



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

JOINT INDEPENDENT AUDIT COMMITTEE

17th July 2024 10.00am to 13.00pm

**Microsoft Teams virtual meeting
Walker Room Darby House**

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

Public Meeting of the Joint Independent Audit Committee				Time
1	Welcome and Apologies for non- attendance			10:00
2	Declarations of Interests			10:10
3 (pg5)	Meetings and Action log 13th March	Chair	Reports	10:20
4 (pg 12)	JIAC Annual Report	Chair	Report	10:35
5 (pg 30) (pg80) (pg 94)	Internal Auditor Reports i. OPFCC, CC and NCFRA Internal audit progress report ii. NCFRA Internal Audit Annual report 23/24 iii. CC Internal Audit Annual Report 2023/24	Mazars	Report	10:45
6 a.i a. ii b.i (pg109) b. ii (pg 128)	External Audit update CC Annual Report 2020/21 (to follow) CCCC VFM Interim Report (to follow) NCFRA Annual Report 2021/22 NCFRA VFM Interim Report	EY	Report	11:00
7 A (pg 149) B (pg 176)	External Audit update - OPFCC and CC - NCFRA	Grant Thornton	Report	11:15
8 (pg 202)	Audit implementation update of internal audit recommendations NCFRA	JO	Report	11:30
9 (pg 244)	HMICFRS update - NFRS	RC	Report	11:40
10 (pg 257)	Agenda Plan	VA	Report	11:50
11	AOB	Chair	Verbal	12:00
12	Confidential items – any	Chair	Verbal	12:10
	Resolution to exclude the public	Chair	Verbal	12:15
	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: <i>“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”.</i>			
13	Disaster Recovery update	CC	Verbal	12:20
14	Systems Implementation update	PB	Verbal	12:35
15 (pg 260)	NFRS – Audit update – restricted audit report	JO	Report	12:45
	Future Meetings held in public 10am-13.00pm: - 2nd October 2024 - 4th December 2024 (10:30-13:30) Future Workshops not held in public: o Governance workshop 3rd July			

--	--	--	--	--

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

Mrs A Vujcich

* * * * *

Joint Independent Audit Committee (JIAC) ACTION LOG – 13th March 2024

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

Vaughan Ashcroft – Chief Finance Officer OPFCC and NCFRA (VA), Paul Bullen - Assistant Chief Officer Enabling Services (PB); Kate Osborne Project Support Officer OPFCC (KO); Lisa Jackson Business Services Area Manager NCFRA (LJ) Nick Alexander – Joint Head of Finance (NA); Jonny Bugg OPFCC CEO (JB)

Internal Audit Mazars – Alexander Campbell (AC);

External Audit – Grant Thornton - Laureline Griffiths (LG)

Agenda	Issue	Actions	Comments/ actions
1	Welcome and apologies		<p>Apologies –</p> <p>Internal Audit – Sarah Knowles and David Hoose</p> <p>External Audit EY – Elizabeth Jackson (EJ);</p> <p>Julie Oliver</p> <p>Welcomes – Lisa Jackson, Jonny Bugg, Alex Vujcich, Alexander Campbell</p>
2	Declarations of Interests		None

3	Meeting Log and Actions – 6th December		<ol style="list-style-type: none"> 1. action SK – have notes and details been added? AC nothing to add. 2. PB action – CF – pick up under item 6 3. Disaster recovery – are we on track – PB – picked up under item 6 4. Workshop – Governance – June?
4	Internal Auditor Progress report including 2024/25 Internal Audit Plans	<p>ACTION: AC to check details around dates of commentary around identity and asset management with SK and send to KO to circulate</p> <p>ACTION: Mazars to provide update on recruitment and staffing at next JIAC</p>	<ol style="list-style-type: none"> 1. AC presented paper 2. Key things – pg 3 – still on track for delivery of plan. Both EDI plan and grievance policies and procedures issued as draft now 3. Management comments have been received on grievance. On route to finalisations 4. Overview of internal audit plan, collaboration plan pg 6 and details of KPIs on following pages through copies of final reports 5. AB – payroll – can you confirm which payroll? VA – this has been separated as payroll for Fire is still with WNC until April 6. Pg 4 – payroll mentioned is just Force 7. Pg 5 - separate heading for Fire. 8. AB – start date – September 2023 – where are we at? – AC working through review process for report as there were some final queries which delayed. Draft report issued prior to next JIAC. AB is report still relevant given the timeframe of the audit itself? 9. – part of review process will ensure recommendations are relevant in consultation with management to see what has happened already. NA delays due to other personnel issues. AB – one off delay rather than systemic? 10. AV – joint audits – do we have dates or commentary around identity management and asset management. AC – yes believe so – AC – to provide details, will consult with SK. ACTION to email KO details 11. VA – still to have two outstanding audits done by end of financial year – AC yes both asset and identity management should be done by end of financial year. 12. AB – pg 7 – issuing of draft report – 29% target – delays – annual leave and quality review impact? Are these not built into process. Request assurance on improvements – AC accept comment and delays offered apologies. Lot of delays and annual leave impacts of multiple audits. AC are addressing and inputting more management capacity. Expect improvements 2024/25 13. EW – resourcing tight. Would suggest looking at resourcing? AC this is being done and vetting is in process. EW request update on issue being resolved moving forwards.

		<p>ACTION: VA to speak to JO about update on progress</p> <p>ACTION: AC to check with John Roth about IT audit dates</p>	<ul style="list-style-type: none"> 14. AB – risk management – March hoping to be met, June. ACTION: VA ask Julie for update on progress. 15. Police plan 2024/25 – 16. AC – joint audit status across both plans – joint governance audit across police and fire and estates management and asset management. 17. VA – fully engaged, working with teams both within Mazars and within house. 18. VA one thing not specifically – TBC against IT audit. 19. AV – in terms of cyber security – when was that last done? Last year. AC to speak to team about high risk issues in area to decide on this. 20. AB – no contingency days – slight concern. VA – one of audits may not be required (fire). Is it normal to have none? AC – previous years have been this. 21. EW – concern – what happens if these are needed half way through. Are you happy you can meet needs and still have spare. VA – keep an eye on and keep updated. 22. AB – pleased not too much back ended. 23. AB – are we all happy to approve? – Members agreed 24. Audit strategy – AC just for information. Things may change but this is about high risks, and these may fluctuate, 25. FIRE – AC same asks for the audit committee for considering the balance and having all expected key areas and no gaps and looking at operational plan. There is an audit to be removed (pg 9) – so these will move into the contingency pot. 26. EW – confused about IT stuff – what is likely to happen? AC – specialist IT audit team and plan their audits based on risk based approach. Because they are specialists they will consider their requirement after date 27. AV – when will we know when that IT is going to be? – AC to check in with John Roth. Should have rough idea at next JIAC. ACTION: AC 28. AB – are members happy with plan and okay to approve? Members agreed 29. AB: considerations for 26 and 26/7 – 30. EW – aging systems a concern – PB – by 2025/26 these should have been addressed. 31. VA – timings of IT audit based on aging fire systems being switched over to shared service. Suggest post implementation audit. 32. AB – issues around migration of data. VA – yes lots of work being done to prepare for all switchovers.
--	--	--	---

5	External Auditor Progress - EY		<ol style="list-style-type: none"> 1. No report provided and No officer attended meeting. – Members dissatisfied. 2. Value for money isn't complete yet. Report drafting not complete. No issues raised 3. NA they are content no issues or concerns but disappointing no report of presence at meeting. 4. AB – 26th September – government deadlines 5. AB – assuming all that happens – the opening balances should be the opening balances. 6. LG – helps us that we have a timetable and removed from limbo. There is still no firm plan in terms of what the disclaimed opinion means and the impact on our opinion moving forwards. However Grant Thornton do have full teams and have a plan to deliver to both organisations this year. So the only question is in regard to opening balances. 7. Discussions around processes moving forwards
6	Audit implementation update of internal audit recommendations PFCC and CC		<ol style="list-style-type: none"> 1. PB presented paper. 2. 22/23 – 7 remain ongoing – 3 superseded 3. 23/24 good understanding 4. In some of the cases there has been slippage in a couple of dates – relating to IT – they are revised dates 5. PB – need to look at dates on assurance board – PB need to look at dates to have the scrutiny on slippage 6. PB happy this is an accurate presentation 7. AB – pg 86 – slippage details – PB – we haven't had force assurance boards to cannot confirm why slippage 8. PB – who decided which dates go out? VA – dates reassessed and go to assurance board for scrutiny. Next assurance board is in April. 9. EW – re-assignment of things – PB that's more delegation than management changes. 10. AB – when was the last force assurance board – late January – so at that point would the force assurance board agree Feb? – yes - PB – will give assurance through assurance boards. 11. EW – concern about things going wrong in the meantime – PB – assurance is that team have been able to fix 12. AB – disaster recovery of systems – VA – business continuity also support these types

