriate guidance and support available for staff.

Record Keeping

- There is an appropriate system in place to ensure that records all reasonable adjustments made.

Timeliness and Workflow

- There are clear workflows in place to ensure that once identified, the reasonable adjustments are made in a timely manner.

- There is effective monitoring of the timeliness of adjustments, where failures are identified a lessons learned exercise is carried out.

Compliance with procedure

- There are effective feedback channels so that the Force are aware of any instances where individuals believe that they failed to make a reasonable adjustment.

Lessons learned

- There is regular review and updated of the policies and procedures to reflect any failures that may have been identified.

Oversight and Understanding

- There are appropriate reporting mechanisms so those charged with governance are able to provide oversight and scrutiny of the management of reasonable adjustment.

- Management and performance information is available to support the oversight and scrutiny process.

Best Practice and Benchmarking

- The Force carry out regular review and benchmarking of their process to ensure they are adopting best practice.

Reasonable Adjustments (Continued)

We have raised two Priority 1 recommendations, which are fundamental, and three Priority 2 recommendations, which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 1)	The Force should clearly state in both guidance documents that, as per the Equalities Act 2010, an employer must only make adjustments where they are aware, or should reasonably be aware, that an individual has a disability. The Force should ensure that TRAAs cannot be created without HR being notified of their existence. A comprehensive reconciliation activity should immediately be carried out to ensure that all TRAAs are included on record, and that any obsolete TRAAs relating to individuals no longer employed by the Force are removed. This should be conducted on a regular basis following the initial activity.
Finding	Where an individual applies for a reasonable adjustment and one is granted, the Force should ensure that a workplace adjustment passport is created, which represents a record of agreed workplace reasonable adjustments. Northamptonshire utilise a Tailored Reasonable Adjustment Agreement (TRAA) as their workplace adjustment passport, which includes details of the nature of the reasonable adjustments and the reasons for it. All TRAAs (299 at time of audit) are held in a secure folder which audit verified was only accessible by HR. However, through discussions with the HR Business Partner and HR Change Manager, the Force were unable to provide assurance that the list was up to date, complete, and included TRAAs related to only current employees. Audit were advised that this was partly due to individuals having the capacity to download and create TRAAs with their line manager, without the knowledge of HR.

Finding	From review of the Reasonable Adjustment Guidance and TRAA template, we have noted inconsistent messaging regarding the requirement of individuals to share their TRAA. The Reasonable adjustments Guidance - FAQ states "A copy of the TRAA will be kept by the employee, their line manager and Human Resources.". However, the TRAA template states both "By signing this declaration, I agree to share this information with people deemed necessary …. which includes HR and any current or future supervision or line management" but also "We encourage individuals to send a copy of their TRAA to HR to support the reasonable adjustment process. The TRAA is stored in a secure folder only accessed by HR Advisors and a RA flag is added to Unit 4 indicating they have a reasonable adjustment in place". Similar findings were recorded in the Force's internal review of reasonable adjustments. As per the Equalities Act 2010, an employer only has to make adjustments where they are aware or should reasonably be aware that you have a disability. The lack of clarity noted in the guidance and TRAAs may leave the Force exposed to litigation where TRAAs are created and not shared with HR.
Risk	The Force are unaware of the reasonable adjustments that under the Equality Act 2010 they have a duty to enact, leading to reputational damage and potential litigation.
Response	In both the revised policy and the reasonable adjustments procedure document, it will state that in accordance with the Equality Act 2010 as an employer we can only make adjustments where we are aware or reasonably aware that an individual has a disability. In terms of initial activity, the HR Business Support team will reconcile the TRAA forms within the current folder. Obsolete forms will be removed in accordance with the service policy for retention and destruction of records.

Reasonable Adjustments (Continued)

Response	We have already redesigned the TRAA form and the process. This will include the COP guidance as recommended and the form will state that the TRAA must be shared with HR and management for the organization to make appropriate reasonable adjustments. The individual will complete the TRAA with their line manager and it will be sent to the HR Adviser. We are creating an in-box for this purpose. The inbox will be confidential and only accessible by the HR advisors, seniors and business partners thus limiting the access to the TRAA's. We are removing access to the business support team which further limits who sees the forms. Updated TRAA's will be uploaded onto the HR Hub and will be reviewed at a minimum of 12 months or sooner if there are any changes by the individual and the line manager. There will be a quarterly report set up with business support that will highlight any TRAA's coming up for review, which will be shared with the HR Advisers. The HR Advisers will then share with the individual to ask them to review with their line manager. The HR Business Support Manager will report annually on TRAA's held on the hub and a review will be undertaken by the HR Advisory Team led by the HR BP.
Responsibility / Timescale	End of June 2023 HRBP to update policy document HR Business Change Manager to update TRAA form and procedure document HR Business Support are tasked to reconcile all TRAA's on record, delete obsolete TRAA's. By end of July 2023 HRBP and HR Business Support HR Business Support will assist in uploading reconciled TRAA's to the hub.

Recommendation 2 (Priority 1)	The Force should review all TRAAs annually with the respective individual to ensure that the related reasonable adjustments are appropriate and effective in mitigating any disadvantage. The Force should ensure that a consistent and updated template is used for all TRAAs. This template should be aligned to best practice outlined by the College of Policy, or similar reputable body.

Finding	Audit conducted a sample test of 20 TRAAs to confirm that the TRAAs had been appropriately completed, had been reviewed annually as required by the TRAA template and Reasonable Adjustments FAQ, and was aligned to best practice. Our review noted the following exceptions:
	• In one instance a TRAA selected related to an individual who was deceased.
	• In all instances there was no evidence that an annual review had taken place.
	• The template used was inconsistent across the 20 TRAAs, and did not include a number of elements noted as best practice (see Sector Comparison), including but not limited to:
	  • Preferred pronouns
	  • Details of the individual's strengths, experience, skills and knowledge
	  • A section clarifying how the information will be stored, how long for, who has access, and how and why they have access.

Risk	Reasonable adjustments are not regularly reviewed to assess whether they are still suitable, leading to unnecessary provision of reasonable adjustments or potential litigation where adjustments are inappropriate for an employee's requirements.
Response	The force will put in place an annual review of TRAA's in line with COP guidance, ensuring that HR then regularly report on the TRAA's we have in place to the Force Assurance Board in their quarterly meeting.

Reasonable Adjustments (Continued)

Response	The annual review will ensure that the HR Advisers will write out to the individual and current line manager to review the arrangements in place to ensure that they are appropriate for role and mitigate potential disadvantage. We will use the COP template to ensure that the TRAA covers all recommended best practice.
Responsibility / Timescale	HR BP HR Business Support Manager By end of July 2023

Recommendation 3 (Priority 2)	The Force should ensure that, on a regular basis, HR related reasonable adjustments are discussed at an appropriate governance group and included as a regular item on the agenda. Regular reporting packs regarding the performance of HR related reasonable adjustments should be presented to an appropriate governance group on a regular basis, these should be appropriately scrutinized, with an appropriate audit trail maintained.
Finding	The responsibility for processing reasonable adjustments is the HR department. It was noted that within the management of reasonable adjustments there is no regular monitoring or oversight of operations. The Force operate three streams of reasonable adjustments; Dyslexia, Display Screen Equipment (DSE), and all other matters, which includes stress, flexible working, and mental health. Whilst evidence was provided to support reporting to the Force Assurance Board regarding DSE and Dyslexia related reasonable adjustments, the HR Business Partner advised that no reporting occurred regarding the 'other' reasonable adjustments. However, there is no regular monitoring of the issues facing reasonable adjustments management.
Risk	Roles and responsibilities regarding reasonable adjustments is unclear, leading to ineffective management of the function.

Risk	The Force lack oversight regarding the performance of reasonable adjustments, inhibiting the capacity to identify and resolve areas of poor performance.
Response	Reporting is not currently in place in relation to Reasonable Adjustments. We are working towards some KPI's as part of the ongoing review and ones currently identified are: • Total number of TRAA's • Number of TRAA's under review • Number of TRAA's in date The appropriate governance group for HR related reasonable adjustments is to the Force Assurance Board on a quarterly basis. Data can also be provided to the People and Culture Board as part of the HR oversight report. Refreshed corporate comms to be produced in relation to responsibilities of the business in relation to ensuring that processes are followed and adhered to.
Responsibility / Timescale	By end of July, once TRAA's are uploaded onto the Hub HR Business Support

Reasonable Adjustments (Continued)

Recommendation 4 (Priority 2)	As planned, the Force should develop a single policy that incorporates all details regarding the reasonable adjustments process. The Force should ensure that this is accessible to those with learning disabilities or other limitations that may impact the clarity of the policy. The policy should outline the roles and responsibilities regarding reasonable adjustments and include details regarding the feedback process where individuals do not believe the assigned adjustments are appropriate to mitigate their disadvantage.
Finding	Audit reviewed the Force's policies and guidance related to reasonable adjustments to ensure that they were clear, consistent and clearly laid out roles and responsibilities. These included the Reasonable Adjustments Procedure, Reasonable Adjustments FAQ, Reasonable Adaptation Procedure, as well as various flow charts and the wider Health and Safety Policy. Whilst we note that these are comprehensive in their detail of the reasonable adjustments process, the large number of overlapping procedures do not create a clear and accessible picture of the process. This is especially important given those requiring information on the process might be those with learning difficulties. Additionally, the policies do not clearly lay out the roles and responsibilities related to reasonable adjustments. Finally, whilst the process map in place for DSE related reasonable adjustments included a review stage where the adjustment is not resolved following the initial assessment, a feedback process is not outlined for dyslexia or 'other' reasonable adjustments. Within the Force's internal review, the need for a single policy has been noted.
Risk	The reasonable adjustments procedure is not accessible, leading to inconsistencies in the approach taken and creating difficulties in individuals to access reasonable adjustments for which the Force have a legal duty to provide.

Risk	A lack of clarity regarding the roles and responsibilities of the reasonable adjustments process leads to an inconsistent and inefficient approach. Individuals do not have the capacity to appeal against their reasonable adjustment, leading to potential litigation where the duty to make an adjustment has not been met.
Response	A draft single policy for Reasonable Adjustments has been produced. This will be presented to the All Staff Networks meeting in May 2023, with opportunity for comment and feedback. UNISON and the Police Federation will also have sight for comment. The draft policy outlines roles and responsibilities, legislation, processes and feedback process. The conflicting information will be removed from the intranet. This will be raised at the All staff network groups for discussion in May.
Responsibility / Timescale	Completed policy in place by end of June 2023. HR Business Partner HR Change Manager HR Business Partner July 2023

Reasonable Adjustments (Continued)

Recommendation 5 (Priority 2)	The Force should develop a KPI related to the timeliness of implementation of reasonable adjustments. This should be reported on to an appropriate governance body on a regular basis.
Finding	KPIs are a key tool in ensuring that reasonable adjustments are provided to individuals in a timely manner and ensuring that the responsible team are held accountable for consistent poor performance. We note that whilst a 30-day KPI is tracked and reported on for DSE related reasonable adjustments, for reasonable adjustments that require a TRAA (Dyslexia and "Other"), there is no KPI in place that tracks the timeliness of delivery of reasonable adjustments.
Risk	The Force are unaware of instances where reasonable adjustments are not provided in a timely manner, leading to reputational damage and potential litigation from individuals.
Response	As per Recommendation 3 management response. We have identified KPIs and will develop this as part of the cleansing, with a view to adding this to the enabling services HR scorecard as we as reporting to the Force Assurance Board.
Responsibility / Timescale	End of August 2023. HR Business Support, HR Change Manager

We have also raised two priory 3 recommendations of a housekeeping nature:

- The Force should ensure that all staff involved in the reasonable adjustments process are appropriately trained, and that records of the delivery of this training is maintained.

- The Force should ensure that benchmarking activity is conducted on a regular basis.

  This should be done by comparing the Force against peers, and any organisations producing best practice guidance such as the College of Policing.

Management agreed with the recommendations and timetable for implementation was August and September 2023.

Data Quality

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

- There is an appropriate governance structure in place to evaluate data quality at the Force, including that over individual systems, the Force as a whole and participation in regional systems.

- The roles and responsibilities for ensuring data quality within the Force are clearly stated, communicated and understood.

- There are clearly defined terms of reference within the data quality governance structure.

- For a sample of key systems, there is appropriate guidance/training in place on how to record data correctly and accurately within the system and this is appropriately communicated to all system users.

- The guidance and training is regularly reviewed and updated to ensure that best practice for maintaining data quality is up to date.

- The Force put in place appropriate controls within systems to ensure data quality can be maintained.

- Appropriate consideration to data quality is given for key projects that the Force is engaged with, including the MFSS Transfer, Unit4 Implementation and NICHE Cloud projects.

- This includes appropriately designing systems with controls to minimise poor data, such as mandatory fields and data validations.

- The right staff and skill sets are utilised within the projects to ensure that data quality concerns are addressed.

- The data quality considerations are correctly timetabled into the project to ensure issues are addressed in a timely manner.

- The Force gain assurance that data quality issues within IT projects are being appropriately addressed.

- The Force have appropriate reporting mechanisms that demonstrate levels of data quality across its systems.

- There are regular reporting mechanisms to ensure the Force have appropriate oversight of data quality across its systems.

- There are robust processes in place for the Force to review their data against national benchmarking data and / or other areas of best practice.

- Lessons learnt and best practice approaches to the correct and accurate recording of data are shared and communicated with system users.

Data Quality (Continued)

We have raised one Priority 2 recommendation which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Force and OPFCC should implement data quality modules as part of key systems training (i.e., NICHE and/or Unit4) that covers general data quality issues, common errors within these systems and the impacts of data entry and/or record linkage errors.
Finding	Data quality is integral to the integrity and validity of information used by the Force and OPFCC in both policing and non-policing operations. Therefore, it is important that all users who can create information are appropriately trained and have appropriate guidance to carry out this function. It has been noted that the training provided to users of specific systems (i.e., Unit4 and NICHE) includes limited inclusion for data quality and does not include any discussion regarding broader data quality issues or any of the impacts of inputting erroneous data. There is also no general training on data quality provided to staff and/or officers to support the limited data quality training provided within specific system training. And, as has been noted below, there only seems to be guidance documentation in place regarding data quality for NICHE and not other systems, such as Unit4. Additionally, within some systems it is possible to link records and previous audits across different Forces and systems have noted that this can lead to data quality issues if not appropriately trained.
Risk	Incorrect data entry or linkage can lead to errors in operations and damage to reputation and/or finances.
Response	Data quality training and education will be provided on a wider basis. In order to meet this requirement, a plan of activities will be drawn up, with responsibilities for delivery across the organisation.
Responsibility / Timescale	Chief Digital Officer December 2023

Recommendation 2 (Priority 2)	The Force should ensure that information from the Regional Data Quality team is reported to the Information Assurance Board and any issues are escalated as required to the FAB and/or JIAC. Additionally, any issues, recommendations and/or learning presented should be reviewed by the Information Unit to determine how these ca be rectified or implemented by the Force and/or OPFCC.
Finding	Benchmarking is an important tool for identifying areas of best practice and areas for improvement. Currently the Force engages with the Regional Data Quality team regarding data quality issues within the regional NICHE system and from the national PND Data Quality Dashboard. However, this information is not reported back into the Information Assurance Board to be utilised in the identification of areas of focus and does not inform data quality strategies within the Force.
Risk	The Force is unaware how it's performing in data quality and cannot identify areas of best practice, areas for improvement or lessons learned.
Response	Information received from the Regional Data Quality team will be included in Information Assurance reporting to FAB.
Responsibility / Timescale	Chief Digital Officer September 2023

We have also raised one priory 3 recommendations of a housekeeping nature:

- The Force and OPFCC should create further guidance documents for each system in use to provide quick hints, tips and ""cheat sheets"" for ensuring data quality and integrity is maintained across all systems.

  This could include how to report data quality issues, how to record transactions in Unit4, etc.

Management agreed with the recommendations and timetable for implementation was December 2023.

Risk Management

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	5
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

- Poorly formulated strategy providing insufficient guidance.

- Risk management is not co-ordinated leading to poorly managed risk.

- Operational risk management is not defined or poorly co-ordinated.

- Insufficient training is provided on risk management.

- Risks are not embedded at an operational level.

- Risks are not embedded at a strategic level.

- Risks are inconsistently scored and inconsistently managed as a result.

- Risk actions are not tracked appropriately.

- Risks are not embedded throughout the Force or OPFCC.

We have raised one Priority 2 recommendation which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Force should review the current risk registers and ensure that they accurately reflect the risk being posed to the Force, as opposed to issues that have crystallised. The Force should ensure there is an appropriate review and consideration of the risks added to the risk register to ensure they are correctly documented in line with the Risk Management Procedure
Finding	The risk management system should be based on a process of identifying the inherent risks, recording the current control measures in place to mitigate the risk and then, where the residual risk is above the organisation's risk appetite or target risk developing further controls to bring the risk into tolerance. We noted that the Force's approach is focused on re-active incidents and therefore acts as an issue log as opposed to pro-active monitoring of inherent risks. For example, we reviewed the Custody Risk Register and noted the following: • CUS 10 'Protocol Lighting at WWJC' is an issue identified with the lighting circuit that results loss of lighting. • CUS 5 'Faulty affray alarms' is an issue with the alarms at the CJC not working. Additionally we noted that many of the risks identified in the Corporate Risk Register were issues that were requiring action rather than risks that required mitigation for example: • CRR 46 'MASH' identified in the risk description "that the volume of demand on the Multi-Agency Safeguarding Hub is increasing. There are challenges with the resources available to complete essential and time critical research". We reviewed the Corporate Risk Register on the 4Risk system and noted that the risk register was made up of majority highly scored risks that had crystalised instead of longer-term corporate risks.

Risk Management (Continued)

Finding	The risk management system should be based on a process of In conversation with risk owners we noted that risks were mainly described as acute events that were crystalising unless mitigation intervened rather than horizon scanning and putting in place control frameworks to mitigate the risk.
Risk	The Force fails to identify potential risks and design control frameworks ahead of time resulting in increased expenditure to manage crystallised risks.
Response	The risk registers are intended to capture both risks and issues and this is clearly described in the Risk Management Procedures. The process for reporting risks will be re-communicated to support the introduction of the new version of 4Risk and emphasis will be placed on pro-active identification of risks. All new risks for potential inclusion in the corporate risk register are reviewed by the Risk and Business Continuity Manager and then raised for discussion at the Force Assurance Board for a decision on whether they are added to the register.
Responsibility / Timescale	Risk and Business Continuity Manager 30 June 2023
Recommendation 2 (Priority 2)	The Force should adapt a standardised structure and approach to operational risk registers using the 4Risk system, this should ensure a consistent approach to recording risks.
Finding	In discussion with four managers and with the Strategic Development, Risk and Business Continuity Advisor we noted that there were differing approaches to managing the operational risk registers outside of the 4Risk system. Whilst we noted that it was clear in each instance that risks were being mitigated the approach followed was not consistent with risk owners having latitude to manage risk registers based on their own approach, which links with Rec 4.1 above, with issues being recorded instead of risks.

Risk	The Force fails to manage operational risk effectively.
Response	As above, the processes for reporting and recording risks will be re-communicated alongside the introduction of the new version of 4Risk. Guidance notes will be produced, and additional training will be provided to users as required.
Responsibility / Timescale	Risk and Business Continuity Manager 30 June 2023
Recommendation 3 (Priority 2)	The Force should include all strategic risks regardless of risk score on the Corporate register. The risk escalation process should be updated to reflect the above approach.
Finding	We noted within the Force's Risk Management Procedures that operational risks are escalated to the Corporate Risk Register based on the risk score with high and critical operational risks escalated to the Force Assurance Board and added to the Corporate Risk Register. We noted that this resulted in a Corporate Risk Register that constituted of high and critical operational risks rather than a focus on all the strategic risks that would impact the strategic objectives of the Force.
Risk	The Force fails to undertaken effective strategic risk management.
Response	The Risk Management Procedures will be updated to ensure that all strategic risks are considered for inclusion on the Corporate Risk Register
Responsibility / Timescale	Risk and Business Continuity Manager 31 May 2023

Risk Management (Continued)

Recommendation 4 (Priority 2)	The OPFCC and the Force should review their approach to risk scoring to ensure that there is a consistency applied in line with the risk scoring definitions. This should reflect the inherent risk, strength of mitigation controls and the residual risk. The Force and OPFCC should ensure that the breakdown of the score is outlined within the Risk Rationale section on 4Risk and that this highlights the elements that drive the score.
Finding	We reviewed the Force's Corporate Risk Register, the OPFCC Risk Register and a sample of operational and project risk registers to ensure that in each case risks were scored consistently. We noted that the scoring was not applied consistently. For example, within the Force Corporate Risk Register CRR 17 that relates to Information Assurance had an inherent risk of 20 in October 2021, which was reduced to 12 in August 2022 with the residual risk score reduced from 12 to 6 with no change to the risk description, scoring rationale or risk controls in place. We noted that a review comment was included recommending the recommendation to be closed. We would expect to see the scoring rationale be outlined clearly within the risk register so that it is clear what the basis for scoring the risk is in terms of impact and likelihood. We noted that as part of each risk register that a scoring rationale was included. We reviewed the scoring rationales provided in the OPFCC, Force Corporate and example operational risk registers and noted that the section was completed inconsistently. We noted that instead of providing a rationale for the likelihood and impact score chosen and outlining this often the section was largely a qualitive statement on the potential impact of the risk. For example: • We noted that in the August 2022 Force Corporate Risk Register CRR40 "Single Online Home" a risk around updating the website had an inherent risk rating of 25. This compares to CRR 33 on case file quality where the inherent risk is recorded as 12.