		ACTION PB: provide update on disaster recovery at July JIAC meeting	<p>of 'disaster' protocol. This covers the systems that are omitting a disaster recovery policy published.</p> <ol style="list-style-type: none"> 13. AV – in terms of DR arrangements – assuming there is DR arrangements in terms of hot standby/ warm standby – PB – fore more technical arrangements would require Clare Chambers 14. PB – more generalist recommendation from auditors was that more formal arrangements need to be documented in relation to DR. 15. AB – is DR on the Risk Register ? – PB 16. ACTION PB – to provide update on Disaster recovery at July JIAC. 17. PB – good news – improvements of some previous risks. 18. AB – good progress thank you
7	HMICFRS update - CC		<ol style="list-style-type: none"> 1. PB since we last met the inspection report has been published for 2023 PEEL inspection 2. Communicated publicly and found 1 outstanding area 3. Requires improvement for investigating crime – nationally this is going downwards (therefore is going down for other forces). 4. Scoring has changed and changes of grading have impacted slippage in grades. 5. AB – investigating crime – is a plan required – PB – p107&108 6. EW – is there a problem with new recruits leaving – PB there is a national issue about those leaving. There has been a trend. This has been partly to do with uplift. But generational changes in workforce expectations. However the accelerated Detective Pathway has been vast improvements in retaining staff. 7. JB – amazing HMIC report compared to previous – a major upward trajectory for service. 8. AB – good process about benchmarking – 9. VA – good work in HR around added incentives to keep staff. 10. PB – 15 AFIs in report 11. Someone has been assigned to owning individual AFIs 12. AB – do we have any level 4 AFIs? – PB hasn't seen them. VA – clarified that these are areas for Improvement NOT causes for concern. 13. AB – level 2 – “awaiting information to be uploaded” – PB this covers both specific to Northants and national areas – what we have put in place is that Chief has to sign off locally. These are awaiting the team to sign off on a local level

			14. AB – overall pleasing report.
8	Treasury Management Strategy a. CC and PFCC b. NCFRA		<ol style="list-style-type: none"> 1. VA standardised since last year but they are very comparable, but understanding they still have to be separate between organisations 2. Similar to previous in terms of format, content and cover 3. Refreshed for capital programmes and advice from advisors regarding interest rates and other 4. NA – some concerns expressed – cost of living crisis – borrowing – mitigating risk by looking at shorter term borrowing and this is reflected in the rates listed. 5. NA- avoiding taking out a loan currently due to current national costs. So looking into mitigating this. after this period is over all short term loans will be re-examined to look at future needs. 6. NA – all of the cashflows assume we are positive. Traditionally been cash rich – we are continuing to maximise this. July – income – this causing ‘cash burden’ – need to make sure it is managed effectively 7. NA – positive impact of where we are – pg 122 – we are receiving a good rate of interest and looking to maximise this. 8. AB – can you call down high rate in short term? – NA – most within 7 days currently. 9. EW – are we capped on how much we can earn? – NA – limited as unable to do for ‘profit’ – cannot be seen to generating income or borrow in advance of need.
9	Agenda plan	ACTIONS	<ol style="list-style-type: none"> 1. Add Disaster Recover update to July 2024 agenda 2. Arrange June 2024 workshop date – governance due to PFCC election date 3. Arrange induction – 4. Grant Thornton – Audit plan to be presented at July meeting.
10	AOB		
12	NCFRA Risk Register		<ol style="list-style-type: none"> 1. PB – moved from previous risk management system to new – aligned with police 2. 9 risks recorded on strategic risk register 3. 1 new risk – but project ongoing to deliver changes on this 4. Increased risk on changing culture on EDI – based on national picture 5. Decreasing risks too - 1 moved to departmental risk around incident and risk status information 6. AB – of the 6 – how can I see what’s gone up and down – AB can request arrows or some visual to explain how goes up or down??- PB not possible in system

		<ol style="list-style-type: none"> 7. AB – closed risk high? – PB – believe it was medium 8. AB – new risk – what date for completion – PB – 2 parts to this IX – critical bit July – CAD bit still awaiting on date. 9. AB – target date for mitigating actions are within next few months – so should see an improvement by next report. 10. EW – any governance risks (organisational) to go on there – PB – might see structure changes as risk when new chief starts. 11. AV – SR35 – cyber risk – high risk and action plan is IT healthcheck? – PB – is looking at health of structure and should give us assurance. The IT Healthcheck is carried out by an external contractor to give independence. 12. AB – how much of fire systems are linked to police – PB – back office (finance, risk, payroll & HR April) underlying infrastructure are still sperate. Plan is to go into one network but this is conversations moving forwards as police have never shared their network before. 13. AV – appetite for risk – how is that determined – decisions made of back of scorings – how are these looked at – this has been the case for a number of years. AB – should this be reviewed? – PB – LJ – yes needs reviewing 14. AB – to ask commissioner about this. 15. LJ – Strategic risk board discussed this. 16. ABr – in the policy it standard to have risk appetite – look into risk appetite statement. 17. JH – corporate risk and central operational risk. – how join risk register to operational level. 18. Risk appetite workshops?
--	--	--



AGENDA ITEM 4

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

Joint Independent Audit Committee - Annual Report 2023-24

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 2023/24. 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. Specific thanks are due to the retiring Chief Finance Officer and her team who have been unfailingly professional when faced with the significant challenges of external audit.

In addition our thanks go to the Internal Audit and External Audit teams who have assisted the Committee to fulfil its role.

I wish to record my grateful thanks to them and my fellow JIAC members for their insightful advice and invaluable efforts throughout this year. The recent new member appointment brings the Committee to full compliment and broadens our skill set.

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 2023/24

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 2024. 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 Batom (Chair)	Appointed December 2018	CIPFA, MSc
John Holman	Appointed 23 rd September 2019	TD MA MRICS
Edith Watson	Appointed 23 rd September 2019	MBA
Alicia Bruce	Appointed 1 st May 2022	FCCA FCMI CMgr
Alexandra Vujcich	Appointed 21st March 2024	LLB and CISSP

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 have predominantly had in person meetings with a hybrid option allowing some members, officers and partners to attend virtually where needed.

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 a JIAC member in March 2024. The terms of reference are attached and reflect the annual review for 2023/4. which did not identify any required 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
Alexandra Vujcich	1/1 (due to March start date)

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 (2020/21, 2021/22 and 2022/23);
- risk management and risk registers;
- updates on the inspectorate (HMICFRS) reports and recommendations. Internal and external audit plans, recommendations and updates on progress; and
- treasury management;

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

- Transition to the new in-house back office systems
- Enabling Services updates
- Future Internal and External Audit Arrangements;
- Budget and Medium Term Financial Plan update and timetable;
- Corruption and fraud controls and processes;
- Benefits Realisation
- IT Disaster Recovery
- JIAC Recruitment.

The following workshops were held:

- November 2023 - Fire Accounts; and
- December 2023 - Police Accounts.
- February 2024 – Governance and Induction Workshop – this was postponed until June 2024 to await new commissioner in role, new fire chief in post and the conclusion of Chief Constable investigations.

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 2023/4 are set out in Appendix 2. Five of the six objectives have been completed. The first objective – a review of organisational effectiveness across the three organisations will continue into 2024 a decision to defer this work was taken in light of the elections for a new OPFCC held in May 2024

Appendix 3 sets out the objectives for 2024/5. There are some key areas which the Committee will keep under review including progress on recommendations and actions arising from external reviews and statutory accounts. The agreed work programme covers all core areas and where possible reports are streamlined to cover the three organisations in a single document. This has been beneficial for both members and officers and allows the Committee time to explore assurance in other areas; these will be discussed with officers.

8. Identification of key topics and issues

During 2023/4 the Committee considered a range of topics and issues including:

Annual Accounts 2021/22 and 2022/23 – frustratingly the delays, resourcing issues and missed deadlines from external auditors Ernst and Young as experienced over the last 2 years continued throughout 2023.

However the relationship with new external auditors Grant Thornton has been positive from the outset and this together with the focus from Government on the issues gives the committee reassurance that deadlines will return to more acceptable timeframes by the end of this financial year.

In addition members realise that in order to achieve this there may need to be a more pragmatic and flexible approach to the wording and content of Audit opinions than there has been in the past.

However we are mindful that despite planned improvements and progress made to date, the backlog and auditor changes and handovers may still adversely impact risk and we will continue to monitor the situation closely.

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.

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

Police Accounts for PFCC and CC 2020/21 were finally signed off in December 2023. The accounts for 2021/22 and 2022/23 remain unaudited.

In order to fulfil its obligations around scrutiny and assurance the JIAC reviewed draft Annual Accounts 2022/3 for both Police and Fire in November 2023, on the understanding that the external audit work whilst not fully complete had not identified any potential outstanding issues .

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 covering 2020-2023 was considered by the Committee in July 2023.

In terms of future systems, Police future systems are thoroughly embedded and the financial system transition to include Fire from 1st April 2023 was a success. HR and payroll services for Fire transitioned as planned on 1st April 2024.

Progress during the year was 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 2024/25.

Risk management – Risk management processes are well established and the joint risk register is regularly monitored (including by the JIAC). With Police and Fire now on the same system, reporting is now consistent and streamlined.

A particular risk area for JIAC focus during the year was assurance around the resilience of IT systems in particular Disaster Recovery plans and the testing of assumptions therein.

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 March 2023 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.

9. Assessment of Internal Audit

PFCC and CC

Mazars were re-appointed as the internal auditor for four years with effect from 1 April 2023 following a successful submission. Northamptonshire Chief Finance Officers were an integral part of the process and our JIAC Chair was included in the local assessment of candidates' submissions.

The internal audit plan for 2023/24 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.

NCFRA

Mazars were appointed as the internal auditor for four years with effect from 1 April 2023 following a successful submission. Northamptonshire Chief Finance Officers were an integral part of the process and our JIAC Chair was included in the local assessment of candidates' submissions. This allows a consistent approach and economies of scale by having internal audit for police fire undertaken by the same auditors. There was also a budget saving for NCFRA.

The internal audit plan for NCFRA was approved at the March 2023 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.

10. Assessment of External Audit

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

The PFCC, NCFRA and CC once again joined the national consortium for the tender process managed by PSAA , the conclusion of which resulted in the appointment of Grant Thornton as external auditors until 2027/28.

Locally, whilst subject to a number of staffing changes, the external audit team has been thorough and engagement has remained positive and constructive. It is hoped that with Grant Thornton, the delivery of external audit work improve significantly.

11. Looking forward

Appendix 3 sets out the draft Aims and Priorities for the Committee for 2024/25

These reflect:

- Any outstanding recommendations from 2023/24
- 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 that 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, and senior staff changes in December 2023.

The JIAC is now at full strength with 5 members and the recently appointed member brings additional expertise and knowledge to broaden and deepen the Committee's skill set in key areas including IT. It 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.

A Battom
Chair of Joint
Independent Audit Committee

**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:

- Critical accounting policies and practices, and any changes in them;
- Decisions requiring a significant element of judgment;
- The extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
- The clarity of disclosures;
- Significant adjustments resulting from the audit;
- Compliance with accounting standards;
- 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:
 - A summary of the role of the Committee
 - The names and qualifications of all members of the Committee during the period
 - The number of Committee meetings and attendance by each member; and
 - The way the Committee has discharged its responsibilities
 - An assessment of the Committee's performance against its plan and terms of reference;
 - Identification of the key issues considered by the Committee and those highlighted to the Commissioner, Chief Constable and Chief Fire Officer
 - 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 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.

**The Joint Independent Audit Committee's – Draft Aims and Objectives
2024/25**

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 focus on the timely production and audit of the organisations' statutory accounts in line with latest Government directives.
Review action plans and recommendations that come from HMICFRS eg Peel and HMICFRS are implemented inline with agreed timescales and standards.
Initiate assurance reviews in areas of strategic importance in the governance of the organisations. [Note: possible areas – Disaster Recovery and Business Continuity testing, Cyber security & IT resilience, Benefits Realisation and Equality and Diversity.]



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

Joint Independent Audit Committee – 17 July 2024

Internal Audit Progress Report

Date Prepared: July 2024

Contents

- 01** Snapshot of Internal Audit Activity
- 02** Latest Reports Issued – Summary of Findings
- 03** Overview of Internal Audit Plan 2024/25
- 04** Overview of Collaboration Plan 2024/25
- 05** Key Performance Indicators 2024/25
- 06** Definitions of Assurance Levels and Recommendation Priority Levels
- A1** Latest Reports Issued – Detailed Findings

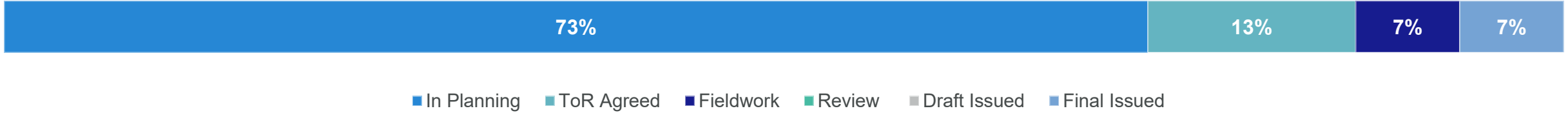
Disclaimer


This report (“Report”) was prepared by Forvis Mazars LLP at the request of the Office of the Police , Fire & Crime Commissioner (“OPFCC”) for Northamptonshire, Northamptonshire Commissioner Fire & Rescue Authority (“NCFRA”) and Northamptonshire Police (“Force”) 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 OPFCC, NCFRA and Force and to the fullest extent permitted by law Forvis 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 in this report for further information about responsibilities, limitations and confidentiality.

01. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2024/25 Internal Audit Plan.





JIAC decisions needed

- Note the progress being reported and consider final reports included separately in the **Appendix 1**.

RAG status of delivery of plan to timetable

On Track

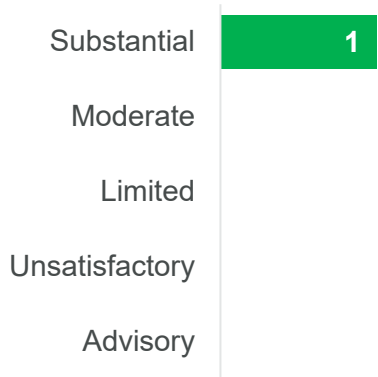
Key updates
 We have issued the Final report for the OPFCC Grants audit, fieldwork is ongoing for the Medium-Term Financial Planning audit and Terms of Reference have been issued for the Joint Asset Management and NCFRA Safeguarding audits as part of the 2024/25 audit plan. We are continuing to plan and scope the remaining audits of the 2024/25 audit plan.

Since the last update provided to the committee, we have issued final reports for the Fleet Follow Up, Payroll, Vetting, Joint Core Financials, Joint Identity Access Management, Joint IT Asset Legacy Management, NCFRA Payroll, NCFRA EDI Plan, NCFRA Grievance Policies & Procedures and NCFRA New Systems Assurance audits carried out in 2023/24.

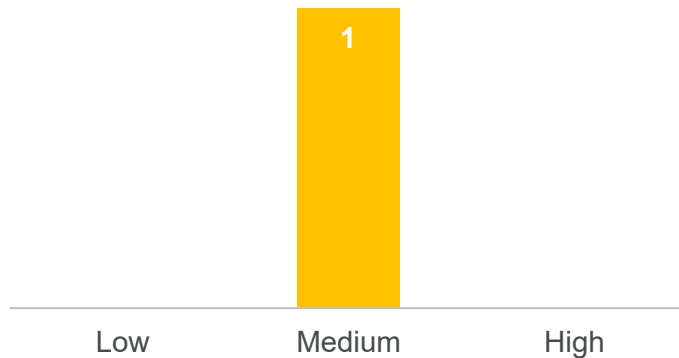
We have also issued the final report for the EMSOU HMICFRS Action Plan audit carried out in 2023/24.

An overview of the Internal Audit Plan can be found in Section 3.

Assurance opinions to date (2024/25)



Audit recommendations to date (2024/25)



2. Latest Reports Issued – Summary of Findings

Fleet Follow Up 2023/24

Your One Page Summary

Audit Objective: To confirm the status of implementation of internal audit recommendations raised during our 2020/21 audit of Fleet Management.

Audit rationale

Why the Audit is in Your 2023/24 Plan

Following a Limited assurance opinion in 2020/21, we will follow-up previous internal audit recommendations to confirm their status of implementation.

Your Strategic / Tactical Objective

Modern services that are fit for the future

Summary of our opinion

Moderate Opinion

See Appendix A1 for definitions



Summary of Recommendations

High (Priority 1)	-	Actions agreed by you	100%
Medium (Priority 2)	-	Priority 1 completion	N/A
Low (Priority 3)	3	Overall completion	April 2024

Summary of findings

Examples of good practice

- ✓ The Force have been shortlisted for a National Problem-Solving Conference's Tilley Award for their work around Accident Reduction.
- ✓ Accident data is collated and reported monthly to the Pursuit & Police Collision (POLCOL) Review Group, including the number of accidents, recorded reason, damage and location.

Highest Priority Findings

- Vehicles being retained and used beyond their replacement thresholds from the Vehicle replacement Policy Schedule.
- Lack of guidance regarding the service scheduling for motorbikes.