Finding	• We noted that in the OPFCC Risk Register provided risk 139 "ESN Slippage" did not have a scoring rationale included.
Risk	Inconsistent risk scoring results the Force and OPFCC failing to identify it's highest risks and ensuring proportionate mitigation actions are assigned.
Response	FORCE All risks are scored against a set of fixed criteria covering multiple impact factors which are mainly qualitative so there will always be a degree of subjectivity. The scoring rationale field is intended to be a description of the impact and likelihood factors that have influenced the score. The guidance notes and training to support the new version of 4Risk will clarify the requirements for scoring. OPFCC This is accepted by OPFCC and the following action will be taken. • Current recorded risks will be reviewed to ensure that there is consistency over scoring rationale and that rationale is present for all. • Directors in OPFCC who own and score risks will be advised on any new process or procedure and this will be reinforced at management meetings on a 6 weekly basis where the register is reviewed OPFCC risk policy will be reviewed and where relevant reference and guidance to this inserted
Responsibility / Timescale	FORCE: Risk and Business Continuity Manager 30 June 2023 OPFCC Director of Delivery July 2023

Risk Management (Continued)

Recommendation 5 (Priority 2)	The Force and OPFCC should ensure that controls listed are in place. Where actions are required to establish additional controls these should be included and commented on as actions then once completed added as mitigating controls.
Finding	We reviewed the Force's Corporate Risk Register, the OPFCC Risk Register and a sample of operational and project risk registers to ensure that in each case controls had been identified and recorded consistently. We noted that a large number of risks had minimal controls identified against them. Additionally, we noted that the controls listed often referred to ongoing projects or actions and as such the control was not operational when entered into the risk register. For example, we reviewed the Force's Corporate Risk CRR 20 that is in regard to FOI – SAR requests and noted that the only control listed was the proposed recruitment of additional resource expected to start in June 2019. We noted that no controls were listed around the Force's FOI policies or procedures, the implementation of an action plan to clear the backlog or the ongoing monitoring of FOI and SAR compliance that was included within the risk review detail comments. Instead, we note that updates are provided in comments. Additionally, we reviewed the Operational Custody Risk Register and noted that Risk CUS 1 'Detainee Food Supply' around a lack of food supply to detainees was recorded as having an inherent risk score of 20 and a residual score of 8 with the only risk control stating that 'There were no existing controls because this situation had not occurred before'. Furthermore, we reviewed the OPFCC's Risk Register and noted that risk 137 "Uncertainty in relation to long term police funding" and noted that one of the two controls listed was to "Devise and get adopted a robust accountability process (internal and between PFCC and the Force) in relation to Force management of allocated budget on an ongoing basis." which was not an existing control.

Risk	A lack of understanding of the control framework results in a failure in long term risk management.
Response	FORCE Clarification on the use of controls and actions will be included in the updated guidance and training to support the new version of 4Risk OPFCC Noted and accepted Weekly management meeting will review all current risks, make sure controls a re appropriate and that they are in place and effective
Responsibility / Timescale	FORCE: Risk and Business Continuity Manager 30 June 2023 OPFCC Director of Delivery July 2023

We have also raised two priory 3 recommendations of a housekeeping nature:

- The OPFCC should ensure alignment of the strategic risks to the objectives outlined in the Police, Crime and Fire plan is clearly documented.

- The Force should review its Risk Management Policy and Procedures to ensure that they reflect accurately the responsibilities associated with risk management.

Management agreed with the recommendations and timetable for implementation was July 2023.

Information Management

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

- The data controller has considered and established a lawful basis for the automated decision making or profiling

- The data controller has carried out an analysis to determine if the results of automated decision making could cause legal or other similar effects on the data subject. Considerations has been given to Article 22.2 (a)-(b), Appropriate safeguards have been put in place accordingly.

- There is clear evidence that data subjects have been informed about the use of their data for automated decision making, including profiling.

- Processes are in place for data subjects to object to automated decision making and profiling.

- Processes are in place to rectify data subject personal data without undue delay.

- Data subjects are informed how to exercise their data rights

- Where human reviewers are involved in the automated decision-making process, they have appropriate seniority and independence within the organisation to challenge decisions. They receive appropriate and regular training and the organisation has put in place sufficient resource.

- The organisation has put in place clear procedures to enable and learn from data subjects challenging decisions made from automated decision making, including profiling.

- Children's data is not used in the organisation's automated decision-making systems unless there is a lawful basis to do so. Any data collected for profiling is in an aggregate form only.

- Special category data is not used in the organisation's automated decision-making systems unless there is both a lawful basis identified under Article 6 of the GDPR and a condition under Article 9. Any special category data accidentally created is deleted.

We have raised one Priority 2 recommendation which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Force and OPFCC should conduct a review of all existing information assets by asset owners, guided by the Information Unit, to ensure that all ADM processes are identified and assessed. Additionally, it should be ensured that DPIAs and ROPAs are reviewed to ensure that the relevant questions are appropriately recorded. Upon completion of the review the Force's and OPFCC's privacy policies should be updated in respect of automated decisions making.
Finding	While we completed our audit and found that controls were in place, adequately designed and effective, it was noted that we had only reviewed a sample of the systems in use at the Force and/or OPFCC; and, that there was little knowledge of automated decision-making processes within information assets, indicating a lack of maturity regarding information assets across the Force and/or OPFCC. One particular issue was the lack of assessment of ADM within the current DPIA processes for new systems/activities within the Force and/or OPFCC. This was noted in the DPIA for the recruitment system which did not include information regarding the automated processing within the eligibility sift.

Information Management (Continued)

Finding	Additionally, Records of Processing Activities (ROPA) processes are used to detail the processing to be undertaken with personal data within systems and ADM is assessed using a single yes/no question and a free text box for comments. However, there is no requirement for this question to be answered and in cases reviewed, this reported back as "No Data". These documents are reviewed by the Information Unit and, if these questions are not required to be completed, they should be subject to greater scrutiny regarding this issue to ensure they are completed appropriately. Finally, it was also noted in both the Force's and OPFCC's privacy policies that an explicit assertion was made that no automated decision-making was undertaken on behalf of either organisation, which was clearly incorrect in respect of the recruitment platform. The phrasing also means it may be incorrect regarding automated decision-making undertaken by systems/platforms/processors outside of the Force's/OPFCC's knowledge.
Risk	Inappropriate processing of data using automated decision-making processes leading to regulatory action.
Response	Northamptonshire Police to refresh their Asset Owner Register and audit the current RoPA details to identify areas for update and to ascertain any other areas of Automated Decision Making DPIA Templates to be updated to specifically identify automated processes particularly for new projects and business processes. Review and refresh Privacy Notice and policies
Responsibility / Timescale	Data Protection & Information Unit Manager May 2024

IT Disaster Recovery

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

Governance

- Policies and procedures
- Linkage to Business Continuity Plans
- Management of risks
- Incident response processes

Scope

- Business impact analysis
- Prioritisation
- Stakeholder input

Capability

- Solutions in place to enable delivery of Recovery Time Objectives and Recovery Point Objectives
- Backups in place

Testing

- Test Planning
- Reporting including lessons learned

3rd party supplier compliance

- Disaster recovery provision supporting outsourced services

We have raised one Priority 1 recommendation, which is fundamental, and four Priority 2 recommendations, which are significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 1)	Disaster recovery procedures should be developed that set out the overall recovery process, responsibilities and unique activities/considerations that may be required in the event of a disaster, such as resynchronisation of interfaces.
Finding	There are no explicit procedures or runbooks relating to recovery in different disaster scenarios that may be required in the event DR is invoked. As Digital and Technology support both police and fire IT applications that are hosted on-site and in Azure, it is likely that interfaces between applications may be disrupted causing the corruption of data. Run-books should therefore define not just the technical steps to recovery such as reconfiguring the network and restoring data, but those steps necessary to re-establish the integrity of data and to recover services in an orderly way so as to optimise the speed of recovery. We were informed that Force technicians can perform many recovery tasks such as restoration of data from backups; however, there are no procedures to cover those activities that only occur in a disaster.

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IT Disaster Recovery (Continued)

Risk	The IT DR capability may not meet business requirements, which in a real disaster may lead to critical IT services either not being recovered on a timely basis or at all, thus causing significant impacts to Force operations.
Response	DR procedures will be developed for core systems in Fire and Police, based on the BCP priorities. 1. Agree which systems are 'core' 2. Gain business agreement 3. Create delivery plan for development of the procedures
Responsibility / Timescale	C Chambers, Chief Digital Officer 1. July 2023 2. September 2023 3. December 2023

Recommendation 2 (Priority 2)	The Force should review the content in the Business Continuity Management Policy and include specific guidance on the requirements for IT DR covering topics such as testing and monitoring of third parties. The BCM Policy should be reviewed on an annual basis. The last review date was 16/11/2021.
Finding	There is no IT DR policy in which governance or supporting frameworks are defined, that provide the requirements for ITDR such as regular testing, and the requirement to monitor the ITDR arrangements for systems provided to the Force by third parties.
Risk	In the absence of a defined and governed ITDR policy, the technical recovery capability may not support the Forces BCM programme effectively.

Response	The BC Policy and Procedures will be updated to include this. The BCM Policy and Procedures were reviewed and updated in February 2023. The Policy Library sends reminders for them to be reviewed so this should already happen annually.
Responsibility / Timescale	Force Risk and Business Continuity Manager and DDaT 31 August 23

Recommendation 3 (Priority 2)	The results of the latest departmental Business Impact Assessment (BIA) should be consolidated and assessed to determine whether the requirements from the Force can be met by the ITDR arrangements. The results of this exercise should be incorporated into an IT Disaster Recovery Plan and overall Business Continuity Plan to establish a "golden thread" between these two documents, and demonstrate that the requirements set out by the business for key processes in the BIA can be met by ITDR arrangements.
Finding	The results of the latest Business Impact Assessment (BIA) included in each department's Business Continuity Plan have not been consolidated into a critical list for review by IT management. The Business Continuity Management Plan for Information Services does not therefore document the results of the Business Impact Assessments across the Force and Fire Service to establish the high-level Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs) to assess whether these are satisfied by the recovery arrangements in place.
Risk	The IT Disaster Recovery Plan does not meet the requirements of the Business Impact Analysis and the expectations of the Force.
Response	The last BIA was conducted in 2018 so it would make sense to repeat that exercise before considering ITDR requirements.
Responsibility / Timescale	Risk and Business Continuity Manager November 23

IT Disaster Recovery (Continued)

Recommendation 4 (Priority 2)	The Force's risk register should include additional risks related to events that might trigger a disaster and the severity of their impact. These risks should have formal mitigation plans via controls already in place or the implementation of new controls where required.
Finding	Although there is a technology and digital risk register which covers a number of risks that the Information Services Department is likely to encounter, there are no risks related to potential threats to the availability of services and the adequacy of IT resilience / disaster recovery processes.
Risk	Management awareness of risks in relation to the potential threats to critical IT services may be limited or in relation to the effectiveness of IT DR arrangements, for example because fail-over arrangements have not been tested.
Response	The Risk and Business Continuity Manager will discuss this with DDaT to complete a risk assessment which will then be shared with the Force Assurance Board for approval to be included on the force risks register.
Responsibility / Timescale	Risk and Business Continuity Manager and DDaT June 23

Recommendation 5 (Priority 2)	The development of disaster recovery procedures (see 4.1) should accommodate steps to test the failover of systems in an orderly manner so as to minimise disruption to the delivery of these services to Force employees.
Finding	The Force do not have a standardised approach to testing. There is no overarching disaster recovery testing strategy in place and no tests have occurred beyond that done for the fire service relocation. We were informed that there is some doubt that Oracle backups could be recovered within the RTO expected by the Force, but this concern has not been validated.
Risk	The lack of a defined testing strategy could lead inefficiencies in the recovery process which would in turn lead to inadequacies of the wider Force's business requirements.
Response	Strategy for ITDR will be written and taken to relevant governance groups for approval Annual plan for testing will be drawn up, based on the audit recommendations.
Responsibility / Timescale	Chief Digital Officer December 2023 & March 2024

Recommendation 5 (Priority 2)	A strategy for ITDR testing should be developed that reflects the operational challenges of testing DR arrangements while at the same time maintaining operational services. Based on this an annual plan of disaster recovery tests should be maintained that that cover all services deemed critical to the Force. The plan should include services supported by failover arrangements as well as those recovered from backup. Tests conducted should verify that services can be recovered within the RTO expected by Force departments.

We have also raised one priory 3 recommendation of a housekeeping nature:

- The Force should implement formal arrangements to ensure that that business continuity stakeholders such as the emergency planning team are updated upon the adequacy of IT resilience and disaster recovery arrangements.

Management agreed with the recommendations and timetable for implementation was December 2023.

MFSS Follow Up

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

• The project was reported in line with the agreed timescales, including a project completion report.

• All stages of the MFSS Transfer project were completed in full, with no issues outstanding.

• Where variances occurred, these were effectively scrutinised and authorised.

• Appropriate documentation was retained to allow for a lesson learned activity to take place.

We have identified no areas where there is scope for improvement in the control environment.

Medium Term Financial Planning

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

Development and sign-off of financial plans,

- An effective and informed medium term financial plan (MTFP) is in place to ensure that a comprehensive review of the OPFCC and Force's financial position for the current and future years is undertaken and reviewed on a regular basis.

- The MTFP and financial planning process is aligned with key strategies and priorities of the OPFCC and Force.

- Responsibility for creation, review and sign off of MTFP is defined and controls are in place to ensure these responsibilities are discharged effectively.

- Appropriate assumptions are made as part of the planning process.

Delivery of Efficiency Savings

- Efficiency Savings are incorporated into the MTFP and these savings are monitored on a regular basis.

- Procedures and guidance are available to support the effective delivery of the savings programme, including the methodology / rationale for calculating and justifying the proposed savings.

- Responsibilities for the delivery of individual savings targets are agreed and understood.

- There is a rigorous process for challenging the proposed savings targets, including their subsequent approval.

- Processes exist to enable management to highlight potential failure to deliver efficiency savings and action taken accordingly.

Budget Management and Monitoring

- MTFP is regularly monitored to ensure financial performance is aligned with ongoing budget management and monitoring procedures.

Budget Shortfall/ variances to budget projections

- Budget shortfalls/ variances to budget projections are recognised as part of the MTFP process.

- Shortfalls and variances are monitored and the MTFP updated accordingly as these occur through the financial year with future impact on deliver of the overall plan assessed.

- There are sound controls over the use of budget virements, which are in line with the Force Financial Regulations.

Management Information

- Regular monitoring is undertaken to enable timely management information to be produced to assess performance and accuracy of the MTFP.

- Budgets are loaded onto the finance system in a timely manner and updated as the year progresses in line with budget change decisions.

- Changes to the budgets on the system are appropriately authorised.

Previous Audit Recommendations

- Recommendations raised in the previous review have been implemented.

We have identified no areas where there is scope for improvement in the control environment.

Core Financials

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

General Ledger

- Accounting transactions are incorrectly recorded in the accounts.

- Management is not aware of performance issues due to lack of detailed management accounts.

- Missing transactions are not identified due to reconciliations not being completed.

Cash, Bank & Treasury Management

- Receipted monies are not accurately recorded.

- Treasury and other financial decisions are not made based on available cash due to lack of monitoring.

- Investment made do not constitute good value for money.

- Borrowing undertaken does not constitute good value for money.

Payments & Creditors

- New suppliers can be paid without review and verification.

- Supplier details can be amended without review and verification.

- Payments are made without authorisation and not in a timely manner.

- Payments are made for goods and / or services prior to their receipt.

- BACS payments are incorrectly processed.

Income & Debtors

- New debtors can be invoiced without review or verification.

- Invoices are raised incorrectly and / or inappropriately.

- Non-invoiced income is not recorded accurately.

- Credit notes are raised incorrectly and / or inappropriately.

- Income past due is not subject to appropriate debt management actions.

- Recoverable debts are written off inappropriately.

Payroll

- New starters are added to the payroll without review and verification.

- Leavers are not removed from the payroll in a timely manner, leading to overpayments.

- Changes to payroll are not reviewed and verified.

- Statutory deductions are not added accurately to the payroll.

- Voluntary deductions are not added accurately to the payroll and in a timely manner.

- Expenses are paid outside of the expenses policy.

- Overtime is paid outside of the overtime policy.

- Payroll payment runs are incorrectly processed.

Core Financials (Continued)

Other (Cross Cutting Themes)

• Inconsistent approaches are taken to financial activities.

• Systems can be inappropriately accessed.

• Fraudulent activity is not prevented or identified.

We have raised one Priority 2 recommendation which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Force should ensure that reminder letters are issued as per the aged debt process and that these can be evidenced upon request. The Force should ensure that historic debtor accounts are updated with notes to reflect progress in debt collection.
Finding	Dunning letters are sent to debtors where they have not paid invoices in a timely manner. The first dunning letter is sent 31 days after the due date of the invoice with a second being sent after a further 14 days. According to the Aged Debtors Process, an aged debt report is also run on a monthly basis and reviewed by the Finance Operations Team Leader to determine if any further reminder letters should be sent out, or if the debt should be forwarded to legal or requested to be written off. However, we were informed that in practice aged debts are reviewed proactively and more frequently than this by Finance Operations. Audit requested evidence that the debt recovery procedures had been followed for a sample of 10 debtor invoices selected from an aged debtor report and found that: • 5/10 – a significant time period has passed since the debt being originally identified and final reminder letters being sent. Final reminder letters were issued in November 2022 whereas in one case the salary overpayment occurred in 2014 and in the other

Finding	case the overpayment occurred in 2017. We also noted that notes on the debtor account had not been completed on a regular basis to reflect progress in collection. • 2/10 – in these two cases, the debt has now been paid however reminder letters were not evidenced. During discussions with management, we were informed that the Force are currently aware of the staff overpayment debts and are working to resolve them. Previously, these debts were handled by MFSS, however at the time of audit it was unclear that proactive chasing of debts had taken place as notes on accounts had not been completed. It is noted the Force has made significant impact in the reduction of aged debt handled by MFSS from £2.4m and with aged debt originating since the transfer from MFSS at around £7k.
Risk	Recovery action is not taking place in a timely manner leading to loss of money owed to the OPFCC.
Response	Aged Debts are substantially lower and better controlled than in the MFSS arrangement. Suggested improvements to documenting of recovery action and adherence to procedures is noted and already being addressed.
Responsibility / Timescale	Completed Senior Accountant & Joint Head of Finance

Core Financials (Continued)

Recommendation 2 (Priority 2)	It should be ensured that: • New starter / leaver forms are completed and retained. • Evidence of secondary checks being carried out can be evidenced.
Finding	New starters should be added to payroll upon receipt of a new starter form and service request. A secondary check should also be undertaken by Payroll to ensure that the new starter has been added accurately to the system. Leavers should be processed upon the receipt of a service request including a leaver request form. This form includes confirmation of the annual leave entitlement, rest days owed, and TOIL owed, and is signed off by the leaver's line manager. A secondary check should also be undertaken by Payroll. We reviewed a sample of 15 new starters and found: • 3/15 – the new starter form was not evidenced. • 9/15 – evidence of secondary checks being undertaken by Payroll was not provided. We reviewed a sample of 15 leavers and found: • 5/15 – evidence of secondary checks being undertaken by Payroll was not provided.
Risk	New starters and leavers are added / removed to and from payroll inaccurately, without review and verification.
Response	All parties have been reminded to ensure evidence of checks and copies of the forms are completed as required.
Responsibility / Timescale	Completed Payroll Manager

We have also raised two priory 3 recommendation of a housekeeping nature:

• The Force should clarify the approach to raising sales invoices in line with the updated invoice request form that has been produced.

   The Force should remind Finance Operations that supporting evidence for all debtor invoices should be retained where an Invoice Request Form has not been received.

• The Force should remind Finance Operations that supporting evidence for all credit notes should be retained where the relevant request form has not been received.

Management agreed with the recommendations and both had been completed by the time the final report had been issued.

Collaboration – Performance Management

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

• The collaboration units do not have a governance framework for managing performance and therefore poor performance is not addressed

• Lack of performance targets/measures and therefore a lack of clarity on levels of performance

• The collaboration units do not produce performance information in a timely manner.

• The collaboration units are not producing performance reports so those charged with governance can carry out their responsibilities effectively.

• Where benchmarking data is available it is not utilised to demonstrate levels of performance

• Where underperformance is highlighted actions are not put in place to address this.

We have raised two Priority 2 recommendations which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Units should ensure that they have clear performance targets that align to their business plans/objectives.
Finding	At the most recent review by the Regional Performance Analyst in September 2022, it was noted that EMSOU required clearer SMART performance targets for how well the unit is performing against its objectives. For EMSLDH it was noted that the performance reporting currently carried out did not clearly align to the unit's business plan/strategy. For EMCHRS OHU, it was noted that current performance information does not relate to the unit's business plan and that clear SMART targets should be set to allow for effective monitoring and reporting. However, this would be dependent on a new case management system.
Risk	Lack of performance targets/measures and therefore a lack of clarity on levels of performance.
Response	EMSOU Performance Manager will expand an existing framework to include key performance questions which reflect EMSOU strategic priorities to give a more broader, qualitative view of performance which shows outcomes and impact rather than just outputs. The Regional Performance Analyst will be involved with this work to ensure it reflects PCC need. EMSLDH Response: Via the Regional L&D Management Board, EMSLDH have been requested to revise performance reporting in line with the recommendation made within this report, whereby performance will clearly align to EMSLDH Business Plan and Strategy and will be ratified at the next Regional L&D Management Board. In addition EMSLDH will revise activity tracking. These will be shared throughout the year with the PCC and CC Board.
Responsibility / Timescale	Nicci Mayo September 2023 Peter Ward July 2023

Collaboration – Performance Management
(Continued)

Recommendation 2 (Priority 2)	Benchmarking opportunities should be explored by the Units and the Regional Performance Analyst so that performance can be appropriately measured and compared.
Finding	Benchmarking is an important tool to allow organisations to measure themselves against similar comparators and identify best practice. However, due to limited data and opportunities, the only benchmarking carried out is by EMSOU using NFIB data to compare themselves against other ROCUs. Audit has noted that there are programmes underway to try and develop benchmarking, such as the National Strategic Performance Framework, however these opportunities are not yet well developed.
Risk	Units are not aware of their performance and are not able to identify best practice.
Response	Benchmarking between ROCU's is a known difficulty due to differences in recording practices and ROCU frameworks. As highlighted, there is national work ongoing around improving the ability to benchmark between ROCU's and other capabilities. EMSOU and the Regional Performance Analyst will continue to monitor this work with expectations of embedding in practice when national work completed. There is some benchmarking and highlighting of best practice currently through the ROCU Executive Performance report; the Regional Performance Analyst will work with the EMSOU Performance Manager to ensure that PCC's are appropriately sighted on existing activity.
Responsibility / Timescale	Nicci Mayo September 2023

Collaboration – EMSOT Closedown

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

- The project has an appropriate governance structure in place

- A project plan has been approved by all Forces within the collaboration unit.