Key root causes

- Supply chain issues for vehicles and the equipment required for conversion to operational vehicles.
- Small number of motorbikes being seen as lower risk and tracked separately.

2. Latest Reports Issued – Summary of Findings

Payroll 2023/24

Your One Page Summary

Audit Objective: To assess the design and effectiveness of the control framework for managing payroll systems

Audit rationale								
Why the Audit is in Your 2023/24 Plan	Your Strategic Risk							
To provide assurance on the adequacy and effectiveness of the systems of internal control in operation to manage the payroll systems.	136: Funding cuts to public sector 137: Uncertainty in relation to long term police funding							
Summary of our opinion								
Moderate Opinion See Appendix A1 for definitions	Summary of Recommendations							
	Priority 1 (High)	-						
	Priority 2 (Medium)	3						
	Priority 3 (Low)	-						
		<table border="1"> <tr> <td>Actions agreed by you</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>High Priority completion</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td>Overall completion</td> <td style="text-align: center;">March 2025</td> </tr> </table>	Actions agreed by you	100%	High Priority completion	N/A	Overall completion	March 2025
Actions agreed by you	100%							
High Priority completion	N/A							
Overall completion	March 2025							
Summary of findings								
Examples of good practice	Highest Priority Findings	Key root causes						
<ul style="list-style-type: none"> ✓ Audit reviewed a sample of ten new starters and confirmed that they have been added to payroll in a timely manner, their details were accurate, and through calculation of their first payslip, the correct payment had been made. ✓ Audit reviewed a sample of ten voluntary deductions from payroll and confirmed the deductions had been made in line with supporting documentation and secondary checks were performed prior their payment. 	<ul style="list-style-type: none"> • Expenses claims are not verified or approved in advance of their payment. • Policies and procedures are out of date, and procedural guidance has not been developed. • Payroll access controls are not reviewed on a regular basis 	<ul style="list-style-type: none"> • The Force's policy approach does not require formal approval of expenses claims prior to payment. • A lack of resource and staff turnover has led to an inability to review policies and procedures in a timely manner. • Integration between the Force and NCFRA has led to the refinement of permissions within the Payroll system. 						
Direction of travel								
Previous Audit June 2023 – Core Financials	Direction of Travel Previous opinion: Satisfactory	Recurring Findings N/A						

2. Latest Reports Issued – Summary of Findings

Vetting 2023/24

Your One Page Summary

Audit Objective: To provide assurance that the risks associated with Vetting are being appropriately managed.

Audit rationale

Why the Audit is in Your 2023/24 Plan

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

Summary of our opinion

Moderate Opinion
See Appendix A1 for definitions

Summary of Recommendations

High	-
Medium	1
Low	2

Actions agreed by you	100%
High Priority completion	N/A
Overall completion	June 2024



Summary of findings

Examples of good practice

- ✓ Vetting performance is reported on a weekly basis and at quarterly Professional Standards Department (PSD) meetings
- ✓ Training has been undertaken on the updated Vetting Code of Practice (July 2023)
- ✓ From our sample of six vetting appeals, all were processed in a timely manner and were reviewed by an independent officer
- ✓ The Force has undertaken a review of recommendations from the HMICFRS 'An inspection of vetting, misconduct and misogyny in the police' report

Highest Priority Findings

- Adequate supporting documentation was not retained for some of the samples of vetting applications, renewals and appeals that we selected
- Vetting performance information does not include the timeliness of processing vetting requests and appeals

Key root causes

- Renewals not prioritised providing that they have been renewed prior to expiring
- Data migration when moving over to the CoreVet system

2. Latest Reports Issued – Summary of Findings

Joint Core Financials 2023/24

Your One Page Summary

Audit Objective: assess the design and effectiveness of the control framework for managing core financial systems.

Audit rationale													
Why the Audit is in Your 2023/24 Plan		Your Strategic Risk											
To provide assurance over the internal controls in operation to manage the core financial systems.		136: Funding cuts to Public Sector 137: Uncertainty in relation to long term police funding											
Summary of our opinion													
<div style="background-color: #76b82a; color: white; padding: 10px; text-align: center;"> Moderate Opinion See Appendix A1 for definitions </div>		Summary of Recommendations											
		<table border="1"> <tr> <td style="background-color: #d9534f; color: white;">Priority 1 (High)</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="background-color: #f1c40f;">Priority 2 (Medium)</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="background-color: #27ae60; color: white;">Priority 3 (Low)</td> <td style="text-align: center;">3</td> </tr> </table>	Priority 1 (High)	-	Priority 2 (Medium)	3	Priority 3 (Low)	3	<table border="1"> <tr> <td>Actions agreed by you</td> <td style="background-color: #76b82a; color: white; text-align: center;">100%</td> </tr> <tr> <td>High Priority completion</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td>Overall completion</td> <td style="text-align: center;">April 2024</td> </tr> </table>	Actions agreed by you	100%	High Priority completion	N/A
Priority 1 (High)	-												
Priority 2 (Medium)	3												
Priority 3 (Low)	3												
Actions agreed by you	100%												
High Priority completion	N/A												
Overall completion	April 2024												
Summary of findings													
Examples of good practice		Highest Priority Findings											
<ul style="list-style-type: none"> ✓ Audit confirmed for a sample of ten BACS runs that segregation of duty was present from BACS proposal, review and Autopay release and that the BACS reconciled to Unit4. ✓ Audit confirmed for a sample of 20 new suppliers that they were set up following receipt of a new supplier form, fraud checks, and appropriate approval. 		<ul style="list-style-type: none"> • 11 instances where a debtor invoice had not been raised in a timely manner following the receipt of an invoice request. • Eight instances where debt procedures had not been followed in accordance with the Aged Debt Policy. Four of which related to salary overpayments where the Force does not have adequate contact details to chase the debt. 											
		Key root causes											
		<ul style="list-style-type: none"> • There is no defined timeline in place to ensure the timely raising of invoices following the request being received. • Individuals with salary overpayments are not able to be contacted further in line with the Aged Debt Process because the Force does not hold sufficient customer contact details. 											
Direction of travel													
Previous Audit	Direction of Travel		Recurring Findings										
June 2023	 Previous opinion: Satisfactory		<ul style="list-style-type: none"> • Debt recovery. • Debtor invoices. 										

2. Latest Reports Issued – Summary of Findings

Joint Identity Access Management 2023/24

Your One Page Summary


Audit Objective: To assess the design and effectiveness of the control framework for managing safeguarding incident reports.

Audit rationale

Why the Audit is in Your 2023/24 Plan

Access management is a key control that supports the integrity of Police and Fire service operations.

Summary of our opinion

<p style="text-align: center;">Limited Opinion See Appendix A1 for definitions</p> 	Summary of Recommendations	
	High (Priority 1)	-
	Medium (Priority 2)	5
Low (Priority 3)	1	

Actions agreed by you	100%
Priority 1 completion	N/A
Overall completion	December 2025

Summary of findings

Examples of good practice

- ✓ Detailed Joiners/Movers/Leavers process which includes provisions for training and vetting.
- ✓ Local Administrator Password Solution (LAPS) to manage local accounts.

Highest Priority Findings

- Lack of access review regimen.
- Multifactor Authentication not set up for Fire Service users Active Directory (AD) logon.

Key root causes

- Implementation of SailPoint is still ongoing.
- Utilisation of additional tools / development of additional processes has not been prioritised.

2. Latest Reports Issued – Summary of Findings

Joint IT Asset Legacy Management 2023/24

Your One Page Summary

Audit Objective: The audit will provide assurance that effective controls are in place for the management of IT assets and where end of life, these are subject to an appropriate management strategy; provide assurance the key risks relevant to this audit area are being effectively managed.

Audit rationale

Why the Audit is in Your 2023/24 Plan

Risks related to IT asset management were included in the IT risk register.

Your Strategic Risk

During the audit we noted that IT track a number of risks related to asset management and management of legacy infrastructure in their risk register.

Your Strategic / Tactical Objective

Police, Fire and Crime Objective: Ensure that both organisations have access to technology giving them the best data to inform service delivery.

Summary of our opinion

Moderate Opinion

See Appendix A1 for definitions



Summary of Recommendations

High (Priority 1)	-	Actions agreed by you	100%
Medium (Priority 2)	2	Priority 1 completion	N/A
Low (Priority 3)	3	Overall completion	December 2025

Summary of findings

Examples of good practice

- ✓ The IT asset register contains key details such as asset number, assignees and serial number.
- ✓ Asset register is updated accordingly for new joiners and lost / damaged devices.

Highest Priority Findings

- Automated software used to identify discrepancies between the IT Asset Register and network does not exist.
- Audits of the IT Asset Register, and periodic assessments of infrastructure do not take place.

Key root causes

- The service management software does not support automated scanning or integration with other sources of asset data.
- Periodic assessments of IT systems were not judged necessary.