- The financial impacts for each Force within the collaboration unit, have been accurately calculated & communicated and agreed by the Forces.

- The progress status of the project is reporting in line with the agreed timescales

- Any variance from timelines have been reported on and actions put in place to ensure the project remains on schedule.

- The staged sign off of the project has been authorised correctly.

- The progress of the project is being accurately reported on and has supporting documentation in regard to current status.

We have raised two Priority 1 recommendations, which are fundamental, and three Priority 2 recommendations, which are significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 1)	For future projects regular reporting of progress should be conducted at the appropriate governance level, which includes measuring of progress against a clear predetermined plan. Measurable metrics should be produced to allow for effective monitoring of progress.
Finding	Within the ToR there is an estimated timescale for the dissolution of EMSOT, commencing in Q1 2022 with a forecasted end of March 2023. Audit were also provided with a Project Plan which provides 16 individual items, with their own duration, start date and finish date. However, from review of the Project Plan it was unclear what certain items related to, for example Scoping Meeting was listed with a duration of "1 day?" and a start and end date of 22/02/2022. The item included no further detail. Given this, audit were unable to reconcile the Project Plan to the Project Log, and could therefore not assess whether progress recorded in the Project Log was consistent with the timings listed in the Project Plan. Minutes are a useful tool to document decisions made by committees and boards, as well as ensuring accountability for any decisions. Audit were informed by management that no minutes were maintained for any of the meetings held by the EMSOT Closedown Project Board. Whilst there is a Project Log maintained which includes the risks, issues, actions and decisions related to the project, the decisions tab only includes seven items, and some are not provided with a rationale. As such, it has not been possible to ensure that all the duties of the board have been performed appropriately. Furthermore, the ToR states "Governance will move from the SMB to a regional project board and the progress will then be reported back to SMB", however no evidence of reporting from the Project Board to the Strategic Management Board was provided.

Collaboration – EMSOT Closedown
(Continued)

Finding	Finally, audit noted that ToR states the function of the Project Manager as to "Ensure that the project delivers within time, budget and agreed quality standards". Audit inquired as to the nature of the quality standards and were informed by the Project Manager that these related to how the staff were treated during the process. However, no metrics were mentioned with regards to how this was monitored, and audit were provided with no evidence to support consideration of how staff were treated and any resulting redundancies.
Risk	Ineffective reporting reduces the oversight of governance groups, as well as the ability for the relevant Forces to be held to account.
Response	The ACC lead reported to the SMB when this sat, but SMB meetings themselves were cancelled so the reporting was more person-to-person; ACC to SMB members outside of a formal meeting. The work of dissolution was conducted more on a 'task and finish' basis where changes were made at an operational level as expediently as possible in each area. The project plan therefore only provided a framework within which these tasks were completed, the operational leads in each area completing the necessary work within as short a timescale as possible. It was all completed well ahead of 'schedule' leaving only the IT Chronicle work stream outstanding. However, we appreciate that this meant this progress reporting was not fully reflected in the documentation.
Responsibility / Timescale	Ongoing ACC

Recommendation 2 (Priority 1)	For future projects financial arrangements should be clearly agreed and documented at the commencement of any closedowns. Budget forecasts should be clearly documented and scrutinised by the relevant governance committee.
Finding	The Section 22 in place for EMSOT includes the following apportionment ratio: • Leicestershire 44.9% • Lincolnshire 25.9% • Northamptonshire 29.2% Audit were informed by management that those apportionment ratios were still those used during EMSOT Closedown. This was supported by a monthly EMSOT finance summary report, which includes the salary costs and Force specific expenses, apportioned to the above ratio. However, no evidence was provided with regards to the EMSOT budget for 2022/23, nor any specific agreement related to financial arrangements for the Closedown project.
Risk	Financial arrangements are unclear. Assets may be misappropriated.
Response	Agreed
Responsibility / Timescale	Ongoing ACO (Finance & Resources)

Collaboration – EMSOT Closedown
(Continued)

Recommendation 3 (Priority 2)	For future projects minutes should be maintained for all meetings conducted by any committee or board of a collaboration unit. Where the frequency of governance meetings is changed from that listed in the related ToR, a clear record of the decision should be maintained, and that should be reflected in the ToR.
Finding	Audit were provided with an Terms of Reference (ToR) related to the EMSOT Closedown project which stated that the basis of the document was based on instruction from the Chief Constables of each of the respective Forces. The ToR notes the existence of a SOT Disaggregation Project Board (Project Board). The Project Board is accountable for ensuring the following: • That the project remains on track; • Status and progress are reviewed against the project plan on a regular basis; • Key risks and issues are discussed and managed; • Financial aspects are reviewed and discussed; • Benefits are defined and realised; • Business change is effectively implemented; and, • Effective links with force implementation teams are maintained. As previously noted in Recommendation 1, no minutes were maintained for the Project Board, and as such audit were unable to assess whether the Board performed their duty with regards to reviewing against the Project Plan on a regular basis, as stated in the ToR. Additionally, within the ToR produced for the EMSOT Closedown project, it is explained that meetings should be held monthly, but that this will be reviewed to ensure that the frequency is appropriate.

Finding	From review of the instances of the meeting evidenced by meeting invites, of which we note only five meetings took place between 06/12/2021 to 06/06/2022, there was a gap of three months between 07/03/2022 and 06/06/2022. Audit were informed that the meeting in June was the final such meeting conducted by the Project Board, at which point it was dissolved. However, within the "Decisions" tab of the Project Log, audit note that the final decision was dated 19/12/2022.
Risk	There is no accurate record of decisions made by the Project Board, and limited capacity for the Board to be held to account.
Response	Recommendation noted with regards the keeping of minutes. It should be borne in mind that minutes are usually kept, however with respect to this project, it was the explicit decision of the SRO that this be kept light touch project management style and that we only keep actions and decisions. Noted re frequency of meetings.
Responsibility / Timescale	Ongoing ACC

Collaboration – EMSOT Closedown
(Continued)

Recommendation 4 (Priority 2)	For future projects any change of senior leader for the project should be formally agreed, documented and handover evidenced.
Finding	The ToR includes a Superintendent under the role of Overall SOT Ops Lead, for which the function is listed noted as "Business lead for the disaggregation of SOT". However, audit were informed that the individual previously listed as Overall SOT Ops Lead retired and was not replaced since it was felt there was not enough work to justify a replacement. Audit was provided with limited evidence to support an appropriate transfer of the responsibilities of the Business Lead to an alternative individual nor were audit informed of the date of retirement.
Risk	There is a lack of clarity regarding the leadership of the project, leading to a lack of ownership of risks and actions, and an ineffective dissolution of collaborations.
Response	Fully understood. In relation to this project, there was not handover as there was no new officer to hand over to. The Supt lead retired but the function that person fulfilled had essentially ceased so the project role became redundant. This could have been documented in the project log though.
Responsibility / Timescale	Ongoing ACC

Recommendation 5 (Priority 2)	For future projects it should be ensured that the project log is regularly and frequently updated to ensure it is an accurate reflection of project status.
Finding	At the time of audit we were provided with a Project Log for EMSOT Closedown, which lists the risks, actions, issues and decisions relating to the project. From our review of this log, audit noted that risk 8 regarding the departure of the Northamptonshire ACC lead is listed as open, although audit was informed by the Project Manager that this individual had in fact been replaced, and that the risk was therefore closed. However, no such actions were included with the risk. Additionally, an ongoing issue and action regarding the transfer of personnel training data from Chronicle, the system used to log training data for EMSOT, to individual systems for the three respective forces was present. Audit were informed at the time by the Project Manager that Lincolnshire and Northamptonshire do not currently have a system to export the data to, and as such the issue is still outstanding. Subsequently after draft report issue an update project log was provided that addressed the outstanding issues.
Risk	Inaccurate and outdated audit trails are maintained, leading to a lack of oversight and accountability regarding actions, issues and risks. Responsibilities regarding the monitoring and ownership of actions are not kept up to date, leading to a lack of ineffective completion of actions and mitigating of risks
Response	As noted above, a more accurate project log could have been kept and this will feed into learning for future projects.
Responsibility / Timescale	Ongoing ACC

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Collaboration – Digital Currency

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

- The roles & responsibilities for the handling of digital currency at the Force/Unit are clearly stated.

- There are clear policies, procedures and guidance available at the Force/Unit for the handling of digital currency.

- The Forces/Unit have appropriate recording mechanisms to identify all digital currency that is held.

- Where digital currency is held by the Force/Unit it is done so in line with best practice & guidance.

- The associated risks to the Force/Unit to investigating, handling and storing digital currency are identifies, recorded and appropriately managed.

We have raised one Priority 2 recommendation, which is significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and EMSOU should ensure that policy, procedure and guidance documentation is in place and updated in line with NPCC guidance and Komainu storage and realisation processes.
Finding	For Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and EMSOU - we have noted that policies, procedures and guidance documents are being updated following the issuance of the NPCC guidance during Spring 2022, however these are still in draft status after several months. As Forces are transitioning to or are starting to utilise Komainu, they should ensure that these documents are equally updated for this change in process. However, during our audit we were not provided with any specific policies, procedures and/or guidance available to the Force/Unit for the handling of digital currency.
Risk	Inconsistent approaches to the seizure, storage and realisation of cryptocurrency.
Response	**Derbyshire** – Derbyshire Police follow the NPCC guidance on the seizure and retention of Crypto currency. Komainu are utilised as the custodian of any seizures. A Policy mirroring the NPCC guidance will be drafted later this year **Leicestershire** – Leicestershire Police already have a Procedure document in place, which parallels the NPCC guidance. All documents are available on the Team Leicestershire Academy Intranet Page, along with the NPCC guidance videos. **Lincolnshire** – Lincolnshire Police acknowledge that we do not currently have a policy in place for the seizure of Crypto currency and we will be addressing that this year. We are a force with limited knowledge across the board but with recent training hopefully this has widened this skill set. We have recently updated our contract with Komainu..

Collaboration – Digital Currency (Continued)

Response	**Northamptonshire -** Procedure is live on our Policy/Procedure Library and has been signed off by DSupt PISCOPO. **EMSOU** – is addressing the lack of signed -off policy.
Responsibility / Timescale	**Derbyshire** DS Steve Judge October 2023 **Leicestershire** DS Lee Taylor Completed **Lincolnshire** T/DS Richard Lister December 2023 **Northamptonshire** DS Thomas Curlett-New Completed **EMSOU** T/DI Colin Ellis October 23

We have also raised one priory 3 recommendation of a housekeeping nature:

• The Force/Unit should determine if risks related to digital currency should be included on their risk register.

Management agreed with the recommendations and both had been completed by the time the final report had been issued.

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Section 04 - Statement of Responsibility

We take responsibility to Northamptonshire Police, Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) and the Officer of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Agenda Item 6a

Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police

Joint Independent Audit Committee

Draft Internal Audit Annual Report 2022-2023

Prepared by: Mazars LLP

Date: May 2023

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Contents

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01   Introduction

Mazars LLP are the appointed internal auditors to the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police. This report summarises the internal audit work undertaken by Mazars in 2022/23, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

During the year, the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police retained a full scope internal audit service for 2022/23 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police arrangements for risk management, control and governance. It should be noted that this report is provided as a draft that is subject to change, as at the time of writing a number of the audits were yet to be progressed to final report stage.

The report should be considered confidential to the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police and not provided to any third party without prior written permission by Mazars.

Scope and purpose of internal audit

The purpose of internal audit is to provide the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police, through the Joint Independent Audit Committee (JIAC), with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police's statutory objectives and strategic aims.

Internal audit provides the Police and Crime Commissioner and Chief Constable, through the JIAC, with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPFCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Our work is conducted in accordance with Public Sector Internal Audit Standards (PSIAS).

The report summarises the internal audit activity and, therefore, does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to the JIAC during the course of the year.

Performance against the Internal Audit Plan

The Plan for 2022/23 was considered and approved by the JIAC on 9th March 2022. In total the Plan was for 175.5 days, .

There was a small knock on impact of the Covid-19 lockdown(s) that posed some challenges to the internal audit process which meant the delivery of the 22/23 internal audit plan was weighted towards the end of the financial year. However, the OPFCC, Force & Mazars have worked hard to ensure the audits could be completed as soon as possible but should be noted more internal audit days were utilised in 22/23 compared to 21/22 (132 vs 140). Mazars have regularly communicated with the Force and OPFCC, which has enabled us to stay on track for the timely reporting of the annual audit report.

Moreover, the continuous review of applicability of the audit plan has resulted in a number of deferrals to the original plan, based on the challenges being faced by the organisations and recognition of the most effective and efficient timing to complete the audits.

The audit findings in respect of each of our finalised reviews, together with our recommendations for action and the management response, were set out in our detailed reports, which have been presented to the JIAC over the course of the year. In addition, we have presented a summary of our reports and progress against the Plan within our Progress Reports to each JIAC.

A summary of the reports we have issued is included in Section 03 in addition appendix A1 also describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

Acknowledgements

We are grateful to all members of the JIAC, the Chief Officers of both the Force and the OPFCC and other staff throughout Northamptonshire Police for the assistance provided to us during the year.

02   Audit Opinion

Scope of the Internal Audit Opinion

In giving our internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to Northamptonshire is a reasonable assurance that there are no major weaknesses in governance, risk management and internal control processes.

The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at our opinion, we have taken the following matters into account:

- The results of all audits undertaken as part of the plan;
- Whether or not any 'Critical', 'Highly Important' or 'Significant' recommendations raised have not been accepted by Management and the consequent risks;
- The extent to which recommendations raised previously, and accepted, have been implemented;
- The effects of any material changes in Northamptonshire's objectives or activities;
- Matters arising from previous reports to Northamptonshire;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of Northamptonshire; and
- The proportion of Northamptonshire's internal audit needs have been covered to date.

Further detail on the definitions of our opinions raised in our reports can be found in Appendix A1.

Internal audit has not placed any reliance on third parties in order to assess the controls operated by OPFCC for Northamptonshire & Northamptonshire Police. Our opinion solely relies on the work we have performed and the results of the controls testing we have undertaken.

Internal Audit Opinion

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Significant** in its overall adequacy and effectiveness. This opinion is provided on the basis that the framework of governance, risk management and control is adequate and effective.

Certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions during the period in respect of Released Under Investigation, IT Disaster Recovery and Reasonable Adjustments.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as Priority 2. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

In reaching this opinion the following factors were taken into particular consideration:

Corporate Governance

Governance is a consideration in all our audit engagements and we did not find any significant issues with governance across our audit plan. There were a few recommendation's made in the year linked to governance in particular the audit of Released Under Investigation and Reasonable Adjustments where oversight of performance information could be improved upon.

Risk Management

In respect of Risk Management we completed an audit of this areas during the year and whilst we noted a number of areas for improvement (5 significant and 2 housekeeping recommendations) overall we were satisfied that an effective system for managing risk was in place at the Force and OPFCC.

Audit observed regular discussions on the changing risk landscape through the JIAC meetings with a focus on the significant systems changes with the end of the MFSS arrangements, with regular updates from the CFOs on how the Force were dealing with the situation and it was noted risk mitigation actions taken meant risks had not crystalised.

During the course of delivering the 2022/23 audit programme, a key element of each audit scope was to evaluate the control environment and, in particular, how key risks were being managed. As summarised in the 'Internal Control' section below, we were able to place reliance on the systems of internal control and the manner in which risks were being managed by the Force and OPFCC.

Internal Control

Of the 13 audits undertaken, where a formal assurance level was provided, 6 received a significant level of assurance and 4 audit received a satisfactory level of assurance. 3 audits have been issued with a limited level of assurance.

We have made a total of 33 new recommendations during the year at the Force and OPFCC, with 4 recommendations categorised as Priority 1, 19 categorised as Priority 2 and 10 categorised as Priority 3. The increase in recommendations compared to previous years is reflective of more work completed and priority levels are broadly consistent with last year.

The number and priority of recommendations raised across the audit plan supports the overall assessment that some improvements are required to the framework of governance, risk management and control. The recommendations raised were done so to improve the existing frameworks or highlight areas of non-compliance within the current control environments.

03   Internal Audit Work Undertaken in 2022/23

The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports.

In accordance with the approach set out within Northamptonshire's internal audit plan, we undertook thirteen audit reviews, The results of this work are summarised below:

Audit area	Assurance level	Recommendations				Accepted	Not Accepted
		F	S	H	Total		
MINT	Significant	-	-	-	-	-	-
RUI Follow Up	Limited	1	-	2	3	3	-
Complaints Management	Significant	-	1	-	1	1	-
Core Financials	Satisfactory	-	2	2	4	4	-
Positive Action	Significant	-	1	-	1	1	-
Balance Transfer	Significant	-	-	-	-	-	-
MFSS Follow Up	Significant	-	-	-	-	-	-
Information Management	Satisfactory	-	1	-	1	1	-
Risk Management	Satisfactory	-	5	2	7	7	-
Data Quality	Satisfactory	-	2	1	3	3	-
IT Disaster Recovery	Limited	1	4	1	6	6	-
MTFP	Significant	-	-	-	-	-	-
Reasonable Adjustment	Limited	2	3	2	7	7	-
Total		**4**	**19**	**10**	**33**	**33**	**-**

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04   Audits with Limited and Nil Assurance 2022/23

Audit area	Assurance level	Summary of Key Findings
RUI Follow Up	Limited	One Priority 1 Recommendation: 1 - The Force should restart the review process for individuals that have been on RUI for longer than a year to ensure that the current backlog is significantly reduced. The Force should actively monitor and report on the aged RUI's to ensure that the transfer of responsibility and ownership of the process for reducing longstanding RUI cases to individual Chief Inspectors is effective in reducing longstanding RUI's.
IT Disaster Recovery	Limited	One Priority 1 Recommendation: 1 – Disaster recovery procedures should be developed that set out the overall recovery process, responsibilities and unique activities/considerations that may be required in the event of a disaster, such as resynchronisation of interfaces. Four Priority 2 Recommendations: 1 - The Force should review the content in the Business Continuity Management Policy and include specific guidance on the requirements for IT DR covering topics such as testing and monitoring of third parties. The BCM Policy should be reviewed on an annual basis. The last review date was 16/11/2021. 2 - The results of the latest departmental Business Impact Assessment (BIA) should be consolidated and assessed to determine whether the requirements from the Force can be met by the ITDR arrangements. The results of this exercise should be incorporated into an IT Disaster Recovery Plan and overall Business Continuity Plan to establish a "golden thread" between these two documents, and demonstrate that the requirements set out by the business for key processes in the BIA can be met by ITDR arrangements. 3 - The Force's risk register should include additional risks related to events that might trigger a disaster and the severity of their impact. These risks should have formal mitigation plans via controls already in place or the implementation of new controls where required. 4 - A strategy for ITDR testing should be developed that reflects the operational challenges of testing DR arrangements while at the same time maintaining operational services. Based on this an annual plan of disaster recovery tests should be maintained that that cover all services deemed critical to the Force. The plan should include services supported by failover arrangements as well as those recovered from backup. Tests conducted should verify that services can be recovered within the RTO expected by Force departments. The development of disaster recovery procedures (see Recommendation 1) should accommodate steps to test the failover of systems in an orderly manner so as to minimise disruption to the delivery of these services to Force employees.

04   Audits with Limited and Nil Assurance 2022/23

Audit area	Assurance level	Summary of Key Findings
Reasonable Adjustments	**Limited**	Two Priority 1 Recommendations: 1 – The Force should clearly state in both guidance documents that, as per the Equalities Act 2010, an employer must only make adjustments where they are aware, or should reasonably be aware, that an individual has a disability. The Force should ensure that TRAAs cannot be created without HR being notified of their existence. A comprehensive reconciliation activity should immediately be carried out to ensure that all TRAAs are included on record, and that any obsolete TRAAs relating to individuals no longer employed by the Force are removed. This should be conducted on a regular basis following the initial activity. 2 - The Force should review all TRAAs annually with the respective individual to ensure that the related reasonable adjustments are appropriate and effective in mitigating any disadvantage. The Force should ensure that a consistent and updated template is used for all TRAAs. This template should be aligned to best practice outlined by the College of Policy, or similar reputable body. Three Priority 2 Recommendations: 1 - The Force should ensure that, on a regular basis, HR related reasonable adjustments are discussed at an appropriate governance group and included as a regular item on the agenda. Regular reporting packs regarding the performance of HR related reasonable adjustments should be presented to an appropriate governance group on a regular basis, these should be appropriately scrutinized, with an appropriate audit trail maintained. 2 - As planned, the Force should develop a single policy that incorporates all details regarding the reasonable adjustments process. The Force should ensure that this is accessible to those with learning disabilities or other limitations that may impact the clarity of the policy. The policy should outline the roles and responsibilities regarding reasonable adjustments and include details regarding the feedback process where individuals do not believe the assigned adjustments are appropriate to mitigate their disadvantage. 3 - The Force should develop a KPI related to the timeliness of implementation of reasonable adjustments. This should be reported on to an appropriate governance body on a regular basis.

05   Internal Audit Plan 2022/23 vs Actual

The Internal Audit Plan was for a total of 175.5 days, three reviews were deferred into 23/24 and reduction in days needed for the Collaboration Audit plan.

Audit area	Planned days	Actual Days	Difference	Status
Core Financials	30	30	-	
Risk Management	8	8	-	
Medium Term Financial Planning	8	8	-	
Data Quality	8	8	-	
Positive Action	8	8	-	
Reasonable Adjustment	8	8	-	
Firearms Licensing	8	-	-8	Deferred into 23/24
Information Management	10	8	-	
Estates Management	8	-	-8	Deferred into 23/24
Complaints Management	8	8	-	
RUI Follow Up	5	5	-	
Fleet Follow Up	10	-	-10	Deferred into 23/24
MINT	5	5		
IT Disaster Recovery	10	10	-	
Collaboration	16.5	12	-4.5	Collaboration Audits Reduced
Management	15	15	-	
Contingency	8	5	-3	
MFSS Follow Up	-	3		
Balance Transfer	-	2		
Total	**173.5**	**140**	**-33.5**	

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06   Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made at the OPFCC & Northamptonshire Police.

Comparison of Assurance Levels

2021/2022   **2022/2023**

- Significant
- Satisfactory
- Limited

A comparison of the assurance levels provided during 2022/23 to the previous year is provided below:

	21/22	22/23
Significant	20%	46%
Satisfactory	50%	31%
Limited	30%	23%

An improvement can be seen in terms of more significant assurance audit opinions provided this year and a slight reduction in the level of limited assurance opinions provided.