2. Latest Reports Issued – Summary of Findings

NCFRA Payroll 2023/24

Your One Page Summary

Audit Objective: assess the design and effectiveness of the control framework for managing payroll systems.

Audit rationale

Why the Audit is in Your 2023/24 Plan

To provide assurance on the adequacy and effectiveness of the systems of internal control in operation to manage the payroll systems.

Your Strategic Risk

136: Funding cuts to public sector

137: Uncertainty in relation to long term police funding

Summary of our opinion

Moderate Opinion
See Appendix A1 for definitions



Summary of Recommendations

Priority 1 (High)	-	Actions agreed by you	100%
Priority 2 (Medium)	3	Priority 1 completion	N/A
Priority 3 (Low)	1	Overall completion	September 2024

Summary of findings

Examples of good practice

- ✓ Audit reviewed a sample of five new starters and confirmed they had been set up in accordance with the New Starter Form, added to the payroll in a timely manner and, through recalculation of their first payslip, the correct payment had been made.
- ✓ Audit reviewed a sample of ten variations to the payroll and confirmed the variation had been made in line with supporting documentation and secondary checks were performed prior to processing.

Highest Priority Findings

- Routine comparisons of employee bank details and supplier details are not undertaken.
- Six instances where NCFRA were unable to provide any evidence for expense claims made.
- Five instances where NCFRA were unable to provide any evidence for overtime claims made.

Key root causes

- There is no system of regular and routine checks between employee bank details and supplier details.
- Expense and overtime claims evidence could not be found on E-Works.
- E-Works lacks reliability and is insufficient in its capability to ensure NCFRA have internal assurance over the adequacy of their claim processes.

2. Latest Reports Issued – Summary of Findings

NCFRA EDI Plan 2023/24

Your One Page Summary

Audit Objective: assess the design and effectiveness of the control framework for Equality, Diversity, and Inclusion.


Audit rationale															
Why the Audit is in Your 2023/24 Plan		Your Strategic Objectives													
To provide assurance that the NCFRA have effective controls in place for ensuring equality, diversity and inclusion is embedded across the workforce		<ul style="list-style-type: none"> Keeping our communities safe and well Keeping our staff safe and well Making the best use of our resources 													
Summary of our opinion															
Moderate Opinion See Appendix A1 for definitions		Summary of Recommendations													
		<table border="1"> <tr> <td>Priority 1 (High)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Priority 2 (Medium)</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Priority 3 (Low)</td> <td style="text-align: center;">2</td> </tr> </table>	Priority 1 (High)	-	Priority 2 (Medium)	2	Priority 3 (Low)	2	<table border="1"> <tr> <td>Actions agreed by you</td> <td style="text-align: center;">89%</td> </tr> <tr> <td>High Priority Completion</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td>Overall completion</td> <td style="text-align: center;">September 2024</td> </tr> </table>	Actions agreed by you	89%	High Priority Completion	N/A	Overall completion	September 2024
		Priority 1 (High)	-												
		Priority 2 (Medium)	2												
Priority 3 (Low)	2														
Actions agreed by you	89%														
High Priority Completion	N/A														
Overall completion	September 2024														
Summary of findings															
Examples of good practice		Highest Priority Findings													
<ul style="list-style-type: none"> ✓ A People and Culture Board is in place, with a terms of reference which outlines the Board's responsibilities regarding EDI. ✓ A monthly balanced scorecard is produced for each team, which includes EDI data on seven protected characteristics. 		<ul style="list-style-type: none"> • The dedicated EDI action tracker had incomplete fields, and actions were recorded as completed inappropriately. • Equality Impact Assessments (EQIAs) were not completed for approximately 20% of the organisation's policies. 													
		Key root causes													
		<ul style="list-style-type: none"> • A lack of responsibility regarding the monitoring of policies and their review dates. • Insufficient governance and monitoring of the action tracker 													

2. Latest Reports Issued – Summary of Findings

NCFRA Grievance Policies & Procedures 2023/24

Your One Page Summary

Audit Objective: assess the design and effectiveness of the control framework for addressing Areas for Improvement identified by HMICFRS.

Audit rationale													
Why the Audit is in Your 2023/24 Plan	Your Strategic Risk	Your Strategic Objectives											
HMICFRS and other inspectorates have identified several areas for improvements within NFRS in regard to staff grievance processes.	141: Failure to properly adopt new operating model.	<ul style="list-style-type: none"> Keeping our communities safe and well Keeping our staff safe and well Making the best of our resources 											
Summary of our opinion													
<div style="background-color: #008000; color: white; padding: 10px; text-align: center;"> Substantial Opinion See Appendix A1 for definitions </div>		Summary of Recommendations											
		<table border="1"> <tr> <td style="background-color: #ff0000; color: white;">High Priority</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="background-color: #ffa500;">Medium Priority</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="background-color: #90ee90;">Low Priority</td> <td style="text-align: center;">1</td> </tr> </table>	High Priority	-	Medium Priority	-	Low Priority	1	<table border="1"> <tr> <td>Actions agreed by you</td> <td style="background-color: #90ee90; text-align: center;">100%</td> </tr> <tr> <td>High Priority completion</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td>Overall completion</td> <td style="text-align: center;">April 2025</td> </tr> </table>	Actions agreed by you	100%	High Priority completion	N/A
High Priority	-												
Medium Priority	-												
Low Priority	1												
Actions agreed by you	100%												
High Priority completion	N/A												
Overall completion	April 2025												
													
Summary of findings													
Examples of good practice	Highest Priority Findings	Key root causes											
<ul style="list-style-type: none"> ✓ Governance arrangements which provide sufficient oversight of work undertaken in relation to grievances. ✓ Three action plans (Serving with Pride, HMICFRS Spotlight Report and HMICFRS People CoC and AFI) to implement recommendations raised. 	<ul style="list-style-type: none"> • Performance measures required to quantify and monitor the impact of changes made to address recommendations and causes for concern. 	<ul style="list-style-type: none"> • The Service are in the early stages of implementing a number of recommendations, including those from Serving with Pride, so have not yet been able to substantiate the impact of actions. 											

2. Latest Reports Issued – Summary of Findings

NCFRA New Systems Assurance 2023/24

Your One Page Summary

Audit Objective: assess the design and effectiveness of the control framework for managing payroll systems.

Audit rationale

Why the Audit is in Your 2023/24 Plan

To provide assurance on the controls in place, project management and transfer of key financial balances and personnel data as NCFRA transfers payroll from West Northamptonshire Council to an in-house provision.

Your Strategic Risk

161: Exit from MFSS / LGSS

Summary of our opinion

Moderate Opinion
See Appendix A1 for definitions



Summary of Recommendations

Priority 1 (High)	-	Actions agreed by you	100%
Priority 2 (Medium)	2	Priority 1 completion	N/A
Priority 3 (Low)	-	Overall completion	September 2024

Summary of findings

Examples of good practice

- ✓ An updated Pay Policy, Pay Enhancements Policy, and Business Travel and Expenses Policy has been developed.
- ✓ Payroll user access has been set up appropriately with only the necessary staff members having system administrator access.
- ✓ Various reports can be generated within the system when completing payment runs such as net pay reconciliation and variance reports.

Highest Priority Findings

- Detailed procedures have not been defined for payroll processes such as setting up new starters and removing leavers from payroll.
- There is not a procedure in place for the secondary check or review of expenses claims by payroll.

Key root causes

- New system payroll procedures are expected to be the same as the Force's due to using iTrent.
- Overtime and expenses claims considered to be checked and approved by managers prior to processing by payroll.

2. Latest Reports Issued – Summary of Findings

EMSOU HMICFRS Action Plan 2023/24

Your One Page Summary

Audit Objective: To provide assurance that an action plan has been put in place to address the concerns raised.

Audit rationale

Why the Audit is in Your 2023/24 Plan

Following the HMICFRS PEEL Report on the ROCU, an inadequate rating was provided. The audit will provide assurance that an action plan has been put in place to address the concerns raised.

Summary of our opinion

Moderate Opinion

See Appendix A1 for definitions



Summary of Recommendations

High (Priority 1)	-	Actions agreed by you	100%
Medium (Priority 2)	1	Priority 1 completion	N/A
Low (Priority 3)	-	Overall completion	May 2024

Summary of findings

Examples of good practice

- ✓ Recommendations and the actions against them are discussed in various governance bodies, with an actions log maintained and used to regularly update the HMICFRS Portal on progress made.
- ✓ An approach to reporting to HMICFRS has been aligned with regional forces, including Derbyshire and Leicestershire.

Highest Priority Findings

- Lack of key information in ToR for Strategic Governance Board.

Key root causes

- ToR in Plan on a Page format, which does not include all required information.

2. Latest Reports Issued – Summary of Findings

OPFCC Grants 2024/25

Your One Page Summary

Audit Objective: To provide assurance that the OPFCC has effective controls in place to ensure that grants issued by the OPFCC are being utilised for their intended purpose.

Audit rationale

Why the Audit is in Your 2023/24 Plan

To provide assurance that grants issued by the OPFCC are being utilised for their intended purpose and have been issued in line with relevant policies, procedures and legislation.

Your Strategic Risk

136: Funding cuts to public sector.

Your Strategic / Tactical Objective

OPFCC – Protect and support those who are vulnerable

Summary of our opinion

Substantial Opinion

See Appendix A1 for definitions

X

Summary of Recommendations

High (Priority 1)

-

Medium (Priority 2)

1

Low (Priority 3)

-

Actions agreed by you

100%

Priority 1 completion

N/A

Overall completion

September 2024

Summary of findings

Examples of good practice

- ✓ We confirmed for a sample of 11 grants provided to various organisations across four grant schemes in place at the OPFCC, that signed grant agreements are in place.
- ✓ We confirmed for a sample of 11 grants that appropriate due diligence checks of grantees were carried out.

Highest Priority Findings

- The OPFCC's monitoring process for grants provided is inappropriate because it lacks the timely collection of monitoring information to enable prompt scrutiny by the OPFCC over grantees use of grant funding.

Key root causes

- Historically and operationally, the OPFCC has always worked to Quarter 1 of the following financial year to collect monitoring information from grantees without consideration of sector best practice.

05. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Original Days	Revised Days	Status	Start Date	AC	Assurance Level	Total	High	Medium	Low
Office of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police										
OPFCC Grants	10	10	Final Issued	13-May-24	Jul-24	Substantial	1	-	1	-
Medium Term Financial Planning	10	10	Fieldwork	28-May-24			-	-	-	-
Workforce Planning	10	10	In Planning	09-Dec-24			-	-	-	-
Business Continuity Follow Up	5	5	In Planning	29-Jan-25			-	-	-	-
Wellbeing	10	10	In Planning	04-Feb-25			-	-	-	-
Procurement & Supply Chain	10	10	In Planning	06-Mar-25			-	-	-	-
IT Audit	15	15	In Planning	TBC			-	-	-	-
Joint Audits										
Asset Management	10	10	ToR Agreed	23-Jul-24			-	-	-	-
Estates Management	20	20	In Planning	02-Sep-24			-	-	-	-
Core Financials	30	30	In Planning	16-Sep-24			-	-	-	-
Governance	10	10	In Planning	03-Feb-25			-	-	-	-
Totals	140	140					1	-	1	-

05. Overview of Internal Audit Plan 2024/25 (Cont.)

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Original Days	Revised Days	Status	Start Date	AC	Assurance Level	Total	High	Medium	Low
Northamptonshire Commissioner Fire & Rescue Authority										
Safeguarding	10	10	ToR Agreed	18-Jul-24			-	-	-	-
Payroll	15	15	In Planning	11-Nov-24			-	-	-	-
Data Quality	10	10	In Planning	12-Dec-24			-	-	-	-
Cyber Security	15	15	In Planning	TBC			-	-	-	-
Totals	50	50					-	-	-	-

06. Overview of Collaboration Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Collaboration Plan.

Review	Original Days	Revised Days	Status	Start Date	AC	Assurance Level	Total	High	Medium	Low
EMSOU Data Governance and Security	10	10	In Planning	06-Jan-25			-	-	-	-
EMSOU Wellbeing and EDI	10	10	In Planning	20-Jan-25			-	-	-	-
Totals	20	20					-	-	-	-

07. Key Performance Indicators 2024/25

Number	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	July 2024
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	March 2024
3	Progress report to the JIAC	7 working days prior to meeting	Achieved
4	Issue of draft report	Within 10 working days of completion of exit meeting	100% (1 / 1)
5	Issue of final report	Within 5 working days of agreement of responses	100% (1 / 1)
6	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork	50% (2 / 4)
7	Customer satisfaction (measured by survey) "Overall evaluation of the delivery, quality and usefulness of the audit" Very Good, Good, Satisfactory, Poor or Very Poor	85% average with Satisfactory response or above	100% (1 / 1)

07. Key Performance Indicators 2024/25 (Cont.)

Review	Date of ToR	Start of Fieldwork	Days Notice (10)	Exit Meeting	Draft Report	Time from Close to Draft Report (10)	Management Comments Received	Time to Received Comments (15)	Final Report Issued	Time Taken to Issue Final Report (5)
Office of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police										
OPFCC Grants	09-May-24	13-May-24	2	04-Jun-24	13-Jun-24	5	19-Jun-24	4	27-Jun-24	4
Medium Term Financial Planning	21-May-24	28-May-24	4							
Workforce Planning		09-Dec-24								
Business Continuity Follow Up		29-Jan-25								
Wellbeing		04-Feb-25								
Procurement & Supply Chain		06-Mar-25								
IT Audit		TBC								
Joint Audits										
Asset Management	27-Jun-24	23-Jul-24	18							
Estates Management		02-Sep-24								

07. Key Performance Indicators 2024/25 (Cont.)

Review	Date of ToR	Start of Fieldwork	Days Notice (10)	Exit Meeting	Draft Report	Time from Close to Draft Report (10)	Management Comments Received	Time to Received Comments (15)	Final Report Issued	Time Taken to Issue Final Report (5)
Joint Audits										
Core Financials		16-Sep-24								
Governance		03-Feb-25								
Northamptonshire Commissioner Fire and Rescue Authority										
Safeguarding	27-Jun-24	18-Jul-24	15							
Payroll		11-Nov-24								
Data Quality		12-Dec-24								
Cyber Security		TBC								

08. Definitions of Assurance Levels and Recommendation Priority Levels

Definitions of Assurance Levels	
Substantial Assurance	The framework of governance, risk management and control is adequate and effective.
Moderate Assurance	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited Assurance	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 Assurance	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.

Definitions of Recommendations		
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low (Priority 3)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	Remedial action should be prioritised and undertaken within an agreed timescale.

A1

Latest Reports Issued – Detailed Findings

Fleet Management Follow-Up 23-24

We have raised three Low priority recommendations regarding:

- The Force should clarify their position regarding their priorities to older vehicles, whether this is to ensure that the maximum utilisation is obtained from the vehicle or whether priority is to be given to the tailpipe emissions objectives.

Once a clear approach has been agreed, a longer-term replacement schedule should be drafted to support the future capital requirements to meet the fleet replacement needs.

- The Force should update the Vehicle Service Schedule Guidance document to include coverage of servicing guidelines for Force motorbikes, clearly indicating the key parameters that dictate the frequency of such services.
- The Force should ensure that details are inputted to the TranMan system accurately, as the Force utilises the system to coordinate the servicing programme.

Payroll 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>The Force's Expenses and Allowances Policy, which was last reviewed 21 January 2021 (See recommendation 2), outlines that expenses will be reimbursed if the expenditure incurred in the course of duty is:</p> <ul style="list-style-type: none"> • Supported by a receipt • Of a reasonable amount • Necessary • Additional to what would have been normally spent <p>The policy also outlines that "Managers/ Heads of Departments and Area Commanders need only approve claims where queries are raised by the Payroll, HR or Finance functions or the claim is outside of the standard claim processes outlined within this document and require approval prior to submission. Expenses are claimed through the Self Service Expense Claim within Forcenet.</p> <p>We reviewed a sample of ten expense claims made between April 2023 to August 2023 to ensure that they were legitimate, in line with the policy, authorised and paid in a timely manner. In each instance whilst we were able to confirm that payment was made in a timely manner, no evidence was provided to support the validity of each claim, or its approval.</p> <p>We were advised by the Payroll Manager that expenses claims are not verified by the Payroll team, as outlined in the policy, and instead a regular audit is undertaken by the Finance Department on a sample of expenses claims to verify their validity. We conducted a walkthrough of the audit arrangements in relation to expenses and noted that there is no formalised approach to conducting the review. We were advised that each month a different expense type is focused on, with ad hoc selection of expenses claims for that month based upon instances that appear exceptional or abnormal.</p> <p>We reviewed the audit log used to log and monitor expense audits and noted that the audit process consisted of requesting evidence from the individual claimant, or an explanation of the nature of the expense. None of the ten expenses selected in our sample had been audited.</p>	Medium	<p>The risk of retrospective review is accepted and noted, however, the position remains that the Force's policy is that inappropriate claims will be managed through PSD and HR and a full reimbursement would be expected. It is anticipated that with the appointment of an additional role under the Finance and Resources Officer we will be able to ensure a wider coverage and review of all claims, which will reduce the risk of those claims being unchallenged.</p> <p><i>Michael Montgomery</i></p>	31 March 2025