Comparison of Recommendation Gradings

2021/2022   **2022/2023**

- Fundamental
- Significant
- Housekeeping

In 2022/2023 the total number of audits completed was 13 compared to 10 in 2021/22 therefore comparison on the numbers of recommendations needs to bare this in mind. A comparison of the breakdown in terms of severity of recommendation is provided below:

	21/22	22/23
Fundamental	12%	12%
Significant	56%	58%
Housekeeping	32%	30%

The above highlight's that the findings are broadly similar to last year.

07   Performance of Internal Audit

We have provided some details below outlining our scorecard approach to our internal performance measures, which supports our overall annual opinion.

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of Northamptonshire at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

In fulfilling our role, we abide by the three mandatory elements set out by the Institute of Internal Auditors. Namely, the Code of Ethics, the Definition of Internal Auditing and the Standards for the Professional Practice of Internal Auditing.

Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the JIAC. We have received positive feedback on our work from the Audit and Risk Committee and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the Audit and Risk Committee. A number of new performance measures were agreed at the April 21 JIAC and we have continued to present these to the committee.

Internal Audit Quality Assurance

In order to ensure the quality of the work we perform, we have a programme of quality measures which includes:
- Supervision of staff conducting audit work;
- Review of files of working papers and reports by Managers and Partners;
- Annual appraisal of audit staff and the development of personal development and training plans;
- Sector specific training for staff involved in the sector;
- Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and
- The maintenance of the firm's Internal Audit Manual.

Please see next page for further details.

Compliance with Professional Standards

Conflicts of Interest

Performance Measures

Internal Audit Quality Assurance

07 Internal Audit Quality Assurance

Our commitment on quality and compliance with the IIA's standards

Mazars is committed to ensuring our work is delivered at the highest quality and compliant with the Global Institute of Internal Auditors' International Professional Practices Framework (IPPF), which includes the International Standards for the Professional Practice of Internal Auditing (Standards). Our public sector work also conforms wiwith the UK Public Sector Internal Audit Standards (PSIAS), which are based on the mandatory elements of the IPPF.

Our quality assurance and quality control requirements are consistent with the Standards and PSIAS. These requirements are set out within our internal audit manual covering internal audit assurance and advisory work and which is structured to ensure our approach/methodology is compliant.

All internal audit staff conduct an annual declaration confirming awareness and compliance with the IPPF and PSIAS.

All work undertaken must have met the requirements of our manual before it can be signed out and issued to a client.

We have agreed delegated authorities that set out the levels at which various client outputs, including deliverables such as internal audit reports, must be reviewed and approved before being issued to our clients.

Our work is structured so that on-site auditors are supervised and are briefed on specifics relating to the client and internal audit work. Each review is overseen by a management team member, responsible for undertaking first-line quality reviews on working papers and reports and ensuring quality service provision by our team.
All reports must be reviewed and signed out by the engagement Partner, in line with the specific requirements set out within our delegated authorities. Evidence of this sign out is retained.

We have a formal system of quality control that our Advisory and Consulting Quality Board leads. There is a specific Mazars methodology for quality review of internal audit work. This is structured to cover the work of all engagement managers, directors, and partners during each year.
Our quality process takes a two-fold approach:
1. In-depth qualitative reviews assess specific audit engagements against all auditable elements of the Standards and many specific Mazars policies.
2. We also undertake quarterly compliance reviews of the work of all engagement managers, directors, and partners, which ensure that critical elements of compliance (such as evidence of report reviews and sign-outs) are present.

The results of our compliance reviews are discussed with the firm's Executive Board, which demonstrates the importance that the firm's partners attach to this exercise. The results of an individual partner's work review are considered in the reward system for equity partners. The central Technical Department is available for more specialist areas and alerts partners and team members to forthcoming technical changes. In this way, we seek to minimise the prospect of problems arising with internal audit files.

External quality assessment (EQA)

As noted above, we can confirm that our internal audit work is undertaken in line with the IPPF and PSIAS. Under this there is a requirement for internal audit services to be subject to an independent EQA every five years. Our most recent assessment took place over the summer of 2019. The review concluded that Mazars "conforms to the requirements of the International Professional Practices Framework for Internal Audit and the Public Sector Internal Audit Standards".

Appendices

A1   Definitions of Assurance

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A1   Definitions of Assurance

Assurance Gradings

We use categories to classify our assurance over the processes we examine, and these are defined as follows:

Assurance level	Definition
Significant	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Satisfactory	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk. The level of non-compliance puts the Organisation's objectives at risk.
No	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Recommendation Gradings

To assist management in using our reports, we categorise our recommendations according to their level of priority, as follows:

Recommendation Level	Definition
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Annual Opinion Gradings

We use categories to classify our assurance over the processes we examine, and these are defined as follows:

Assurance level	Definition
Significant	The framework of governance, risk management and control is adequate and effective.
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

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Agenda Item 6b

Internal Audit Service

Annual Report
2022-23

Jacinta Fru – Chief Internal Auditor

June 2023

Internal Audit Annual Report 2022/23

Northamptonshire Commissioner Fire & Rescue Authority

Table of Contents

Executive Summary

1. Introduction

1.1. The Public Sector Internal Audit Standards (PSIAS) require the 'Chief Audit Executive' to provide an Annual Report to inform the Annual Governance Statement, which is a statement of the effectiveness of the framework of governance, risk and controls in operation within the Authority. Northamptonshire Commissioner Fire and Rescue Authority's (NCFRA) Chief Audit Executive is the LGSS Chief Internal Auditor.

1.2. The Standards require the Internal Audit Annual Report to:-

➢ include an opinion on the overall adequacy and effectiveness of NCFRA's internal control environment,
➢ present a summary of the audit work on which the opinion is based,
➢ draw attention to any key issues that may impact on the level of assurance provided,
➢ provide a summary of the performance of the Service
➢ comment on the Audit Service's level of compliance with PSIAS.

1.3. The internal control environment comprises the NCFRA's policies, procedures and operations designed to:-
   o establish and monitor the achievement of NCFRA's objectives
   o facilitate policy and decision making
   o ensure the economic, effective and efficient use of resources
   o ensure compliance with established strategies, policies, procedures, laws and regulations
   o Safeguard the NCFRA's assets and interests from losses of all kinds, including those arising from fraud or corruption.

It is the responsibility of the organisation to establish and maintain appropriate risk management processes, control systems, accounting records and governance arrangements.

1.4. The role of Internal Audit is to provide an assurance to the NCFRA that these arrangements are in place and operating effectively. The Annual Audit Plan sets out proposals on how this will be achieved in the year ahead. The NCFRA's response to internal audit activity (individual audit reports) should lead to the strengthening of the control environment and therefore contribute to the achievement of the organisation's objectives.

Internal audit is best summarised through the definition within the Standards as an

"Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes''.

2.   Internal Audit Opinion 2022/23

2.1.   The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the Northamptonshire Commissioner Fire and Rescue Authority to support its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control.

2.2.   In giving this opinion, there is an understanding that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, this opinion is based on the following key requirements as set out by CIFPA:

- o   written reports on all internal audit work completed during the course of the year (assurance and risk); **Section 3**
- o   results of any issues that have carried forward into the following year; **Section 4**
- o   the results of work of other review bodies where appropriate; **Section 5**
- o   the extent and adequacy of resources available to deliver the internal audit work and the proportion of NCFRA's audit need that has been covered within the period; **Section 6**
- o   the quality and performance of the internal audit service and the extent of compliance with the Standards. **Section 7**

Audit Opinion – 2022/23

I can confirm that sufficient assurance work has been completed to allow me to form a conclusion on the adequacy and effectiveness of Northamptonshire Commissioner Fire and Rescue Authority's internal control environment. Based on audit work undertaken during the year, in my opinion, NCFRA's framework of governance, risk management and management control is **GOOD.**

Audit testing has demonstrated that controls were working in practice across key areas for the most part during the year.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

Jacinta Fru BA (Hons) FCCA
Chief Internal Auditor

2.3.   The Good assurance opinion reflects the overarching sound controls environment during the year, despite the challenges of ongoing work to finalise the transfer of key support service delivery, to a unified Enabling service with the Police Force.

2.4.   For context the full range of Audit Opinion categories is given below:

- •   **Substantial Controls** – findings show that only minimal weaknesses have been found (if any) that present very low risk.
- •   **Good System of Internal Control** - Findings indicate that on the whole, controls are satisfactory, although some enhancements may have been recommended.

- **Satisfactory System of Internal Control**– A number of findings, some of which are significant, have been raised. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a Good audit opinion to be given.
- **Limited System of internal Control** – Findings indicate significant control weaknesses and the need for urgent remedial action. Where corrective action has started, the current remedial action is not sufficient or sufficiently progressing to address the severity of the control weaknesses identified.
- **No Assurance** - There are fundamental control weaknesses that present an unacceptable level of risk to the control environment. In simple terms this means there are no effective control systems.

3.   Basis of the Opinion

3.1.   Internal Audit work completed in 2022/23

3.1.1   In accordance with Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015, the Chief Audit Executive's annual opinion, is substantially based upon the work performed by Internal Audit during the year.

3.1.2   Work has been planned and performed to obtain sufficient information and explanation considered necessary, to provide evidence to enable assurance to be given on the effectiveness of the internal control framework. Best use was made of Internal Audit resources during the year to maximise assurance, with Audit resource being applied to providing ongoing assurance over activities and arrangements that contributed to oversight of the control environment.

The Audit Plan remained fluid throughout the year with audits being removed or introduced to reflect changing risks - agreed with the Senior management team and Audit Committee. The audit plan year end for NCFRA is 31st March 2023. While there is a small number (3) of carry over Audits yet to be completed, these are within areas that have been identified as well controlled from past audits and so it is not anticipated that the outcomes from these reviews would change the annual opinion given in this report.

3.1.3   The opinion reflects the following positive actions taken by Management during the year, involving the Audit Service, that contributed to the control environment being maintained during the year
   - o   A comprehensive Corporate Governance Framework, reviewed during the year by management, that is complied with across the Organisation, confirmed within several audit reviews.
   - o   Robust financial management arrangements implemented in line with CIPFA Financial Management Code, including budget monitoring and closer working between Finance, Budget managers and Senior Fire Officers. A "substantial" opinion was given for the Financial Controls Environment audit i.e. Substantial control and governance measures were in place.
   - o   Regular reviews of the risk management arrangements with update of the strategic and operational risk registers and quarterly reports submitted to JIAC and other governance boards.
   - o   Evidence of management monitoring and active follow up of progress on implementation of recommendations raised.

3.1.4   The opinion however recognises some key challenges that Internal Audit concludes had some impact on the effectiveness of controls and risk management during 2022/23:
   - On-going challenges with development of new processes and systems within Enabling Services, to support implementation of the merging of service delivery with the Police.

3.1.5   The 2022/23 Internal Audit plan, approved by the Joint Independent Audit Committee on 9 March 2022, was informed by Internal Audit's own assessment of risk and materiality, in addition to consultation with management, to ensure the plan aligned with key risks facing NCFRA.

3.1.6   In preparing the overall opinion, the Chief Audit Executive has reviewed all audit activity carried out during 2022/23 and noted any issues arising from audits that have carried forward into 2023/24. During the year, audit activity included reviews in the following areas
- o Key Financial systems – reviews focused on the systems that have the highest financial risk, recording transactions within the 2022/23 financial year.
- o Systems based and probity reviews - focused on those core areas where a high level of compliance is necessary for the organisation to carry out its functions properly and targeted towards key areas of high risk, as identified through consultation with senior management, risk register information, and the Internal Audit risk assessment of the organisation.
- o Information Technology – focused on ensuring security over information/data and IT assets.
- o Procurement/contracts –focused on reviewing controls over contracts and procurement activity.
- o Risk and other Consultancy – strategic support and guidance.

All audit reviews contain assurance opinions based on the adequacy of the system of internal control in existence at the time of the audit and on the level of compliance with those controls, reflected as:

Adequacy of System	**SUBSTANTIAL**- Substantial governance measures are in place
	GOOD - Governance measures are in place with only minor control weaknesses.
	SATISFACTORY- Systems operate to a moderate level with some control weaknesses
	LIMITED significant control weaknesses that present a high risk to the control environment.
	No ASSURANCE fundamental control weaknesses that present an unacceptable level of risk to the control environment.
Compliance with the system	**SUBSTANTIAL**- the control environment has operated as intended without exception.
	GOOD -good compliance, although some errors have been detected
	SATISFACTORY control environment has mainly operated as intended although errors have been detected
	LIMITED control environment has not operated as intended. Significant errors have been detected
	NO ASSURANCE control environment has fundamentally broken down

3.1.6   The individual assignment opinion is based on the number of recommendations raised and an assessment as to the likelihood of the risk occurring and the impact to NCFRA should the risk materialise. Individual recommendations were assessed and categorised as:
- **Essential** –*Action is imperative to ensure objectives for the area under review are met*

- **Important** – *Action is required to avoid exposure to significant risks in achieving the objectives of area under review*
- **Standard** –*Action is recommended to enhance control or improve operational efficiency*

The assurance opinion assigned to the individual audit areas reviewed during the year were as detailed below for information.

Audit type	Nos of Audits completed	System Design Assurance						Compliance Assurance					
		S	G	SF	L	NA	NO	S	G	SF	L	NA	NO
Key Financial Reviews	6	1	5	0	0	0	0	1	2	3	0	0	0
System Based /Probity reviews	7	0	5	1	0	0	1	0	1	3	2	0	1
Information Technology	2	0	0	2	0	0	0	0	0	2	0	0	0

S=substantial; G=good; SF=satisfactory; L= Limited; NA= no assurance; NO= No Opinion

3.1.7   During 2022/23 there were 2 audit reviews where our opinion was a "limited" assurance opinion against the system design or compliance with system controls (2021/22 - 2). Where finalised, key findings from these audits have been reported to JIAC during the year. The number of recommendations raised and their categories were as follows:

Audit Activity	No. of Essential Recs	No. of Important Recs	No of standard Recs	Key Issues
Safeguarding Policies & procedures	4	1	2	• Recruitment policies and procedures had not been updated for a considerable length of time • There was no centralised system for ensuring that Disclosure Barring Service (DBS) checks were recorded and monitored for all posts requiring a DBS check. • There was no evidence of authorisation from the CFO or ACFO for applicants on the disclosure risk assessment to be employed. • The Chief Fire Officer/ Assistant Chief Fire Officer approvals to start employment before the DBS clearance had been obtained were not retained.
Contract Management	0	7	0	• Contracts management was not being administered using the Contracts monitoring pack or the contracts budget monitor • Requisitions raised for contract payments did not always reference/identify the contract payments relate to. • Contract performance was not being monitored due to lack of appropriate staff cover arrangements • Management information and KPIs were not being reported on a timely basis by the Contractor

See **Annex A** for the audit assignments completed and the assurance levels given.

3.2. **Recommendation Action Status**

3.2.1   In preparing the overall opinion, the Chief Audit Executive has reviewed the implementation status of recommendations raised during the year as a measure of how the organisation has improved the controls once identified. Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each individual audit report are to be realised.

3.2.2   In line with the current Internal Audit methodology only agreed actions that have been assessed as 'Essential' or 'Important', and that have reached their agreed target implementation date, are specifically followed up. This involves obtaining managements' confirmation of implementation together with appropriate evidence to support the implementation.

3.2.3   An overview of agreed actions and the implementation of actions in 2022/23 is summarised in Tables 1 and 2, below which shows the status as at 30/5/2023.

Table 1: Total Agreed Management Actions 2022/23 (Final/Draft Reports)

	Essential	Important	Standard	Total
Number (last year)	**8** (5)	**24** (23)	**8** (16)	**40** (44)
% (last year)	**20%** (11%)	**60%** (52%)	**20%** (37%)	100%

Table 2: Implementation of Agreed Management Actions as at 30 May 2023 (Final /Draft Reports)

	Essential Actions	Important Actions	Standard Actions	Total
Recs open as at 30/04/22	2	9	9	20
Recs agreed during 2022/23	8	24	8	40
TOTAL	**10**	**33**	**17**	**60**
Implemented	6	15	7	28
To be implemented after 30/5/23	4	18	10	32
Recs with revised dates	1	0	0	1
Agreed Implementation date is after 31st March 2023	3	18	10	31

3.2.4   Where the agreed implementation date for an action is after 31st March 2023, Management have committed to continue to monitor follow actions and to report progress to JIAC.

4.   Other Key Issues

4.1   In preparing the overall opinion, the Chief Audit Executive has to review issues having a bearing on 2022/23 opinion, carried forward into 2023/24.

4.2   With the exception of work that has been ongoing to ensure a smooth transition to merging with the Police Force at the end of March 2023, which has included review of policies and frameworks to make them fit for purpose, there has been no issues that have a bearing on the audit opinion.

5.   Other work and work of other assurance providers

5.1   In 2022/23, Internal Audit has continued to maintain a focus on review of financial and other policies and procedures to ensure that these are: up to date; fit for purpose; effectively communicated and routinely complied with across the organisation.

5.2   Assurance over the risk management framework was gained through Internal Audit participation in quarterly risk workshops during the year at which risk owners reviewed the adequacy and continued appropriateness of the assessment of risks and the risk scores. Risk registers were presented to Audit Committee for review.

5.2   A self-assessment on review of progress on implementation of the recommendations raised in the 2021 HMICFRS inspection concluded that good progress was being made. An Inspection is due to take place in September 2023, and an "inspection readiness programme" was created and has been applied throughout the year, to secure necessary improvements in practices.

5.3   External Audit of NCFRA's financial statements for year ending March 2022 did not identify any issues or areas of non- compliance. The Authority's Financial Statements for the year ending March 2023 are on schedule to be produced in line with the statutory timescales and the external audit review will be undertaken and its arrangements to secure economy, efficiency and effectiveness in its use of resources - (the value for money conclusion) is yet to be determined.

6.   Internal Audit Resources

6.1   Throughout 2022/23, there was sufficient resource, to ensure that the Plan would be delivered soon after year end.

7.   Service Performance and Quality

7.1   Plan Delivery

7.1.1   The Fire Authority's Internal Audit Plan for 2022/23 was agreed 0n 9 March 2022 with a target of 100% completion to draft report by 31st March 2023.

7.1.2   Due to the effects of staff absences, the target timeline was moved. As at the 30/04/23, 99% of planned audits were at final/draft stage with only 1 audit at advance stage of progress with the anticipated completion to draft report for end of May 2023.

7.1.3   As at the end of March 2023, the team's productivity was at 90% in line with the target of 90%.

7.2   Customer Feedback

7.2.1   Continuous development in the quality of the internal audit service remains a key objective, particularly following the collaboration with other clients. In order to obtain feedback from the organisation, when final reports are issued, a link to an online Customer Feedback Questionnaire is provided to all officers who receive the final report. Respondents are requested to rate the overall satisfaction with regards to audit, with four options from Excellent – Poor. Respondents also have the opportunity to provide more specific detailed feedback.

7.2.2   For the financial year 2022-23, customer responses were for the most part positive with the service provision rated as good or excellent.

7.3   Quality Assurance & Service Development

7.3.1   The Audit Charter provides a formally defined purpose of Internal Audit for the partners, thus ensuring conflict of interest is avoided. Our code of conduct requires auditors to complete both an annual declaration as well as an assignment declaration for each audit undertaken.

7.3.2   The charter is reviewed annually to ensure it continues to reflect best practice and is approved by the Joint Independent Audit Committee. The charter was approved at the JIAC meeting of March 2022.

7.3.3   Our work is guided by an Audit Manual based on PSIAS, which references our processes. To ensure consistency of delivery and adherence to auditing standards, the Service uses Sword Audit Management system for documenting working papers and other supporting documentation. The Audit manual is reviewed annually.

7.3.4   Development needs are identified through monthly one to one appraisal meetings with auditors and bi-annual refresher team workshops.

7.4   Compliance with Public Sector Internal Audit Standards (PSIAS)

7.4.1   The Service complied with PSIAS during the year, with regular internal review of processes and actions taken as appropriate. An internal review of the processes for documenting audit findings identified a need for improvement and the Audit Management Software system was introduced to address this. The external independent review of the service was undertaken in July 2022. An action plan arising from the review has been worked on to secure improvements in practices during the year.

7.4.2   Throughout 2022/23 the Internal Audit Service worked in line with the Public Sector Internal Audit Standards (PSIAS).

Summary of Reviews Completed 2022-23

The table below summarizes the Internal Audit reviews that were completed during the 2022-23 financial year as at 30 May 2023

AUDIT TITLE	STATUS	System Design Assurance	Compliance Assurance	Organisation Impact
Plan - 2022/23				
Key Policies and Procedures-Safeguarding	Final Report	Satisfactory	Limited	Minor
Financial Control Environment (G/L; Bank rec; TM; VAT; Pensions)	Final Report	Substantial	Substantial	Minor
Corporate Governance Framework -Nolan Principles	Final Report	Good	Satisfactory	Minor
Budget Management	Final Report	Good	Satisfactory	Minor
Project Management Governance	Final Report	Good	Satisfactory	Minor
Payroll 2022/23	Final Report	Good	Satisfactory	Minor
Accounting systems (AP/AR) -;	Final Report	Good	Good	Minor
People culture: Data Migration	Final Report	Good	Satisfactory	Minor
Contract Management	Final Report	Good	Limited	Minor
Target operating -performance framework	Draft Report	Good**	Good**	Minor
ICT Privilege Access controls	Fieldwork Complete	Satisfactory**	Satisfactory**	Minor
Network infrastructure security	Fieldwork Complete	Satisfactory**	Satisfactory**	Minor
Risk Management review	Workshops completed	Assurance given	Assurance given	N/A

Brought forward - Plan 2021/22				
Payroll 2021/22	Final Report	Good	satisfactory	Minor
Accounts Payable /Accounts receivable	Final Report	Good	Good	Minor

*** Indicative opinions based on work completed as at 30/5/23

Agenda Item 7a

Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police

Internal Audit Operational Plan 2023/24 and Charter

Prepared by: Mazars LLP

Date: June 2023

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Contents

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Police, Fire & Crime Commissioner for Northamptonshire (OPFCC) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of the OPFCC and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility on the final page of this report for further information about responsibilities, limitations and confidentiality.