Payroll 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>As such, we note that there is no preventative control in place that approves or verifies expenses claims before they are made. We commonly see this included within a system workflow, wherein line managers must approve expenses claims prior to their processing by the payroll team.</p> <p>For reference, the total expenses claimed by Officers as reported in July 2023 was £33,993, of which £5,292 related to food and subsistence and £6,849 related to mileage and parking.</p> <p>The Force should ensure that expenses claims are formally approved and validated prior to their payment, with an audit trail retained to evidence the value and nature of the expense claimed.</p> <p>The Payroll team should ensure that they receive confirmation to support the validity of expenses claims prior to their payment.</p>	Medium		31 March 2025
2	<p>The Force operates a policy library which stores all the policies and procedural guidance for the organisation. This is available through the Force Intranet. We requested all policies and procedures in relation to Payroll and were provided with a number of different policies taken from the Force's policy library. We reviewed the policies provided and noted that three versions of the Expenses and Allowances, and Overpayments and Underpayments policies were available in the policy library, as well as two instances of the Overtime policy. In all cases the versions of the policies reviewed had not been reviewed in line with their review cycles, and we noted that the policy owner was not consistent across versions. In one extreme instance an Overtime Policy had an effective date of April 2007.</p> <p>We raised this to the Payroll Manager during our review, who subsequently provided an updated version of the Expenses and Allowances and Overtime policies. Whilst we confirmed that the Overtime policy was last reviewed in April 2023 with a next review date of April 2024, the Expenses and Allowances policy had an effective date of June 2021, requiring review in June 2022. We were advised that the Expenses and Allowances policy was currently under review.</p>	Medium	<p>A review of the policy library by the Chief People and Finance Officers is being completed and all policies and procedures will be reviewed and where appropriate revised throughout 2024/25.</p> <p><i>Suzanne McMinn, Chief People Officer & Nick Alexander, Force Chief Finance Officer</i></p>	31 March 2025

Payroll 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<p>Additionally, we reviewed the Starter and Mover procedural guidance notes in place to support Payroll staff and confirmed that this outlined the approach for inputting starters and transferring movers within iTrent. However, we note that the Force does not have procedural notes in place which document the approach to inputting, reviewing and approving payroll related data for other common processes including leavers, deductions, and variations. At similar organisations these often utilise screenshots to illustrate the process in place, supported by commentary. We find that maintaining clearly defined procedural notes provides continuity in performing day to day processes, as well as supporting business continuity.</p> <p>The Force should review the policy library to ensure that only the most up to date versions of each policy are available.</p> <p>The Force should ensure that the Expenses and Allowances policy is reviewed on a timely basis, in line with its review cycle.</p> <p>The Force should develop procedural guidance documents that outline the process for the input, review, and approval of Payroll related data within iTrent. Guidance should include version control to support a regular review of the process, ensuring it is reflective of current practice.</p>	Medium		31 March 2025
3	<p>At the commencement of the audit, we were provided with a permissions list extracted from the Force's payroll system, iTrent. We note that this included all payroll staff as having "System Administrator" access. Subsequently, during the review the Payroll Manager provided an updated extract, which illustrated that these permissions had been reduced for payroll officers to "Payroll with HR admin". However, through discussions with the Change Programme Manager we were advised that, as part of the ongoing integration with NCFRA, permissions were being reviewed to ensure that these are limited only to activities that are required by those staff members.</p>	Medium	<p>Alongside the system access reviews that are completed quarterly, we will ensure that payroll access is independently reviewed to ensure segregation and appropriate scrutiny.</p> <p><i>Michael Montgomery</i></p>	30 June 2024

Payroll 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
3	<p>Additionally, we were advised that members of the payroll that leave the team are immediately removed from the Payroll system. We were able to confirm that a recent leaver from the Payroll team no longer had access to iTrent through review of access permissions before and after their cessation. However, we note that the Force do not formally review the permissions on a regular basis. We were advised that an annual review is undertaken of permissions within the HR system, Unit4.</p> <p>As planned, the Force should review access permissions within the Payroll system, iTrent, as part of the NFCRA integration project that is ongoing. Permissions that facilitate the inputting, amending, and deletion of payroll data should be limited to Payroll staff, as well as IT and MHR consultancy related staff to facilitate the operation and update of the system. Permissions should be developed to ensure segregation of duties is maintained. Access permissions to iTrent should be reviewed on an annual basis as part of the existing annual review of the Unit4 HR system.</p>	Medium		30 June 2024

Vetting

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>According to the Authorised Professional Practice (APP) on Vetting, clearance should not be granted to a vetting applicant until all relevant vetting enquiries have been completed. Additionally, Force Vetting Units should ensure that supporting documentation for checks undertaken should be maintained on the vetting file, such as copies of identification documents.</p> <p>From review of a sample of vetting applications, renewals, and appeals, we identified the following:</p> <ul style="list-style-type: none"> • Vetting applications – two out of 15 cases fingerprint and / or drug test results were still pending on CoreVet despite clearance being granted. However, it is noted that biometric vetting is not a legal requirement according to the APP. • Vetting renewals – one out of 10 cases the Decision Rationale Form (DRF) which is completed by the Vetting Officer with justification for granting clearance could not be located on CoreVet. • Vetting appeals – one out of 6 cases the initial request email / letter from the vetting applicant to initiate an appeal could not be located on CoreVet. <p>Dip sampling should be undertaken on vetting files to confirm that adequate supporting documentation has been uploaded.</p> <p>Procedures should be updated detailing when vetting clearances can be granted for applicants who have pending biometric vetting checks.</p>	Medium	<p>The vetting team leader will be dip sampling 10 files a month to ensure all documents including Bios have been uploaded to the file. The team leader will diarise the sampling as a reminder to conduct the checks.</p> <p><i>Kim Jackson, Force Vetting Manager</i></p>	30 April 2024

We have also raised two Low priority recommendations regarding:

- Performance reporting should include the timeliness of processing vetting applications, renewals and appeals.
- The Force should include performance indicators related to vetting appeals within its weekly and / or quarterly vetting performance reporting, such as outcomes of appeals and the timeliness of appeals being processed.

Joint Core Financials 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>After the provision of goods or services to a customer or raising charges for services a request to raise an invoice should be sent to Finance Operations, who then complete an invoice template in order to automatically generate an invoice which is then sent to the customer by Finance Operations in order for the Force to receive payment.</p> <p>We reviewed a sample of ten Force debtor invoices and found:</p> <ul style="list-style-type: none"> • One instance where no request to raise the invoice could be evidenced. The invoice remains unpaid and overdue by 190 days at the time of the audit. • Two instances where the invoices had not been raised in a timely manner (18 days and 12 days). <p>We reviewed a sample of ten NCFRA debtor invoices and found:</p> <ul style="list-style-type: none"> • Nine instances where the invoices had not been raised in a timely manner (range of 45 – 12 days and average of 22 days). • One instance where the invoice remains unpaid and overdue by 82 days at the time of the audit. <p>We were advised by management that there is no formal timeline in place for the raising of an invoice following a request.</p> <p>Northamptonshire should ensure that invoice requests forms or similar are completed and provided to Finance Operations prior to the raising of an invoice and that this can be evidenced when required. To do this Finance Operations should not raise an invoice until a valid request is received.</p> <p>Northamptonshire should implement a clearly defined timeline for the raising of invoices following a request being received to ensure invoices are raised in a timely manner.</p> <p>Northamptonshire should ensure overdue income is appropriately chased in line with debt management procedures. To do this there should be clear oversight within Finance of all overdue income and evidence of debt chasing carried out at the required time intervals should be retained.</p>	Medium	<p>Agreed - The process needs to be refined and better followed <i>Nick Alexander, Force Chief Finance Officer and Debbie Clark, Senior Accountant</i></p>	01 April 2024

Joint Core Financials 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<p>The Force and NCFRA have an Aged Debt Process document in place last reviewed May 2023 which sets out the processes to be followed by Finance Operations for the collection and recovery of overdue income:</p> <ul style="list-style-type: none"> Day 1 – A copy of the invoice is emailed out to the customer requesting a payment date. Day 7 – Follow up by emailing a statement to the customer. Day 10 – Contact the customer by phone to request a payment date. <p>Customers are expected to be continued to be contacted at this point if no replies are received.</p> <p>Additionally, a customer aged debt report is run on a monthly basis and reviewed by the Finance Operations Team Leader to determine actions to take in respect of chasing or if debt should be forwarded to Legal or requested to be written off.</p> <p>We reviewed a sample of 10 debtor invoices at the Force and five at NCFRA to confirm that aged debt processes had been followed in accordance with the procedural document. We found:</p> <ul style="list-style-type: none"> Force – four instances, which were salary overpayments, where debt procedures had not been followed. This was due to there being no contact details on the individuals account for the Force to use following the no-responses from the letters posted to their addresses. These debts remain overdue since Jan 2022 (three instances valued at £2920.51, £3275.81, £3987.55) and October 2022 (one instance valued at £2282.38). Force – two instances where debt procedures had not been followed in accordance with the Process document. From a review of the October aged debt report we noted that verbal communication with customers had occurred, and a payment date had been agreed. However, the Force does not have documented evidence in respect of this. 	Medium	<p>Agreed – Whilst the team has been very successful in driving down outstanding debts, a more robust process will ensure that issues do not arise again.</p> <p>We believe incomplete customer files are the result of imported customer files, whereas in Unit4, all new customers are required to have all necessary details populated prior to raising any invoices.</p> <p><i>Nick Alexander, Force Chief Finance Officer and Debbie Clark, Senior Accountant</i></p>	01 April 2024