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01

Section 01:

Introduction

Introduction

An annual proposed Internal Audit Operational Plan has been prepared on behalf of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police (the OPFCC and Force) for the period 1 April 2023 to 31 March 2024.

As part of fulfilling the Joint Internal Audit Committee's (JIAC) responsibilities, the JIAC require assurance that the Police, Fire & Crime Commissioner and Chief Constable are focusing their attention on the key risks to the OPFCC and Force and that they are receiving timely and effective assurance with regards to the management of those risks.

As Internal Audit is a one source of this assurance, Internal Audit have reviewed the OPFCC / Force Risk Register with the aim of identifying where the OPFCC / Force obtains this assurance and that the Internal Audit plan is suitably focused and aligned with other sources of assurance. The results of this exercise were considered when drawing the audit plan.

The purpose of this document is to provide the JIAC with the proposed 2023/24 Plan for consideration and approval.

In considering the document, JIAC is asked to consider:

• whether the balance is right in terms of coverage and focus;

• whether we have captured key areas that would be expected; and

• whether there are any significant gaps.

We are also seeking approval from JIAC for the Internal Audit Charter in Section 04, which we request on an annual basis. There are no changes from the Charter presented for approval last year.

Scope and Purpose of Internal Audit

IA's Role

The purpose of internal audit is to provide the Commissioner and Chief Constable, through the JIAC with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the OPFCC and Force's agreed objectives

IA Plan

Completion of the internal audits proposed in the 2023/24 Plan should be used to help inform the OPFCC's and Force's Annual Governance Statement.

Government accounting standards require Accounting Officers to make provision for internal audit in accordance with accordance with UK Public Sector Internal Audit Standards (PSIAS), as produced by the Internal Audit Standards Advisory Board. Within the OPFCC and Force, the Police & Crime Commissioner and the Chief Constable are the Accounting Officer and have responsibility for maintaining a sound system of internal control in the respective organisations.

Objective

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control.

Charter

We have included our Internal Audit Charter in Section 04. The Charter sets out terms of reference and serves as a basis for the governance of the OPFCC's and Force IA function, establishing our purpose, authority, responsibility, independence and scope, in accordance with the Chartered Institute of Internal Auditor's (IIA) standards.

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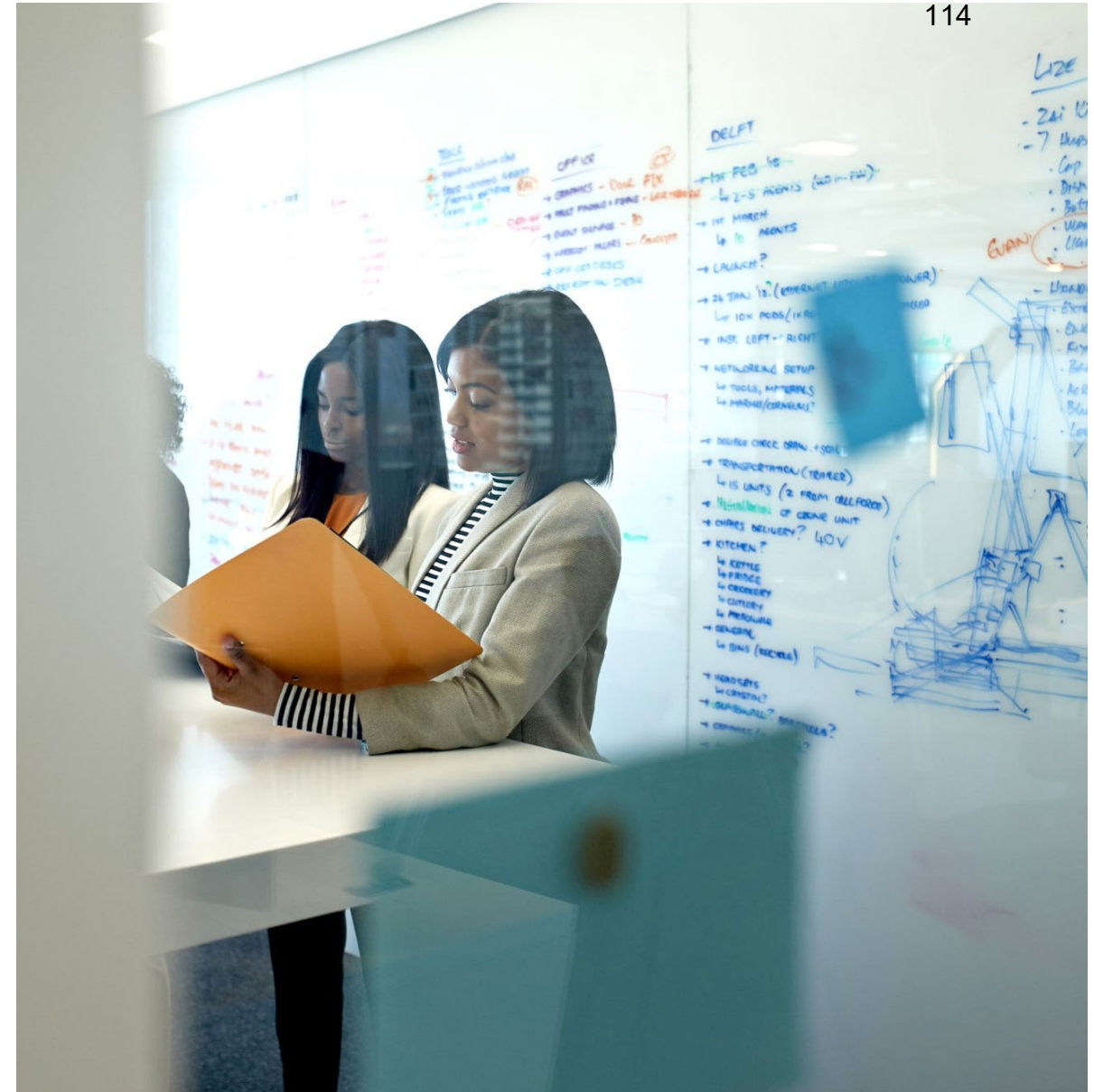
Preparing the Operational Plan for 2023/24 & future considerations

As part of our approach, it is important we consider organisation's strategic priorities, as well as the key strategic risks identified, as we seek to align our risk-based approach accordingly.

In preparing the Strategy update we have undertaken the following:

- Met with the the Chief Finance Office of the Force & OPFCC and the Strategic Development, Risk & Business Continuity Advisor during February 2023;

- Reviewed the outcomes of historic internal audit work;

- Reviewed the outcomes of 2022/23 internal audit work;

- Considered the latest assessment of risks facing both the OPFCC and the Force as detailed in their respective risk registers;

- Considered areas which are not necessarily high risk (such as core operational controls), but where the work of internal audit can provide a tangible input to assurance; and

- Considered the results of internal audit across our wider client base.

The proposed 2023/24 Plan is included in Section 02. This also includes a proposed high level scope for each review and which will be revisited as part of the detailed planning for each review. Fieldwork dates for each of the audits, including presentation of finalised reports at future dates for JIAC meetings have been proposed for discussion and approval with the OPFCC and Force's management.

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Preparing the Operational Plan for 2023/24 & future considerations (continued)

We have shortlisted the proposed reviews from a broader population of potential reviews. This will allow flexibility if there are changes required during the year. We have sought to prioritise against the key risks and for this reason, we can refer to the future considerations to discuss other potential internal audit areas for consideration within Section 02.

Prior to conducting each internal audit, we will undertake a more detailed planning meeting in order to discuss and agree the specific focus of each review. Following the planning meeting, we will produce Terms of Reference, which we will agree with key representatives at the Force and/or OPFCC prior to commencement of the fieldwork.

The results of our work will be communicated via an exit meeting. A draft report will then be issued for review and management comments and in turn a final report issued. Final reports as well as progress against the plan will be reported to each JIAC.

Following completion of the planned assignments and the end of the Financial Year, we will summarise the results of our work within an Annual Report, providing an opinion on the Fore and OPFCC's governance, risk management and internal control framework.
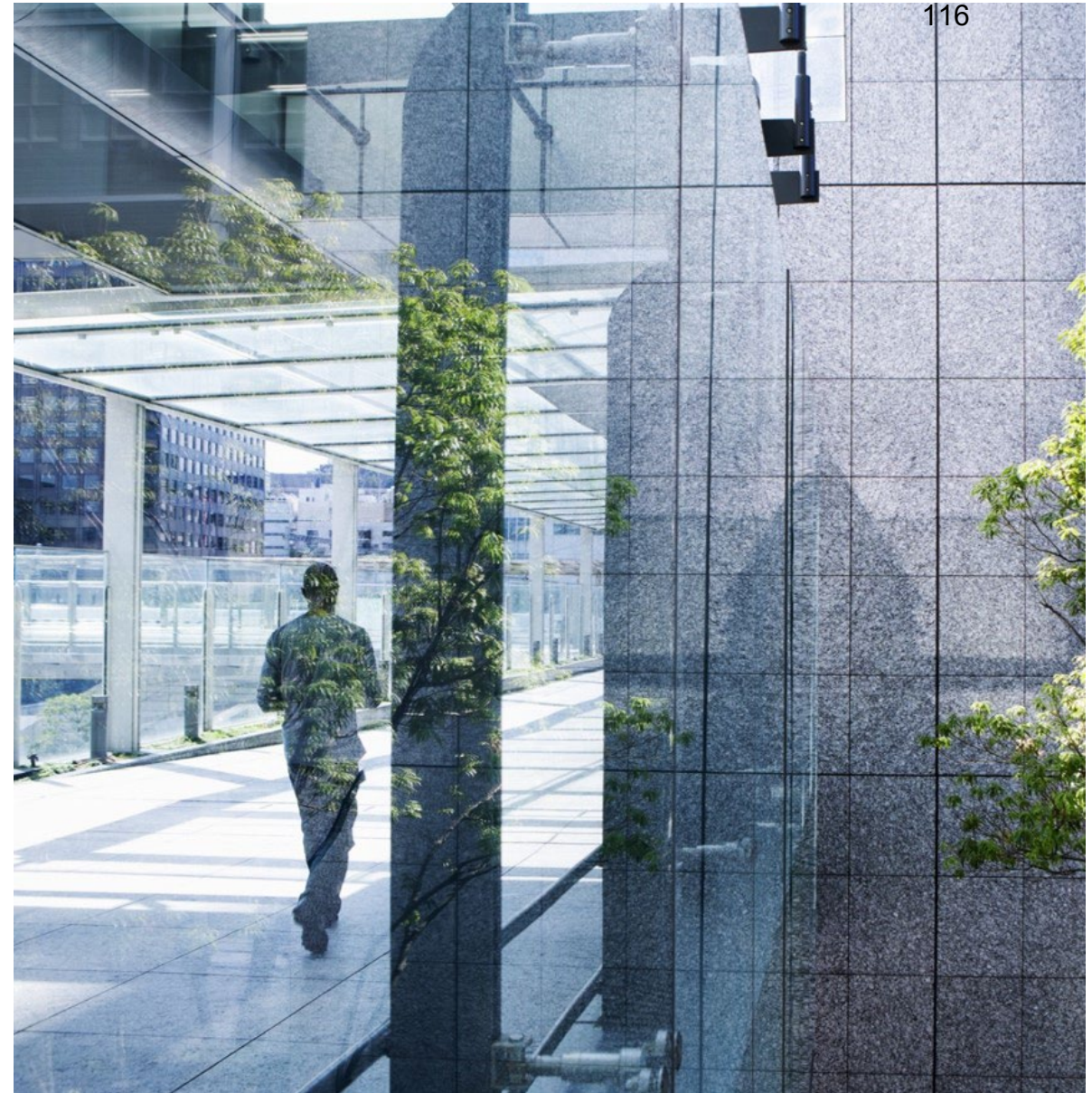
02

Section 02:

Internal Audit Operational Plan 2023/24

Internal Audit Operational Plan 2023/24

An overview of the Internal Audit Operational Plan 2023/24 is set out below and the following pages set out the rationale and indicative scope for the internal audits identified.

Proposed Summary Operational Plan for Approval				
Audit Area	Days	OPFCC/Force Sponsor	Target Start Date	Target JIAC
Risk Based Considerations				
Core Financials	20	Chief Finance Officers (Force & OPFCC)	Q3	March 2024
Payroll	8	Chief Finance Officers (Force & OPFCC)	Q3	March 2024
Procurement & Supply Chain	10	Chief Finance Officers (Force & OPFCC)	Q3	March 2024
Firearms Licensing	8	Deputy Chief Constable	Q1	July 2023
Fleet Follow Up	10	Joint Assistant Chief Officer for Fire and Police	Q2	October 2023
RUI Follow Up	5	Deputy Chief Constable	Q1	July 2023
Vetting	8	Deputy Chief Constable	Q2/Q3	March 2024
Reasonable Adjustments Follow Up	6	Joint Assistant Chief Officer for Fire and Police	Q4	July 2024
Business Continuity	8	Deputy Chief Constable / OPFCC Director of Delivery	Q2/Q3	March 2024
Information Technology				
Disaster Recovery	8	Joint Assistant Chief Officer for Fire and Police	Q3/Q4	July 2024
Asset Management	8	Joint Assistant Chief Officer for Fire and Police	Q3/Q4	July 2024
Management and Reporting Activities				
Collaboration	5	Chief Finance Officers (Force & OPFCC)	Ongoing	Ongoing
Management	14	Chief Finance Officers (Force & OPFCC)	Ongoing	N/A
Contingency	0	Chief Finance Officers (Force & OPFCC)	As requested	As requested
Total	**118**			

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Internal Audit Operational Plan 2023/24

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2023/24 is detailed below, alongside a indicative high-level scope. Please note that the detailed scope of each audit will be discussed and agreed with the relevant sponsor prior to the commencement of fieldwork. We have listed the associated risks per the OPFCC and Force Risk Registers for each audit where applicable.

Core Financials

To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the core financial systems. The scope of the work will include, but not be limited to:

- Policies and procedures
- Access controls
- Amendments to standing data
- Reconciliations
- Authorisation routines
- Reporting

The aim is to complete this audit around six months into the Forces usage of a new financial system.

136 & 137 Uncertainty of Funding

Payroll

To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the payroll systems. The scope of the work will include, but not be limited to:

- Policies and procedures
- Access controls
- Amendments to standing data
- Payroll Processing Reporting
- Authorisation routines
- Journals and Reconciliations

136 & 137 Uncertainty of Funding

Firearms Licensing

Whilst the exact scope of review will be agreed with management the focus will be on providing assurance over changes in guidance following recent incidents nationally, compliance with local guidance and timeliness in response to backlogs in application and renewal processing.

Transport Follow Up

Following a limited assurance opinion in 21/22 the audit will be completed to confirm recommendations have been implemented, embedded and operating effectively.

CRR 36 Telematics

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Internal Audit Operational Plan 2023/24 (Continued)

RUI Follow Up

Following a limited assurance opinion in 21/22 the audit will be completed to confirm recommendations have been implemented, embedded and operating effectively.

Vetting

To provide assurance that the policies and procedures in place regarding Vetting have been appropriately updated following HMICFRS reviews and PEEL reports.

Collaboration

Resources have been allocated across each OPFCC / Force in order to provide assurance with regards the systems and controls in place to deliver specific elements of regional collaboration. The intention would be to carry out audit reviews across the region.

Consideration will be given to assessing whether the area of collaboration is delivering against its original objectives and what arrangements are in place, from an OPFCC / Force perspective, for monitoring and managing the service.

A detailed 23/24 Collaboration Audit plan will be drafted and shared with the JIAC once agreed by the regional CFO's. It should be noted time includes deferral of audits from 22/23.

Business Continuity

Business Continuity is fundamental to public sector organisations and it is important that effective plans and functions are in place. Following the pandemic, the Force is intending to implement a rolling programme of desktop reviews.

Reasonable Adjustments Follow Up

Following a limited assurance opinion in 22/23 the audit will be completed to confirm recommendations have been implemented, embedded and operating effectively.

Internal Audit Operational Plan 2023/24 (Continued)

Disaster Recovery

This will be completed by our IT specialists and provide assurance over the disaster recovery plans and processes for the IT systems at the Force.

Asset Management

This will be completed by our IT specialists and provide assurance over the IT Asset Management processes and controls at the Force.

Management

Resources for client and external audit liaison.

For example, preparation and attendance at JIAC, strategic and operational planning, meetings with Force Chief Officer Team/Chair of JIAC, preparation of the Internal Audit Opinion, Annual Internal Audit Plan and other reports to the JIAC, etc

Contingency

Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work requests by management and the JIAC.

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03

Section 03:

Future Considerations 2023/24 Onwards

Future Considerations 2024/25 Onwards

Audit discussed a wide range of possible audits for inclusion within the 2023/24 and through discussion with management agreed upon a priority based approach the audits that are presented in the 2023/24 Internal Audit Operational Plan. Whilst annually the plan will be reviewed audit have listed the audits that have been earmarked for future consideration:.

Future Considerations	
Auditable Area	**Commentary**
Governance	*The corporate governance framework NCFRA, OPFCC and Northamptonshire Police has been revised into a single Corporate Governance framework with similar delegations and controls. Furthermore, NCFRA have moved on to shared systems with the Police in 2023/24 and payroll will also move in 24/25.* *Given the new audit appointment from 2023/24 for NCFRA, it is felt that this audit would be more effective within 2024/25 after Mazars have had a full year to build knowledge and experience of the organisation being audited.*
Environmental Sustainability	*National Police Estates Group (NPEG) has been working towards the development of a sustainability charter for emergency services with other organisations, such as the RNLI and ambulance services. This will be including targets, KPIs and approaches, and an audit would be more suited to when this has been embedded at the Force and OPFCC.*
Workforce Planning	*Risks are included across both risks registers relating to staff retention, workforce planning and agile working. The Force and OPFCC are implementing changes to improve staff retention and improve workforce planning (including succession planning, etc.). This audit would be better suited to when these changes are in place.*
Wellbeing	*With risks across both risk registers, the Force and OPFCC are implementing changes within working practices and employee support to improve wellbeing across both organisations. Once these have been embedded, it would be a good opportunity to include this audit in the plan for 24/25.*
Stop & Search	*Whilst this is an operational area, the recent PEEL report includes an AFI detailing…"The force should improve its external scrutiny processes for its use of force to ensure that it is being used fairly and appropriately". Work has already been identified in this area, for example consulting with West Yorks for insight regarding best practice. It is evident with forces that do well in this, their training and scrutiny is culturally strong. It would be a good opportunity to include this in the audit plan for 24/25, allowing work to progress and new processes to be embedded. Stop & Search would be the first sub-section of this area to be reviewed.*

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04

Section 04:

Internal Audit Charter

Internal Audit Charter

The Internal Audit Charter sets out the terms of reference and serves as a basis for the governance of the OPFCC & Force Internal Audit function. It sets out the purpose, authority and responsibility of the function in accordance with the UK Public Sector Internal Audit Standards (PSIAS).
The Charter will be reviewed and updated annually by the Engagement Lead for Internal Audit for the OPFCC & Force ('Head of Internal Audit').

Nature and Purpose
The OPFCC & Force are responsible for the development of a risk management framework, overseen by the JIAC, which includes:
* Identification of the significant risks in the OPFCC and Force's programme of activity and allocation of a risk owner to each;
* An assessment of how well the significant risks are being managed; and
* Regular reviews by the Senior/Executive Team and the JIAC of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the risk profile.

A system of internal control is one of the primary means of managing risk and consequently the evaluation of its effectiveness is central to Internal Audit's responsibilities.

The OPFCC and Force's systems of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support each organisation's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable each organisation to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Senior/Executive Team. The OPFCC and Force needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the OPFCC and Force's business. There are also many assurance providers. The OPFCC and Force should, therefore, develop and maintain an assurance framework which sets out the sources of assurance to meet the assurance needs of its stakeholders.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework (IPPF) as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'

Internal Audit carries out assurance and consulting activities across all aspects of the OPFCC and Force's business, based on a programme agreed with the JIAC, and coordinates these activities via the assurance framework. In doing so, Internal Audit works closely with risk owners, and the Senior/Executive Team.

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the OPFCC and Force's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the Senior/Executive Team and management in relevant departments. The independent assurance provided by Internal Audit also assists the OPFCC and Force to report annually on the effectiveness of the system of internal control included in the Annual Governance Statements.

Authority and Access to Records, Assets and Personnel
Internal Audit has unrestricted right of access to all OPFCC and Force records and information, both manual and computerised, and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter business property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the JIAC.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities. Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.

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Internal Audit Charter continued

Responsibility

The Head of Internal Audit is required to provide an annual opinion to the OPFCC and Force, through the JIAC, on the adequacy and the effectiveness of the OPFCC and Force's risk management, control and governance processes. In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers as needed (such as the external auditors) such that the assurance needs of OPFCC, Force and other stakeholders are met in the most effective way.
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the OPFCC and Force's business based on a risk-based plan agreed with the JIAC.
- Provide the Board with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the JIAC and the Senior/Executive Team summarising results of assurance activities.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within OPFCC & Force to aid the prevention and detection of fraud;
- Assist in the investigation of allegations of fraud, bribery and corruption within OPFCC & Force and notifying management and the JIAC of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the JIAC. Responsibility for remedial action in response to audit findings rests with line management.

There are inherent limitations in any system of internal control and thus errors or irregularities may occur and not be detected by Internal Audit's work.

When carrying out its work, Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action. However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance to the OPFCC and Force's policies and standards and will monitor whether such measures are implemented on a timely basis.

The JIAC is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Scope of Activities

As highlighted in the previous section, there are inherent limitations in any system of internal control. Internal Audit therefore provides the Senior/Executive Team and the Board through the JIAC with reasonable, but not absolute, assurance as to the adequacy and effectiveness of OPFCC & Force governance, risk management and control processes using a systematic and discipline approach by:

- Assessing and making appropriate recommendations for improving the governance processes, promoting appropriate ethics and values, and ensuring effective performance management and accountability;
- Evaluating the effectiveness and contributing to the improvement of risk management processes; and
- Assisting OPFCC & Force in maintaining effective controls by evaluating their adequacy, effectiveness and efficiency and by promoting continuous improvement.

The scope of Internal Audit's value adding activities includes evaluating risk exposures relating to OPFCC & Force's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

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Reporting

For each engagement, Internal Audit will issue a report to the appropriate senior management and business risk owner, and depending on the nature of the engagement and as agreed in the engagement's Terms of Reference, with a summary to the Senior/Executive Team and the JIAC.

The UK PSIAS require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:
- The annual risk-based plan is compiled by the Head of Internal Audit taking account of the OPFCC and Force's risk management / assurance framework and after input from members of the Senior/Executive Team. It is then presented to the Senior/Executive Team and JIAC annually for comment and approval.
- The internal audit budget is reported to the JIAC for approval annually as part of the overall budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the JIAC.
- Performance against the annual risk-based plan and any significant risk exposures and breakdowns, failures or weaknesses of internal control systems arising from internal audit work are reported to the Senior/Executive Team and JIAC on a regular basis.
- Any significant consulting activity not already included in the risk-based plan and which might affect the level of assurance work undertaken will be reported to the JIAC.
- Any significant instances of non-conformance with the Public Sector Internal Audit Standards will be reported to the Senior/Executive Team and the JIAC and will be included in the Internal Audit Annual Report.

Independence

The Head of Internal Audit has free and unfettered access to the following:
- Chief Officer Team
- Chief Finance Officers at the OPFCC and Force;
- Chair of the JIAC; and
- Any other member of the Senior/Executive Team.

The independence of the contracted Head of Internal Audit is further safeguarded as their annual appraisal is not inappropriately influenced by those subject to internal audit.

To ensure that auditor objectivity is not impaired and that any potential conflicts of interest are appropriately managed, all internal audit staff are required to make an annual personal independence responsibilities declaration via the tailored 'My Compliance Responsibilities' portal which includes personal deadlines for:
- Annual Returns (a regulatory obligation regarding independence, fit and proper status and other matters which everyone in Mazars must complete);
- Personal Connections (the system for recording the interests in securities and collective investment vehicles held by partners, directors and managers, and their immediate family members); and
- Continuing Professional Development (CPD).

Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the JIAC. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for a period of at least 12 months.

External Auditors

The external auditors fulfil a statutory duty. Effective collaboration between Internal Audit and the external auditors will help ensure effective and efficient audit coverage and resolution of issues of mutual concern. Internal Audit will follow up the implementation of internal control issues raised by external audit if requested to do so by the OPFCC and Force.

Internal Audit and external audit will meet periodically to:
- Plan the respective internal and external audits and discuss potential issues arising from the external audit; and
- Share the results of significant issues arising from audit work.

Internal Audit Charter continued

Due Professional Care

The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK PSIAS; and
- All relevant legislation.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK PSIAS, on-going performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

A programme of CPD is maintained for all staff working on internal audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies to deliver the risk-based plan. Both the Head of Internal Audit and the Engagement Manager are required to hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

Performance Measures

In seeking to establish a service which is continually improving, we acknowledge it is essential that we agree measures by which Internal Audit should demonstrate both that it is meeting the OPFCC and Force's requirements and that it is improving on an annual basis. We will work to the measures outlined in the original Invitation to Tender, whilst we agree performance measures with the OPFCC and Force

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We take responsibility to the Office of the Police, Fire & Crime Commissioner for Northamptonshire for this report, which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Registered office: 30 Old Bailey, London EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.

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Agenda Item 7b

Northamptonshire Commissioner Fire & Rescue Authority

Internal Audit Operational Plan 2023/24 and Charter

Prepared by: Mazars LLP

Date: June 2023

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Contents

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01

Section 01:

Introduction

Introduction

An annual proposed Internal Audit Operational Plan has been prepared on behalf of the Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) for the period 1 April 2023 to 31 March 2024.

As part of fulfilling the Joint Internal Audit Committee's (JIAC) responsibilities, the JIAC require assurance that the Police, Fire & Crime Commissioner is focusing their attention on the key risks to the NCFRA and that they are receiving timely and effective assurance with regards to the management of those risks.

As Internal Audit is a one source of this assurance, Internal Audit have reviewed the NCFRA Risk Register with the aim of identifying where the NCFRA obtains this assurance and that the Internal Audit plan is suitably focused and aligned with other sources of assurance. The results of this exercise were considered when drawing the audit plan.

The purpose of this document is to provide the JIAC with the proposed 2023/24 Plan for consideration and approval.

In considering the document, JIAC is asked to consider:

• whether the balance is right in terms of coverage and focus;

• whether we have captured key areas that would be expected; and

• whether there are any significant gaps.

We are also seeking approval from JIAC for the Internal Audit Charter in Section 04, which we request on an annual basis. There are no changes from the Charter presented for approval last year.

Scope and Purpose of Internal Audit

IA's Role	The purpose of internal audit is to provide the Commissioner and Chief Fire Officer, through the JIAC with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the NCFRA's agreed objectives
IA Plan	Completion of the internal audits proposed in the 2023/24 Plan should be used to help inform the NCFRA's Annual Governance Statement.

Government accounting standards require Accounting Officers to make provision for internal audit in accordance with accordance with UK Public Sector Internal Audit Standards (PSIAS), as produced by the Internal Audit Standards Advisory Board. Within the NCFRA, the Police, Fire & Crime Commissioner and the Chief Fire Officer are the Accounting Officer and have responsibility for maintaining a sound system of internal control in the respective organisations.

Objective

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control.

Charter

We have included our Internal Audit Charter in Section 04. The Charter sets out terms of reference and serves as a basis for the governance of the NCFRA's IA function, establishing our purpose, authority, responsibility, independence and scope, in accordance with the Chartered Institute of Internal Auditor's (IIA) standards.

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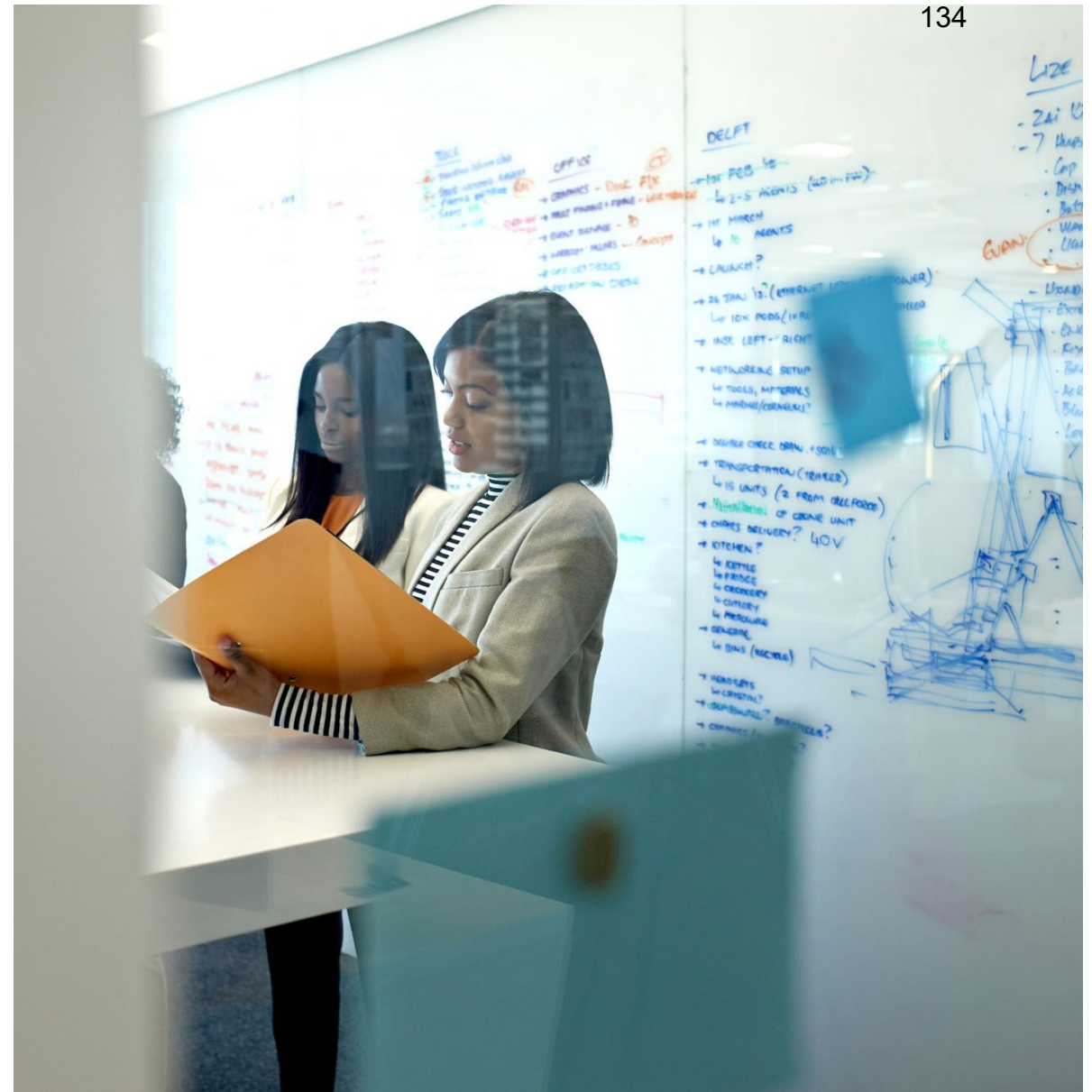
Preparing the Operational Plan for 2023/24 & future considerations

As part of our approach, it is important we consider organisation's strategic priorities, as well as the key strategic risks identified, as we seek to align our risk-based approach accordingly.

In preparing the Strategy update we have undertaken the following:

- Met with the NCFRA Chief Finance Officer, officers from Northamptonshire Fire & Rescue Service (NFRS), Enabling Services and the OPFCC during March 2023;

- Reviewed the outcomes of historic internal audit work;

- Reviewed the outcomes of 2022/23 internal audit work;

- Considered the latest assessment of risks facing NCFRA as detailed in the strategic risk register held by the OPFCC and the operational risk register held by NFRS;

- Considered areas which are not necessarily high risk (such as core operational controls), but where the work of internal audit can provide a tangible input to assurance; and

- Considered the results of internal audit across our wider client base.

The proposed 2023/24 Plan is included in Section 02. This also includes a proposed high level scope for each review and which will be revisited as part of the detailed planning for each review. Fieldwork dates for each of the audits, including presentation of finalised reports at future dates for JIAC meetings have been proposed for discussion and approval with the NFRS leads and the NCFRA Chief Finance Officer.

Preparing the Operational Plan for 2023/24 & future considerations (continued)

We have shortlisted the proposed reviews from a broader population of potential reviews. This will allow flexibility if there are changes required during the year. We have sought to prioritise against the key risks and for this reason, we can refer to the future considerations to discuss other potential internal audit areas for consideration within Section 02.

Prior to conducting each internal audit, we will undertake a more detailed planning meeting in order to discuss and agree the specific focus of each review. Following the planning meeting, we will produce Terms of Reference, which we will agree with NFRS contacts or the NCFRA Chief Finance Officer prior to commencement of the fieldwork.

The results of our work will be communicated via an exit meeting. A draft report will then be issued for review and management comments and in turn a final report issued. Final reports as well as progress against the plan will be reported to each JIAC.

Following completion of the planned assignments and the end of the Financial Year, we will summarise the results of our work within an Annual Report, providing an opinion on NCFRA's governance, risk management and internal control framework.
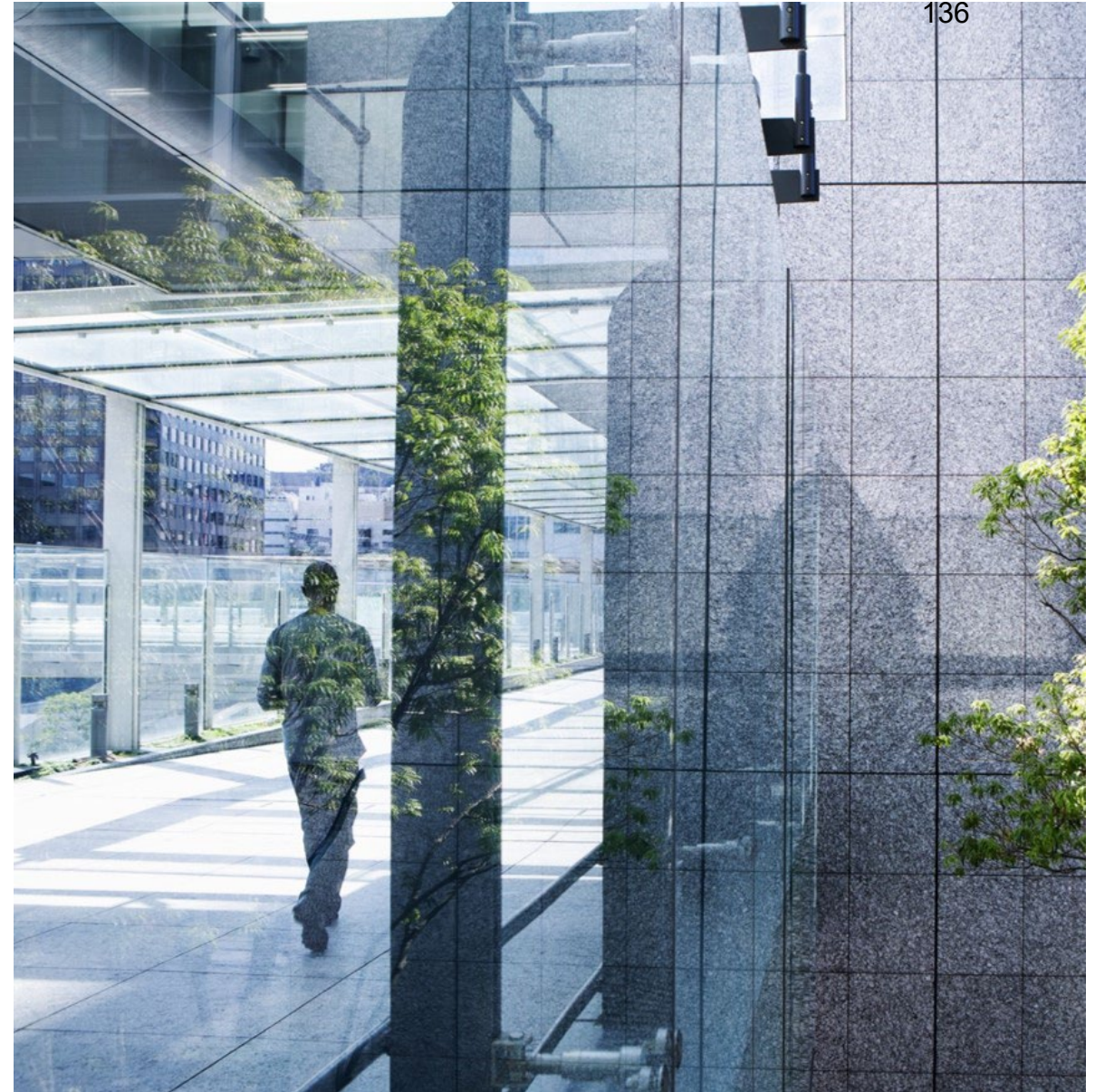
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02

Section 02:

Internal Audit Operational Plan 2023/24

Internal Audit Operational Plan 2023/24

An overview of the Internal Audit Operational Plan 2023/24 is set out below and the following pages set out the rationale and indicative scope for the internal audits identified.

Proposed Summary Operational Plan for Approval				
Audit Area	**Days**	**NCFRA Sponsor**	**Target Start Date**	**Target JIAC**
Risk Based Considerations				
Core Financials	20	Chief Finance Officer	Q3	March 2024
Payroll	10	Chief Finance Officer	Q2	October 2023
Risk Management	8	OPFCC Director of Delivery / Assistant Chief Fire Officer	Q1	July 2023
EDI Plan	8	Joint Assistant Chief Officer for Fire and Police	Q3	March 2024
Grievance Policy & Procedure	8	Joint Assistant Chief Officer for Fire and Police	Q3	March 2024
New System Assurance	8	Chief Finance Officer	Q3/Q4	July 2024
Information Technology				
Disaster Recovery	8	Joint Assistant Chief Officer for Fire and Police	Q3/Q4	July 2024
Asset Management	8	Joint Assistant Chief Officer for Fire and Police	Q3/Q4	July 2024
Management and Reporting Activities				
Management	14	Chief Finance Officer	Ongoing	N/A
Contingency	0		As requested	As requested
Total	**92**			

Internal Audit Operational Plan 2023/24

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2023/24 is detailed below, alongside a indicative high-level scope. Please note that the detailed scope of each audit will be discussed and agreed with the relevant sponsor prior to the commencement of fieldwork. We have listed the associated risks per the NCFRA Risk Registers for each audit where applicable.

Core Financials

To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the core financial systems. The scope of the work will include, but not be limited to:

- Policies and procedures
- Access controls
- Amendments to standing data
- Reconciliations
- Authorisation routines
- Reporting

The aim is to complete this audit around six months into the NCFRA usage of a new financial system.

136 & 137 Uncertainty of Funding

Payroll

To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the payroll systems. The scope of the work will include, but not be limited to:

- Policies and procedures
- Access controls
- Amendments to standing data
- Payroll Processing Reporting
- Authorisation routines
- Journals and Reconciliations

136 & 137 Uncertainty of Funding

Risk Management

A cyclical audit is undertaken to provide assurance that the NCFRA have robust systems in place for the effective management of strategic and operational risks facing the organisation.

Grievance Policy & Procedure

HMICFRS and other inspectorates have identified several areas for improvements within NFRS in regards to staff grievance processes.

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Internal Audit Operational Plan 2023/24 (Continued)

New Systems Assurance

As NCFRA transfers payroll from West Northamptonshire Council (formally LGSS via Northamptonshire County Council) to an in-house provision, the audit will focus on the controls in place, project management and the transfers of any key financial balances and personnel data.

Disaster Recovery

This will be completed by our IT specialists and provide assurance over the disaster recovery plans and processes for the IT systems at the Authority.

Asset Management

This will be completed by our IT specialists and provide assurance over the IT Asset Management processes and controls at the Authority.

EDI Plan

NCFRA has implemented a new EDI plan in 2022/23 and the focus of this audit would be to provide assurance regarding compliance with this plan.

Contingency

Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work requested by management and the JIAC.

Management

Resources for client and external audit liaison.

For example, preparation and attendance at JIAC, strategic and operational planning, meetings with NCFRA Chief Officer Team/Chair of JIAC, preparation of the Internal Audit Opinion, Annual Internal Audit Plan and other reports to the JIAC, etc

03

Section 03:

Future Considerations 2023/24 Onwards

Future Considerations 2024/25 Onwards

Audit discussed a wide range of possible audits for inclusion within the 2023/24 and through discussion with management agreed upon a priority based approach the audits that are presented in the 2023/24 Internal Audit Operational Plan. Whilst annually the plan will be reviewed audit have listed the audits that have been earmarked for future consideration:.

Future Considerations	
Auditable Area	**Commentary**
Governance	*The corporate governance framework NCFRA, OPFCC and Northamptonshire Police has been revised into a single Corporate Governance framework with similar delegations and controls. Furthermore, NCFRA have moved on to shared systems with the Police in 2023/24 and payroll will also move in 24/25.* *Given the new audit appointment from 2023/24 for NCFRA, it is felt that this audit would be more effective within 2024/25 after Mazars have had a full year to build knowledge and experience of the organisation being audited.*
Data Quality	*Following up on an audit from September 2021, changes in reporting and following the TUPE of staff to the shared Enabling Services team, there is a risk of accurate data not being available in a timely fashion for evidence-based decision making and for internal/external reporting. This audit would be more effective in 24/25 once these change have been embedded.*
Asset Management	*Following on from an audit from February 2021, there have been significant changes in IT Asset Management including a move to Avanti. There are still issues with the condition and replacement programme but working is being carried out to address this. Therefore an audit may be more suited to 2024/25.*
Emergency Cover Review	*A new operation model for the Emergency Cover Review (ECR) is being developed for November 2023. Therefore an audit for 2024/25 may be more effective, once the new model has been embedded. This would focus on delivery, compliance, effectiveness and alignment with statutory requirements.*
Safeguarding	*Following on an audit from 2021/22 with limited assurance, there have been changes implemented to address issues identified. Once this are embedded, an audit within the 24/25 audit plan would be appropriate.*

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04

Section 04:

Internal Audit Charter

Internal Audit Charter

The Internal Audit Charter sets out the terms of reference and serves as a basis for the governance of the NCFRA Internal Audit function. It sets out the purpose, authority and responsibility of the function in accordance with the UK Public Sector Internal Audit Standards (PSIAS).
The Charter will be reviewed and updated annually by the Engagement Lead for Internal Audit for the NCFRA ('Head of Internal Audit').

Nature and Purpose
The NCFRA are responsible for the development of a risk management framework, overseen by the JIAC, which includes:
* Identification of the significant risks in the NCFRA programme of activity and allocation of a risk owner to each;
* An assessment of how well the significant risks are being managed; and
* Regular reviews by the Senior/Executive Team and the JIAC of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the risk profile.

A system of internal control is one of the primary means of managing risk and consequently the evaluation of its effectiveness is central to Internal Audit's responsibilities.

The NCFRA's systems of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support each organisation's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable each organisation to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Senior/Executive Team. The NCFRA needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the NCFRA's business. There are also many assurance providers. The NCFRA should, therefore, develop and maintain an assurance framework which sets out the sources of assurance to meet the assurance needs of its stakeholders.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework (IPPF) as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'

Internal Audit carries out assurance and consulting activities across all aspects of the OPFCC and NCFRA's business, based on a programme agreed with the JIAC, and coordinates these activities via the assurance framework. In doing so, Internal Audit works closely with risk owners, and the Senior/Executive Team.

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the OPFCC and NCFRA's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the Senior/Executive Team and management in relevant departments. The independent assurance provided by Internal Audit also assists the OPFCC and NCFRA to report annually on the effectiveness of the system of internal control included in the Annual Governance Statements.

Authority and Access to Records, Assets and Personnel
Internal Audit has unrestricted right of access to all OPFCC and NCFRA records and information, both manual and computerised, and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter business property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the JIAC.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities. Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.

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Internal Audit Charter continued

Responsibility

The Head of Internal Audit is required to provide an annual opinion to the NCFRA, through the JIAC, on the adequacy and the effectiveness of the NCFRA's risk management, control and governance processes. In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers as needed (such as the external auditors) such that the assurance needs of NCFRA and other stakeholders are met in the most effective way.
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the NCFRA's business based on a risk-based plan agreed with the JIAC.
- Provide the Board with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the JIAC and the Senior/Executive Team summarising results of assurance activities.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within NCFRA to aid the prevention and detection of fraud;
- Assist in the investigation of allegations of fraud, bribery and corruption within NCFRA and notifying management and the JIAC of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the JIAC. Responsibility for remedial action in response to audit findings rests with line management.

There are inherent limitations in any system of internal control and thus errors or irregularities may occur and not be detected by Internal Audit's work.

When carrying out its work, Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action. However, Internal Audit cannot absolve line management of responsibility for internal controls.

Internal Audit will support line managers in determining measures to remedy deficiencies in risk management, control and governance processes and compliance to the NCFRA's policies and standards and will monitor whether such measures are implemented on a timely basis.

The JIAC is responsible for ensuring that Internal Audit is adequately resourced and afforded a sufficiently high standing within the organisation, necessary for its effectiveness.

Scope of Activities

As highlighted in the previous section, there are inherent limitations in any system of internal control. Internal Audit therefore provides the Senior/Executive Team and the Board through the JIAC with reasonable, but not absolute, assurance as to the adequacy and effectiveness of NCFRA governance, risk management and control processes using a systematic and discipline approach by:

- Assessing and making appropriate recommendations for improving the governance processes, promoting appropriate ethics and values, and ensuring effective performance management and accountability;
- Evaluating the effectiveness and contributing to the improvement of risk management processes; and
- Assisting NCFRA in maintaining effective controls by evaluating their adequacy, effectiveness and efficiency and by promoting continuous improvement.

The scope of Internal Audit's value adding activities includes evaluating risk exposures relating to NCFRA's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

Reporting

For each engagement, Internal Audit will issue a report to the appropriate senior management and business risk owner, and depending on the nature of the engagement and as agreed in the engagement's Terms of Reference, with a summary to the Senior/Executive Team and the JIAC.

The UK PSIAS require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:
- The annual risk-based plan is compiled by the Head of Internal Audit taking account of the NCFRA's risk management / assurance framework and after input from members of the Senior/Executive Team. It is then presented to the Senior/Executive Team and JIAC annually for comment and approval.
- The internal audit budget is reported to the JIAC for approval annually as part of the overall budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the JIAC.
- Performance against the annual risk-based plan and any significant risk exposures and breakdowns, failures or weaknesses of internal control systems arising from internal audit work are reported to the Senior/Executive Team and JIAC on a regular basis.
- Any significant consulting activity not already included in the risk-based plan and which might affect the level of assurance work undertaken will be reported to the JIAC.
- Any significant instances of non-conformance with the Public Sector Internal Audit Standards will be reported to the Senior/Executive Team and the JIAC and will be included in the Internal Audit Annual Report.

Independence

The Head of Internal Audit has free and unfettered access to the following:
- Chief Officer Team
- Chief Finance Officers at the NCFRA;
- Chair of the JIAC; and
- Any other member of the Senior/Executive Team.

The independence of the contracted Head of Internal Audit is further safeguarded as their annual appraisal is not inappropriately influenced by those subject to internal audit.

To ensure that auditor objectivity is not impaired and that any potential conflicts of interest are appropriately managed, all internal audit staff are required to make an annual personal independence responsibilities declaration via the tailored 'My Compliance Responsibilities' portal which includes personal deadlines for:
- Annual Returns (a regulatory obligation regarding independence, fit and proper status and other matters which everyone in Mazars must complete);
- Personal Connections (the system for recording the interests in securities and collective investment vehicles held by partners, directors and managers, and their immediate family members); and
- Continuing Professional Development (CPD).

Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the JIAC. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for a period of at least 12 months.

External Auditors

The external auditors fulfil a statutory duty. Effective collaboration between Internal Audit and the external auditors will help ensure effective and efficient audit coverage and resolution of issues of mutual concern. Internal Audit will follow up the implementation of internal control issues raised by external audit if requested to do so by the NCFRA.

Internal Audit and external audit will meet periodically to:
- Plan the respective internal and external audits and discuss potential issues arising from the external audit; and
- Share the results of significant issues arising from audit work.

Internal Audit Charter continued

Due Professional Care

The Internal Audit function is bound by the following standards:
- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK PSIAS; and
- All relevant legislation.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK PSIAS, on-going performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

A programme of CPD is maintained for all staff working on internal audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies to deliver the risk-based plan. Both the Head of Internal Audit and the Engagement Manager are required to hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.

Performance Measures

In seeking to establish a service which is continually improving, we acknowledge it is essential that we agree measures by which Internal Audit should demonstrate both that it is meeting the NCFRA's requirements and that it is improving on an annual basis. We will work to the measures outlined in the original Invitation to Tender, whilst we agree performance measures with the NCFRA.

Contacts

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We take responsibility to the Office of the Police, Fire & Crime Commissioner for Northamptonshire for this report, which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

mazars

AGENDA ITEM 9

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE

19th July 2023

REPORT BY	Risk & Business Planning Manager Julie Oliver
SUBJECT	Internal Audit Recommendations Summary Report
RECOMMENDATION	Committee to note report

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on the status of actions arising from recommendations made in internal audit reports.

1.2   The report contains actions arising from audits of both Northamptonshire Fire and Rescue Service and the Office of Northamptonshire Police and Crime Commissioner.

1.3   This report includes an update on recommendations on all internal audit reports which have been issued as final as at the time of writing the report.

2   OVERVIEW

2.1 **2020/21 Audits**

- All actions are now completed

2.2 **2021/22 Audits**

- 2 actions remain outstanding and are overdue.

2.3 **2022/23 Audits**

- 8 Internal audits for 2022/23 have received final reports.
- 25 Recommendations have been made so far

2.4 The attached Summary of Internal Audit Recommendations Report shows details and the current status of all open audit actions.

2.5 The Fire Executive Board has oversight of all outstanding audit actions and directs the activities required to complete any actions that have passed their targeted implementation date.

List of Appendices

Appendix 1: Internal Audit recommendations v9.6

INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

Summary of Audit Outcomes

Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance, Good Assurance or Substantial Assurance for adequacy of system and compliance.

Likelihood					The Agreed Actions are categorised on the following basis:	
H	S	I	E			
M	S	I	E		**Essential**	Action is imperative to ensure that the objectives for the area under review are met.
L		S	I		**Important**	Requires action to avoid exposure to significant risks in achieving objectives for the area under review.
	L	M	H		**Standard**	Action recommended enhancing control or improving operational efficiency.
		Impact				

2020/21

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	**Important**	**Standard**
Grenfell Tower Fire Inquiry Phase 1 Action Plan	October 2020	Good	Good	Minor	0	0	3
Asset Management	February 2021	Satisfactory	Limited	Moderate	3	10	2
C19 contract and spend analysis	February 2021	Good	Satisfactory	Minor	1	3	0
Financial Controls Environment Q1,2 &3	May 2021	Satisfactory	Limited	Major	2	0	2
Procurement and Stock Control	May 2021	Satisfactory	Limited	Moderate	5	5	0
Key Policies	May 21	Good	Good	Minor	0	2	3
Organisational Governance	June 21	Good	Good	Minor	0	0	1
ICT Governance	June 21	Satisfactory	Satisfactory	Minor	0	5	0
Target Operating model	June 21	Good	Good	Minor	0	0	1
MTFP and Budget Management	June 21	Good	Good	Minor	0	0	1
Accounting systems AP/AR	June 21	Good	Good	Minor	0	0	3
Payroll	August 21	Good	Satisfactory	Minor	0	4	2

Internal Audit recommendations v9.6

2021/22

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	Important	Standard
Target Operating Model ('Golden Thread' and the verification of Data Quality)	September 21	Limited	Limited	Moderate	2	0	0
Equipment Maintenance and Testing	November 21	Good	Satisfactory	Minor	2	4	4
ICT Disaster Recovery	December 21	Limited	Limited	Moderate	0	10	0
NCFRA Organisational Governance	December 21	Good	Good	Minor	0	1	0
HR Improvement Plan	March 22	Good	Not Awarded	Minor	0	1	0
Key Policies and Procedures	March 22	Good	Good	Minor	0	0	1
Financial Control Environment	March 22	Good	Good	Not awarded	0	0	0
MTFP and Budget Management	March 22	Good	Good	Minor	0	1	0
Acc Payable & Acc Receivable	May 2022	Good	Good	Minor	0	2	3
Payroll	May 2022	Good	Satisfactory	Minor	1	2	0
TOM – Performance Management	June 2022	Good	Good	Minor	0	0	0

2022/23

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	Important	Standard
Safeguarding policy & procedures	December 2022	Satisfactory	Limited	Moderate	4	1	2
Organisational Governance – Core Code of Ethics	January 2023	Good	Satisfactory	Minor	0	2	1
MTFP & Budget Management	January 2023	Good	Satisfactory	Moderate	1	0	0
Financial Control Environment	February 2023	Substantial	Substantial		0	0	0
Payroll	April 2023	Good	Satisfactory	Minor	1	5	0
Ap/AR	April 2023	Good	Good	Minor	0	2	1
Project Management	May 2023	Good	Satisfactory	Minor	0	2	0
People and Data	July	Good	Satisfactory	Minor	0	2	0

Summary of Audit Recommendations Progress

This table shows a summary of the progress made on new audit recommendations raised at each JIAC during the current year and annual totals for previous years where audit recommendations are still active.

Internal Audit recommendations v9.6

2020/21 AUDITS	RECOMMENDATIONS MADE	Essential	Important	Standard
Grenfell Tower Fire Inquiry Phase 1 Action Plan	3		CLOSED	
Asset Management	15		CLOSED	
C19 contract and spend analysis	4		CLOSED	
Financial Controls Environment Q1,2 &3	4		CLOSED	
Procurement and Stock Control	10		CLOSED	
Key Policies	5		CLOSED	
Organisational Governance	1		CLOSED	
ICT Governance	5		CLOSED	
Target Operating model	1		CLOSED	
MTFP and Budget Management	1		CLOSED	
Accounting systems AP/AR	3		CLOSED	
Payroll	6		CLOSED	
Totals	**58**	**11**	**29**	**18**

2021/22 AUDITS	RECOMMENDATIONS MADE	Essential	Important	Standard
Target Operating Model ('Golden Thread' and the verification of Data Quality)	2	2	0	0
Equipment Maintenance and Testing	10		CLOSED	
ICT Disaster Recovery	10	0	1	0
NCFRA Organisational Governance	1		CLOSED	
HR Improvement Plan	1		CLOSED	
Key Policies and Procedures	1		CLOSED	
Financial Control Environment	0		CLOSED	
MTFP and Budget Management	1		CLOSED	
Acc Payable & Acc Receivable	5		CLOSED	
Payroll	3		CLOSED	
TOM – Performance Management	0		CLOSED	
Totals	**34**	**5**	**21**	**8**

Internal Audit recommendations v9.6

2022/23 AUDITS	RECOMMENDATIONS MADE	Essential	Important	Standard
Safeguarding Policy & Procedures	7	4	1	2
Organisational Governance – Core Code of Ethics	3	0	2	1
MTFP & Budget Management	2	2	0	0
Financial control environment	0	N/A		
Payroll	6	1	5	0
Ap/AR	3	0	1	2
Project Management	2	0	2	0
People Data	2	0	2	0
Totals	**25**	**7**	**13**	**5**

OUTSTANDING RECOMMENDATIONS

Key to Status		Action completed since last report		Action ongoing		Action outstanding and past its agreed implementation date		Action no longer applicable or superseded by later audit action

<u>2020/21</u>

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
14	**WEAKNESS:** The Equipment Manager advised that Redkite EMS does not have the functionality to update records e.g. when an asset has been reported as lost and then it is found. **RISK:**	**RECOMMENDATION:** Redkite requires a thorough data cleanse to be completed to ensure all assets are recorded fully and accurately. **MANAGEMENT COMMENTS:** Agreed	**Important**	28.4.21. LF update. This is ongoing and part of the wider Red Kite review and change to ways of working 9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. Action on target for completion date. **15.9.21** – LF update – On-going work to cleanse the red kite system is being undertaken by the fleet and stores department. This will be further supported by the appointment of the PM once we fully understand the outcomes from the current equipment audit, which will complete the triangle associated with Red Kite (stores, assets and equipment) **7.2.22** LF to check with HK that this can be closed. Process in place.	Head of Joint Transport and Logistics 31 March 2022 31st March 2023 **Completed**	

| Assets are not accurately recorded on the system. | | | April 22 – LF - This item needs to remain open to track the data cleanse element. Another 12 months required.
5.7.22 LB update – Still on schedule
25.11.22 LF update - Work on going. Remains on schedule
01/07/2023 LF Update. We now have in place the updated FB 27 process where an item is identified and then reported. The FB 27 process actions an investigation into the missing assets and any outcome is now updated on the Red Kite system by the Equipment Admin.
I am happy this action is now closed, as the process is in place and working. The data cleanse is still on-going and this will be supported by the planned station audits that will begin to take effect in the near future. | | |

2021/22

Target Operating Model ('Golden Thread' and the verification of Data Quality) – September 21

	Issue	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	The data storage and performance reporting system, BIRT, is no longer useable due to lack of upgrades to the system over the years and a lack of communication by/with the supplier regarding the change of operating	NCFRA should progress with an approved solution and implementation of a system that enables fire and rescue service performance data to be collated, manipulated and produced that is timely, accurate and reliable as a matter of priority. The system should also allow for independent verification of the accuracy and	**Essential**	FEG paper to proceed was approved in September's FEG. Proposal has now gone to PFCC for funding approval. Once approved a pilot will be run. A post pilot evaluation will take place to agree the operating system required. The Chief Digital Officer anticipates full implementation by March 22 **06.01.22 –** Due to Analyst team reducing to one person, request to change date to 31 Dec 22. **11.7.22** KB update - Interrogation of systems & processes has determined that NFRS required an architecture review for digital information and performance data recording, collecting and presenting to facilitate understand the short and long-term solutions. This will run in parallel to the	Area Manager Business Services – Kerry Blair Chief Digital Officer – Clare Chambers 31st March 2022 New date 31st Dec 22 New Date	

| system from Oracle to SQL express. | completeness of the outputs. | | | Power Bi pilot. A capacity review is required to enable this work to be further prioritised - Clare and Kerry are meeting to agree how to expedite this work.
19.10.22 CC update (Acc B) Completion of BI Pilot by 31.03.23, but not a complete end-to-end business intelligence solution.
24.11.22 - KB update: Power Bi is due to be installed in Dec 22. CC Update - Progressing as planned.
29.03.22 – CC update: Good progress has been made after a delay from the supplier in Jan. Azure landing zone is in place. W/C 17 April 2023 the data warehouse element is scheduled to take place. This will take c. 3 weeks to complete.
01/07/23 Mick Berry Update. Good progress is still being made. However due to change in staff a delay is foreseen and a request to extend completion until December 2023
Request extension until end of December 2023 | 31st May 2023

Request extension until end of December 2023 | |

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
9	The NCFRA BCP did not provide a definition of how much data, the organisation is willing to lose for critical systems, in terms of in time (Recovery point	NCFRA should review the benefits of defining Recovery Point Objectives for critical systems in the ICT BCP.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – because full review by Head of Digital Business has not yet commenced (Jun 22) this action has not yet been completed. Head of Digital Business started on 21 Feb 22. Request extension to end of Aug 22 **5.7.22** YH - On schedule **9.9.22** YH action completed. Joint police Fire BCP to be planned in 2023	31st March 2022 New date 31st August 2022	

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objective) in the event of a disaster. Risk: Loss of data impacts on NCFRA operations		practices will change.		**19.10.22** CC update (Acc B) Combined BCP across Police & Fire scheduled for June 23. The Enterprise Architecture repository will detail precisely what data is where, & then recovery point objectives can be agreed with the organisations, along with the entire joint BCP. **24.11.22** CC Update – Enterprise Architecture repository content is progressing as planned.	New date 31st June 2023

2022/23

Safeguarding Policy and Procedures – December 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
3	Weakness: Recruitment policies and procedures had been in the process of being updated for a considerable length of time. Risk – • Harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS.	The service should include a Safer Recruitment Policy as part of the implementation of revised recruitment policies and procedures.	Agreed	**Essential**	HR Business Partner	31 March 2023	

Safeguarding Policy and Procedures – December 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
4	Weakness NFRS did not have a centralised system in place to ensure that DBS check records were held for all posts that require a DBS, the current system places the responsibility with line managers. Risk – • Risk of harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS.	A more robust system for record keeping and monitoring of DBS information should be introduced to ensure compliance with NOG, NFRS safeguarding policies, and relevant legislation.	Agreed, albeit this requires new processes and systems putting in place, and decisions need to be taken on how to deal with retrospective checks.	**Essential**	HR Business Partner	30th June 2023	

Safeguarding Policy and Procedures – December 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
5	Weakness: There was no evidence that the Chief Fire Officer/ Assistant Chief Fire Officer had authorised the appointment of any of the applicants on the sample of Disclosure Risk Assessment Records reviewed. Risk – • Risk of harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS.	Disclosure Risk Assessment Records should be completed in their entirety, including Section C, HR Advice and Management Authorisation prior to an applicant starting in post.	Agreed. This links to the above action about processes.	**Essential**	HR Business Partner	30th June 2023	

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Safeguarding Policy and Procedures – December 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
6	**Weakness** Copies of approval to start employment before DBS clearance provided by the HR Business Partner had not been approved by the Chief Fire Officer/ Assistant Chief Fire Officer. **Risk** • Risk of harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS.	The form for the Chief Fire Officer/Assistant Chief Fire Officer to approve a member of staff starting employment before DBS clearance should be completed in its entirety prior to an applicant starting in post.	Agreed – Links to 4 and 5 above	**Essential**	HR Business Partner	30th June 2023	

Organisational Governance – Core Code of Ethics – January 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	**Weakness** The A26 Resolving Workplace concerns had not been updated to reference the Core Code of Ethics. **Risk** NCFRA suffers negative reputational and legal compliance through staff not complying.	The A26 Policy should be reviewed and updated appropriately to reference the Core Code of Ethics and the Service Values	Leo Holmes (senior EDI officer) to update policy and issue for consultation and then publication HR are reviewing policies and putting a plan in place with owners to update	**Important**	Leo Holmes (senior EDI officer) Manjit Sohal HR Business Partner	30th April 2023 30th April 2023	

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Organisational Governance – Core Code of Ethics – January 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	Weakness Not all members of staff had opened the EDI development objective on their PDR and changed it to 'in progress.' Risk NCFRA suffers negative reputational and legal compliance through staff not complying.	All staff should be reminded to update the PDR system appropriately, read and understand the EDI activities they need to deliver for the performance objective. This should be monitored, and actions taken to address this issue with those not complying.	Leo Holmes (senior EDI officer) to liaise with HR (who own PDR) to ensure staff are reminded to update the PDR system, read, and understand the EDI activities they need to deliver for the performance objective.	**Important**	Leo Holmes (senior EDI officer) with HR	30th April 2023	

MTFP & Budget Management – January 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	Weakness The current Cover Model budget is not aligned to the MTFP. requirements and funding. Risk Ineffective financial management by budget holders.	All budgets should be aligned to the MTFP requirements and funding.	Agreed. The PFCC has agreed that the Cover Model should be reviewed.	**Essential**	Assistant Chief Fire Officer, Community Risk Head of the Joint Finance Team 1.3.23 NA update – with the approval of the next MTFP 31.3.2024	31st Jan 2023 New date 31st March 2024	

Internal Audit recommendations v9.6

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	**Weakness** - Testing highlighted that starter information was not always being submitted to WNC in a timely manner before the employment start date which has resulted in contracts of employment being sent out after the starters had commenced their employment. **Risk** - Inappropriate or inaccurate payroll payments made	Paperwork relating to new employees should be submitted to WNC on a timely basis to ensure that there is sufficient time to enable the processing of the starter paperwork, independent checks to be undertaken and contract of employment issued prior to the employment start date.	Accepted, communications will be issued to remind managers of the impacts of delaying starter information both from a risk and relationship perspective.	**Important**	Rob Porter & Nick Alexander	31st May 2023	

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	**Weakness** - Testing highlighted that the date the evidence was seen and by whom as proof of right to work in the UK had not been detailed on all documents reviewed. **Risk** - Non-compliance with statutory Home Office guidance	In accordance with the Recruitment and Selection A43 Policy, recruiting managers must take a copy of the original evidence provided by the applicant as proof of their right to work in the UK and record the date that they took a copy.	Accepted, communications around managers responsibilities will be issued, however, given that all new starters are now either DBS checked or vetted (dependent on the role/ building), the corporate responsibility has now shifted to the organisation to ensure that checks have been completed and are accepted	**Important**	Rob Porter	31st May 2023	

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		before employment. Therefore it is intended that we will remove this section from the policy & we will no longer expect managers to compulsorily check UK workers details.				

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
3	**Weakness** -Testing highlighted that there was no evidence that right to work in the UK checks had been undertaken prior to the start date of employment. **Risk** -Non-compliance with statutory Home Office guidance	In accordance with Home Office requirements, right to work in the UK checks must be undertaken before any successful candidate is employed.	Accepted, however, as per item 2, this requirement will be shifted to the employer when completing DBS & vetting requirements to ensure that right to work has been reviewed.	**Essential**	Rob Porter	31st May 2023	

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
4	**Weakness** - Testing highlighted that a leaver had not been notified to WNC in a timely manner. **Risk** - Overpayments of salaries being made	All FB49 forms should be submitted to WNC in a timely manner to allow for the leaver paperwork to be processed and independently checked before the final date of employment.	Accepted, as per item 1, a communication will be issued to managers around the importance of checking and submitting paperwork on a timely basis to avoid overpayments (in this instance)	**Important**	Rob Porter & Nick Alexander	31st May 2023	

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Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
5	**Weakness** - Testing highlighted that one mileage claim had been paid without evidence of a VAT receipt. **Risk** - Non-compliance with statutory HMRC guidance.	All mileage claims should be submitted with a supporting VAT receipt for fuel in accordance HMRC requirements. Authorising managers should be reminded not to approve claims without the appropriate evidence being provided by the claimant.	Accepted, communications will be issued around the requirement and reasons for including a receipt with mileage claim. Furthermore, as the new system is developed & work is passed to Enabling Services it will be sought and communicated that backing evidence will be mandatory in the system for all mileage claims (where VAT is payable, i.e. non electric) & furthermore additional audit spot checks for compliance will be implemented to ensure adherence to the requirements.	**Important**	Nick Alexander Nick Alexander	31st May 2023 30th April 2024	

Internal Audit recommendations v9.6

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
6	**Weakness** - Testing highlighted that incorrect and/or late data had been submitted by Managers where changes to employment had occurred. **Risk** - Inappropriate or inaccurate payroll payments made.	Line Managers should be reminded of the need for timely notification of any changes to employment status to WNC in order to minimise the risk of over/underpayments occurring.	Accepted, as per item 1, a communication will be issued to managers around the importance of checking and submitting paperwork on a timely basis to avoid overpayments (in this instance)	**Important**	Rob Porter & Nick Alexander	31st May 2023	

AP/AR – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	**Weakness** - Monitoring of spend with suppliers under contract was not being maintained effectively and there was insufficient review of spends with suppliers in excess of £25,000. **Risk** - Lack of budgetary control and compliance with NCFRA CGF.	All budget managers should be reminded of the NCFRA CGF rules for Procurement of Goods and Services. A report should be run from ERP on a regular basis to review spend with each supplier to identity spending with a supplier in excess of £25,000. The report should be compared against the Contracts Register and Pipeline document to identify if there are any gaps in contracting, contracts requiring variation or the need to undertake a full	A communication will be issued to remind staff of the CGF requirements. Budget Holders & requisitioners had training w/c 20th March which included commercial training on the CGF, thresholds and cumulative spend to ensure a refresher of the information for all relevant staff to underpin the communication. From 1st April Commercial will have direct approval rights within the financial system to	**Important**	Nick Alexander & Leanne Hanson	31st July 2023	

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procurement tendering exercise.	consider spend prior to purchase. The new system will allow for improved annual spend to enable other spend approaching £25k across a supplier at organisational level				

AP/AR – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	**Weakness** - Requisitions were being raised retrospectively. **Risk** - Lack of budgetary control and compliance with NCFRA CGF.	In accordance with D3 Ordering of Goods and Services within the NCFRA CGF, all staff responsible for procurement should be reminded that requisitions should be raised at the time of placing the order and not on receipt of the goods/services or invoice. Budget Managers /Joint Finance Team should run the retrospective order report from ERP Gold on a monthly basis and ascertain the reasons for non compliance with the requistioner(s). If a requisition is raised for emergency works, such as repairs to essential equipment or buildings, this	It is expected that some purchase orders will continue to be raised retrospectively, however, this will be monitored and minimised via the retrospective order report. Where orders are not as a result of operational 'out of hours' calls we will ensure that training with those individuals is conducted and financial oversite of the transaction is completed (reviewed by a member of the finance or commercial team to ensure that it is contractually compliant or has been signed off to be outside of the CGF rules. We will monitor those transactions and where possible we will change orders	**Standard**	Nick Alexander	30th September 2023	

Internal Audit recommendations v9.6

		should be clearly detailed as such on the requisition raised on ERP Gold.	to blanket orders to cover operational requirements.				

AP/AR – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
3	Weakness 'Blanket' requisitions had been raised on ERP Gold to be 'called off' against during 2022/23. There was no evidence to confirm that these suppliers were offering best value for money or where a contract is in place, that the contract number has been referred to when raising the requisition. Risk Lack of budgetary control and compliance with NCFRA CGF.	In accordance with the NCFRA CGF, all orders should be supported by written evidence that confirms that value for money has been obtained. Contract numbers should be quoted on requisitions, where appropriate. Any non-adherences with this requirement must be documented and attached to the requisition raised on ERP Gold.	Within the new financial system post 1st April, it is expected that all orders will have to require evidence of supporting documentation for the purchase & approvers are expected to check and analyse this as part of the approval process. Where those purchases are more than £25k commercial will review these. During the new user training for the w/c 20th March, approvers were reminded of this.	**Standard**	Nick Alexander	30th May 2023	

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Project Management – May 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	Weakness The level of the Competency Based Training Framework project was not identified. No formal Project Board meetings were held for the project. Risk The Commissioner, S151 Officer and Chief Fire Officer do not have clear oversight of key organisational / operational issues that both provides positive assurance that controls operate effectively and proactively identifies any areas of weakness. The project information and outcomes are not robust and cannot be relied on to support effective costs and benefits to the service	In accordance with the Project Management Framework, the level of the project should be identified at the outset of each project. A project board should be appointed for all level 1 projects to monitor the costs and benefits of the project to the service.	All AM's and equivalents and GM's and equivalents to be contacted to reinforce the following points – • requirement to refer to the Project Management Framework when considering any new piece of work to identify whether workstream should be progressed as a project to support successful delivery.	**Important**	Programme Manager	31st May 2023	

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Project Management – May 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	Weakness The document approval section of the Project Closure/Evaluation Report has not been completed. Risk The Commissioner, S151 Officer and Chief Fire Officer do not have clear oversight of key organisational / operational issues that both provides positive assurance that controls operate effectively and proactively identifies any areas of weakness. The project information and outcomes are not robust and cannot be relied on to support effective costs and benefits to the service.	In accordance with the Project Management Framework, the Project Closure/Evaluation report should be approved by the Project Executive for each project developed.	All AM's and GM's to be contacted to reinforce the following points – • Project SRO to ensure compliance with Project Management Framework for appropriate project closure and evaluation. (inc. follow up documentation capturing evaluation and outcomes) • SRO to review CBTF project and review closure and evaluation	**Important**	Programme Manager AM Operational Support	31st May 2023 30th sept 2023	

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People – July 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	Weakness The response rate from the sample of personnel selected to check their people data was only 38%. Risk Inaccurate recording and maintenance of people data. It cannot be assured that the people data recorded is accurate, complete and consistently recorded for all NCFRA personnel	Given the poor response rate to the sample undertaken by Internal Audit, NCFRA should instigate a 100% check of people data held on both ERP Gold and Firewatch to ensure that the data held on the systems is accurate, complete and consistently recorded for all members of personnel.	This will be picked up as part of the move from ERP Gold and WNC to Enabling Services and Unit 4. We will look into the possibility of a technological system in order for all to check their personal details. Each person affected by the move from WNC to ES will need to be informed of the change and have a face to face meeting to agree to the changes – this action could also be tackled by these meetings. As part of a campaign, all employees will be written to, to encourage them to declare their protected characteristics. This will also allow us to fill gaps in this area	**Important**	June Withey	1st April 2024	

Internal Audit recommendations v9.6

People – July 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	Weakness NCFRA personnel were not always able to access their personal data on Firewatch system to check accuracy. Risk Inaccurate recording and maintenance of people data. It cannot be assured that the people data recorded is accurate, complete and consistently recorded for all NCFRA personnel.	NCFRA/Joint Enabling Services to investigate the reason(s) for the access issues and resolve them as part of the data migration project to ensure that people data transferring onto the new system is accurate, complete and consistently recorded for all members of personnel	This will be picked up as part of the move from ERP Gold and WNC to Enabling Services and Unit 4. We will liaise with DDaT to look at any outstanding systems access issues that have been raised or are outstanding.	**Important**	June Withey	1st April 2024	

Internal Audit recommendations v9.6

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE

19th July 2023

REPORT BY	Group Manager Ro Cutler
SUBJECT	NFRS HMICFRS Inspection update.
RECOMMENDATION	Committee to note report

1   Purpose of report

1.1 To provide the Joint Independent Audit Committee with an update on the Service response to the HMICFRS Round 2 inspection.

2   Relevant Fire Plan/ IRMP strategic objective/ priority

2.1 This report contributes to the CRMP objectives of:

- Keeping our communities safe and well
- Keeping our staff safe and well
- Making the best use of resources

3   Background

3.1 The service was inspected by HMICFRS as part of the second round of inspections in the winter of 20212/22. This is the first full inspection since the change of Governance for NFRS, 1st January 2019 when the Northamptonshire

Commissioner Fire and Rescue Authority was formed, with the Authority being the Police, Fire and Crime Commissioner (PFCC).

3.2 The 7-week inspection commenced in mid-December 2021, breaking for the Christmas Holiday period and re-commencing in the second week of January 2022, finishing at the end of February 2022.

3.3 On 27th July 2022, the report was published

3.4 The service produced two action plans; one to address the Cause of Concern, and one to address all other areas for improvement.

4 The Inspection report

4.1 Of the 14 pillar and diagnostic measures: 9 were graded higher (2 by 2 grades), 4 remained the same, and only one was worse than the previous inspection in 2018/19. See appendix A.

4.2 Inspectors said they were "pleased to see the Service has made significant progress since the 2018 inspection in how effectively and efficiently it keeps people safe and secure from fires and other risks."

4.3 Inspectors also noted that they were encouraged to see that the Service has responded well to the areas for improvement they identified in their first inspection and that there has been a positive direction of travel.

4.4 The inspection looked in detail at work across three categories: **effectiveness**, **efficiency**, and **people**.

4.5 **Effectiveness**

4.5.1 The inspection found that there had been major improvements in the Service's effectiveness at responding to and preventing fires and protecting the public through regulation. These areas of work were individually graded as 'Good', and the Service received a 'Good' grading across the board for its operational effectiveness.

4.5.2 Areas of positive work identified by HMICFRS include:

• The development of an effective Integrated Risk Management Plan (IRMP) which uses data and intelligence to identify a range of risks and it describes how it will mitigate them. NFRS now has effective processes in place to gather and disseminate risk information throughout the organisation.

• The allocation of more resources to its prevention function allowing it to mitigate the risks it has identified. NFRS has evaluated its methodology for conducting home fire safety checks and adapted this to better target the highest risk in its communities.

The Service has effective relationships with a range of partner organisations which allow it to safeguard vulnerable people and collaboratively reduce the number of fires and other emergencies.

• NFRS have undertaken a detailed review of its Risk-Based Inspection Programme (RBIP) to make sure this is more proportional. NFRS now targets its activity at premises that present the highest risk. It has also responded to their last inspection by improving the way it engages informally with businesses to make sure they comply with fire safety legislation.

• NFRS has taken appropriate action to address HMICFRS' cause of concern about its response capability. It now has sufficient resources available to give an emergency response in line with its own performance standards. It has extensively reviewed these standards to make sure available resources meet risk and demand.

• HMICFRS found improvements in the NFRS's capability to respond to major and multi-agency incidents. It has established effective plans to respond to incidents and it tests these plans regularly with other agencies and fire and rescue services. Staff now have a better understanding of Joint Emergency Services Interoperability Programme (JESIP) principles, although HMICFRS still found that not all staff understand their role in responding to marauding terrorist attack incidents.

4.6 Efficiency

4.6.1 This area judges whether the Service is making the best use of resources and having a robust plan to manage its finances well into the future, also received a 'Good' rating overall from the Inspectors. These areas had been graded as requires improvement in the previous inspection in late 2018.

4.6.2 Areas of positive work identified by HMICFRS include:

• NFRS has made significant progress in improving its efficiency. The change in governance and additional support from central government has allowed it to stabilise and secure its financial position, both now and in the future. It has successfully established an adequate level of reserves and can demonstrate a balanced budget over the duration of its Medium-Term Financial Plan (MTFP).

• NFRS now has a clear rationale when allocating resources to its prevention, protection and response functions. This is clearly linked to risks identified in its IRMP. The Service then uses a strong performance management framework to ensure these resources perform efficiently against objectives in the IRMP.

• The governance change has actively introduced new opportunities for collaboration. These have given the Service the capacity and capability it needs to modernise the organisation. A joint enabling services function with Northamptonshire Police now provides functions including fleet, estates and Information and Communications Technology (ICT). HMICFRS did note that NFRS should make sure it comprehensively monitors, reviews and evaluates the benefits of this collaboration.

• HMICFRS did find that the service's ICT infrastructure is not fit for purpose and is significantly hampering staff productivity. However, NFRS has plans in place to address this, but it should make sure this continues to be an important priority

4.7 People

4.7.1 This area looks at work such as promoting the right values, ensuring fairness, and encouraging diversity. HMICFRS found that the Service requires improvement across this pillar but had improved to a 'good' at getting the right people with the right skills.

4.7.2 The inspectorate noted that NFRS leadership team is showing "strong strategic intent" to push forward in this area of work;

4.7.3 Areas of positive work identified by HMICFRS include:

• Senior leaders show strong strategic intent to improve the culture, embed values and promote Equality, Diversity and Inclusion (EDI).

• A high proportion of staff members understanding the Service's values. • NFRS has a range of appropriate policies and procedures to manage workforce concerns such as grievances and disciplines.

• The Service is making progress in embedding the new national Core Code of Ethics. We heard how it is integrating the code into policies, training and performance conversations.

• The Service continues to have effective wellbeing policies in place that are available to staff. A significant range of wellbeing support is available to support both physical and mental health.

• The Service continues to have effective and well understood health and safety policies and procedures in place
.
• A culture of continuous improvements is promoted throughout the Service and staff are encouraged to learn and develop.

4.7.4 Within the people pillar, the inspectorate rated the Service as 'requires improvement' in the area of 'ensuring fairness and promoting diversity;

4.7.5 The Service was subsequently issued with a cause of concern in this area.

Copy of Fire Culture
and Values Overarchir

4.8 Cause of concern detail:

Copy of HMICFRS
CoC Update July 2023

4.8.1 HMICFRS stated that the Service hasn't made enough progress since the last inspection to improve EDI and made the following recommendations:

HMI 03.3.1 Engage with its staff to develop clear EDI objectives and training to increase awareness of EDI and its importance across the organisation, including understanding and addressing the impact positive action is having on staff; Completed 67%.

- Red Snapper has been commissioned to deliver training across the organisation to all by April 2024, currently observing Serving with Pride sessions, where feedback on EDI and positive action is being sought, so that training can address EDI themes and also positive action
- Serving with Pride acting as baseline on culture and EDI and will be following up with regular staff surveys and engagement to measure change and impact.
- Positive action team (previously solely supported police) now in ES and attending recruitment meetings and devising a positive action plan for fire.
- New PDR objective for EDI set with examples to give staff and managers greater clarity and ability to evidence.
- Beyond Equality to deliver equality training to all senior leaders across NFRS, Police and OPFCC in July –September 2023.

HMI 03.3.2 - Make sure it has robust processes in place to undertake equality impact assessments and review any actions agreed as a result; Completed 33%.
- Training was undertaken with leaders and middle managers on EQIAs, feedback is they are improving
- EQIA role was advertised however lack of applicants
- Senior Equality officer role provides support and also Fire Equality officer (secondment). Senior Equality officer role is also inputting into/reviewing policies to ensure they reflect wider equality issues.
- Further training is to be undertaken to ensure all relevant leaders are captured.

HMI 03.3.3 Make improvements to the way it collects equality data to better understand its workforce demographic and needs; Completed 75%
- Safe to say was launched
- Following up with Safe to say forms -that were sent out with Serving with Pride consultation sent to all households.
- Oleeo system introduced in early 2023, new recruits are required to tick prefer not to say if they do not want to state their protected characteristics.
- Unit 4 will be coming for fire April 2024.
- Development of Engagement Plan will gather regular feedback (staff surveys, workshops etc), further mechanisms need to be developed to co-produce activity that arises from Serving with Pride and to and seek regular views and input from staff.

HMI 03.3.4 Support staff and managers to confidently challenge and manage inappropriate behaviour. Completed 71%

- Cultural change activity- Serving with pride is capturing people's experience of inappropriate behaviour and likelihood in reporting and to challenge, will inform EDI training.
- Ipsos Mori survey
- Process has been put in place for registering and tracking all lower level complaints, disciplines and grievances.
- Leadership and management development programme rolled out in May 23 incorporated how to confidently challenge inappropriate behaviour
- Detailed Communications plan is in place that has supported promotion of Serving with Pride , includes quarterly lessons learned document and standards of behaviour
- Protect -advice line for whistleblowing in place however completely confidential so NFRS do not receive data from this
- Flag it – only 3 issues raised, however although confidential lacks anonymity but development of anonymous system soon to be introduced
- Crimestoppers internal speak up reporting line– to launch independent reporting line by Autumn 2023.
- Business case written and presented on independent investigation service
- Included in business case is additional training for middle managers on how manage behaviour and investigations

5 Service response

5.1 In response to the report the Service has produced two action plans; one (which is publicly available on NFRS website) to address the Cause of Concern, and one to address all other areas for improvement.

5.2 Each action has been assigned a strategic lead and is monitored through regular working group meetings lead by an Assistant Chief Officer and reported through the Service Assurance Board (SAB) process and at the Fire Executive Group (FEG).

5.3 To assist in the delivery of the cause of concern action plan, the Commissioner was presented with a business case seeking financial support, additional resource and a change in the reporting structures.

5.4 As a result of that business case, the Commissioner has agreed to the funding of a Senior Equalities Officer (now appointed); an additional operational role (internal secondment) to assist the Senior Equalities Officer in delivering and embedding the EDI and the improvements required; and funding for a third party organisation to deliver face to face EDI training to all staff within the Service.

5.5 The preferred option for structural positioning identified within the business case for delivery of EDI on behalf of the Service was within HR; that move is in transition.

5.6 All areas for improvement have been added to Area and Departmental Business Plans and are reported on through the Quarterly Assurance Reviews, and to the quarterly SAB.

6 Service progress

6.1 Through the monitoring of Business Plans, we are beginning to see where progress is being made across the organisation.

6.2 HMICFRS report AFI plan updates:

AFI progress report

Copy of June 2023
JIAC HMICFRS AFI Upc

7 Looking Forward

7.1 CFO Mark Jones has been informed By HMICFRS SLL Clare Hesslewood, that NFRS can expect the next inspection to begin in quarter 3 of 23/24. Preparation work is now underway for the inspection.

Joint Independent Audit Committee

19th July 2023

REPORT BY	OPFCC/NCFRA Chief Finance Officer
SUBJECT	**Joint Independent Audit Committee (JIAC) - Agenda Plan – Updated April 2023**
RECOMMENDATION	To discuss the agenda plan

1.   Background

1.1   The agenda plan incorporates statutory, good practice and agreed scrutiny items. Th e Fraud and Corruption reports are within the agenda at September and December but will be moved if appropriate for National Fraud Initiative information and timescales.

1.2   By the date of the meeting, a JIAC workshop on Risk Management will have taken place on 10 February 2023. Meeting dates for September and December 2023 are set out within the agenda.

1.3   Dates for the two statement of accounts workshops will be set once external audit dates have been confirmed for 2022/23.

ROLLING AGENDA PLAN 2023

		frequency required	14th December 2022	10 February 2023 Workshop - Risk Management	15th March 2023	19th July 2023	13th September 2023	6th December 2023	1st November Fire Accounts Workshop	15th December 2023 PFCC and CC Accounts Workshop
	Confirmed agenda to be circulated		04/11/2022		01/02/2023	07/06/2023	31/07/2023	20//10/2023		
	Deadline for reports to be submitted		01/12/2022		02/03/2023	06/07/2023	30/08/2023	24/11/2023		
	Papers to be circulated		07/12/2022		08/03/2023	12/07/2023	06/09/2023	29/11/2023		
Public	Apologies	every meeting	Apologies		Apologies	Apologies	Apologies	Apologies		
Public	Declarations	every meeting	Declarations		Declarations	Declarations	Declarations	Declarations		
Public	Meetings log and actions	every meeting	Meetings log and actions		Meetings log and actions	Meetings log and actions	Meetings log and actions	Meetings log and actions		
	JIAC annual report	Annually				JIAC annual report				
Restricted	Meeting of members and Auditors without Officers Present	once per year				Meeting of members and Auditors without Officers Present				
Public	External Auditor reports	every meeting Once a Year – Plan, Once a Year ISA260 and one a Year Annual Audit Letter (timescale Accounts dependent)	External Auditor reports		External Auditor reports	External Auditor reports – written End Annual report	External Auditor reports	External Auditor reports		
Public	Internal Auditor reports (progress)	every meeting	Internal Auditor progress reports		Internal Auditor progress reports	Internal Auditor progress reports	Internal Auditor progress reports	Internal Auditor progress reports		
Public	Internal Audit Plan and Year End REport	twice a year for NFRS and PCC & CC			Internal Audit Procurement 2023/24 and Plans update	Year End Reports 2022/23 — Internal Audit Plans 2023/24 NCFRA, PFCC and CC				

		frequency required	14th December 2022	10 February 2023 Workshop - Risk Management	15th March 2023	19th July 2023	13th September 2023	6th December 2023	1st November Fire Accounts Workshop	15th December 2023 PFCC and CC Accounts Workshop
Public	Update on Implementation of internal audit recommendations	twice a year for NFRS and PCC & CC	Audit implementation update of internal audit recommendations NFRS		Audit implementation update of internal audit recommendations PFCC and CC	Audit implementation update of internal audit recommendations NFRS	Audit implementation update of internal audit recommendations PFCC and CC	Audit implementation update of internal audit recommendations NFRS		
Public	HMICFRS updates	1 per year per organisation	NFRS – HMIC Update		CC - HMICFRS update	NFRS – HMICFRS Update	CC - HMICFRS update	NFRS – HMICFRS Update		
Restricted	Risk register update (including current risk policy as an appendix)		CC Risk register (including current risk policy as appendix)		NCFRA Risk Register (including current risk policy as an appendix)		PFCC Risk register (including current risk policy as appendix)	CC Risk register (including current risk policy as appendix)		
Public	Fraud and Corruption: Controls and processes	Once a year for NFRS and PCC & CC	Policing - Fraud and Corruption: Controls and processes				*NFRS - Fraud and Corruption: Controls and processes*	*Policing - Fraud and Corruption: Controls and processes*		
Public	Budget plan and MTFP process and plan update and timetable	annually for all					NFRS, CC and PCC - Budget plan and MTFP process and plan update and timetable			
Public	Statement of accounts	annually for all (subject to audit timescales)	External Audit Update		External Audit Update	External Audit Update	External Audit Update	External Audit Update		
Public	Treasury Management Strategy	annually for all			NCFRA, CC and PFCC - Treasury Management Strategy					
Public	Attendance of PCC, CC and CFO	annually for all								
Restricted	Enabling Services (including new system arrangements)	twice a year			Enabling services update		Enabling services update			
Restricted	Benefits realisation					Benefits realisation (PB)		Benefits realisation (PB)		
Restricted	Systems implementation					Verbal update – systems implementation (including review of new finance systems)				