Joint Core Financials 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<ul style="list-style-type: none"> NCFRA – Two instances where debt management procedures had not been followed in accordance with the Process document. Of these two instances, we did note one had now been paid, although this was two months late, and one instance (valued at £57,583.75) remains unpaid since July 2023 due to the invoice being rejected as there is no Purchase Order. <p>The Force should ensure that the Aged Debt Process is followed in a timely manner for overdue income and documented evidence is retained. To do this there should be sufficient oversight within the Finance Team of overdue income and clear escalation procedures in place to ensure debts are chase in accordance with timelines in the Aged Debt Process.</p> <p>The Force should ensure that customers are set up with all necessary contact details including email address, phone number and home address. These should be kept up to date to allow for debt procedures to be followed in the event of the Force being owed money.</p> <p>NCFRA should ensure that the Aged Debt Process is followed, by ensuring there is sufficient oversight of overdue income and clear escalation procedures in place, and documented evidence of agreed payment dates with customers is retained and can be evidenced upon request..</p>	Medium		01 April 2024
3	<p>The Force performs quarterly comparisons of employee bank details with supplier details and duplicates testing of employee bank details to identify instances where they match and therefore require investigation.</p> <p>Whilst we noted no issues with Force procedures, we were not provided with evidence to demonstrate that NCFRA perform routine comparisons of employee bank details with supplier details.</p> <p>Therefore, NCFRA should ensure that there is a preventive control for the detection of matching bank details between suppliers and payroll.</p>	Medium	<p>Agreed – this control will be aligned to Police when payroll comes in-house.</p> <p><i>Nick Alexander, Force Chief Finance Officer and Sue Fisher, Payroll Manager</i></p>	01 April 2024

Joint Core Financials 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
3	<p>It is noted that this may be difficult due to the payroll function currently being outsourced to West Northants Council for NCFRA employees, therefore a detective control would be required to be regularly carried out to ensure instances are flagged appropriately and in a timely manner.</p> <p>NCFRA should implement regular and routine checks of employee bank details and supplier details, similar to Force arrangements.</p>	Medium		01 April 2024

We have also raised three Low priority recommendations regarding:

- NCFRA should ensure that leaver’s Unit4 system access is removed in a timely manner following their leaving date.
 In light of the planned integration between NCFRA and the Force, the Force should look to embed NCFRA into their HR system to enable the automation of ending leaver’s system access to Unit4.
- The Force to review this instance, ensure the workflow system error is resolved and confirm appropriate segregation of duty is present in the supplier amendment made.
- NCFRA should ensure that the Petty Cash – Imprest Account Policy is updated and approved at the earlier opportunity and reflects current petty cash working practices in place at NCFRA.

Joint Identity Access Management 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>Regular user access reviews should assess whether the Windows Active Directory (AD) user base, responsible for managing logins, permissions, and authenticating access to associated applications, is accurate and that individuals have not been assigned unnecessary access.</p> <p>A regular regimen of access reviews has not been established to determine the suitability of access privileges for Windows AD accounts.</p> <p>Each organisation should implement a regular (e.g. quarterly) regimen of Windows AD access reviews. Line managers should review the access of their staff and any other users such as partnership workers that they are responsible for. Any unnecessary access detected during these reviews should be removed from relevant individuals.</p> <p>As the Force is implementing SailPoint across its employees, it should assess whether SailPoint could provide this service automatically. For users not covered by SailPoint alternative manual processes may be required proportionate to the risk.</p>	Medium	<p>This recommendation is broadly accepted by management as it is recognised that there are currently process in place to address this, they do not currently extend to this level of scrutiny. Therefore, although there will be oversight of this process within the annual information auditor plans and role (due to be implemented by the end of the 2024 calendar year), this in-depth level of scrutiny will be fully implemented once we have the correct JML and access controls processes in place which will be managed automatically via the implementation of ITSM tool in December 2025. The source information reviews (a required prerequisite) will begin when the new information assurance structure is in place, this will inform the data utilised within the ITSM tool.</p> <p><i>Trina Kightley-Jones, Head of Information Assurance</i></p>	31 December 2025
2	<p>Multifactor Authentication (MFA) provides additional layers of authentication beyond passwords, that attackers must also breach should passwords become known to them. Best practice frameworks such as Cyber Essentials recommend that MFA is applied where available, and always for cloud services.</p> <p>Accounts within the Police Service Windows AD domain have MFA configured, however, the process to enable this for Fire Service AD accounts is still ongoing.</p> <p>NCFRA should continue the process of setting up MFA for Fire Service accounts, ensuring that all accounts are covered by this process.</p>	Medium	<p>We agree with the audit recommendation and acknowledge the importance of multifactor authentication for securing Fire Service accounts. As noted in the recommendation, we have started the process of implementing this security measure for administrative accounts and on a per project basis. The intention would be to enable this for accounts within EntraID. Full implementation will require executive support from the organisation and of other affiliated bodies.</p> <p>We will commence this process, monitor the progress, and report any issues or challenges. A date has been set of 30/09/2024 subject to approval by the organisation.</p> <p><i>Roy Cowper, Enterprise Architect</i></p>	30 September 2024

Joint Identity Access Management 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
3	<p>Privileged Identity Management (PIM) should, according to the time-restricted access policy configured in the PIM tool, provision privileged roles to individual users for a specified period before being withdrawn automatically.</p> <p>Within the Police Azure tenant access to privileged accounts is controlled on a time-restricted basis, with higher privileges being assigned for shorter periods of time. While some low-level privileges are assigned to users permanently this has not been viewed as a risk due to their extremely limited capabilities. Within the Fire Azure tenant a similar system has been implemented, however time-restricted access has not yet been applied as strictly, with some medium-level privileges being assigned to a number of fire user accounts permanently. We were informed by management that such privileges should only be provided on a time limited basis and thus require review.</p> <p>Each organisation should align the privileged access management procedures to ensure that where possible a principle of least privileged is followed when assigning access to user accounts.</p> <p>Privileges assigned to users on a permanent basis, such as those assigned to users in the Fire Service Azure tenant should be reviewed and if possible, removed, such that they can be reassigned on a temporary basis to apply specific authorised changes.</p>	Medium	<p>We acknowledge the audit action and agree that privileged access management is a key aspect of ensuring cybersecurity. We have reviewed the privileges assigned to users in the Fire Service Azure tenant and some work has already been completed to bring key AzureAD roles under the control of PIM. We have removed permanent privileges that didn't require escalation and established a process for requesting and granting them on a temporary basis when needed. The process of bringing the Fire tenant up to the same level as the Police tenant in respect of this security control will continue as part of business as usual. A date has been set of 30/09/2024.</p> <p><i>Roy Cowper, Enterprise Architect</i></p>	30 September 2024
4	<p>It is good practice to use a password management tool to secure the passwords for generic administration and service accounts in order to prevent their exposure through the use of less secure password storage methods.</p> <p>A password management tool has not been implemented for Police Service AD service accounts, whilst for Fire Service accounts a tool has been implemented but which only contains passwords for a small minority of accounts.</p> <p>Each organisation should store all generic administration and service account passwords in a password management tool.</p>	Medium	<p>This recommendation is accepted and there is a PAM (Password Access Management) Project in progress that is being led by the Transformation and Change team with a project manager assigned. Budget has been allocated and we have collated requirements which include the ability to store all generic administration and service account passwords, and supplier demonstrations have now taken place. This will be reviewed bi-monthly to ensure progress is made.</p> <p><i>Andrew Jones, Head of Transformation and Change</i></p>	31 March 2025

Joint Identity Access Management 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
5	<p>Changes to access should only occur on supply of a proper request. The OPFCC, Force and NCFRA were unable to provide relevant documentation to support the completion of access changes as follows:</p> <ul style="list-style-type: none"> • For five out of eight joiners, a HR notification form was not available. • For one out of eight joiners, evidence of vetting and training was not available. • For all eight leavers, a HR notification form was not available. <p>Emails and other documents supporting access requests should be automatically attached to tickets raised to the service desk. If this is not feasible the access management procedures followed by the service desk should state that all such emails/documents should be manually attached to relevant tickets and relevant staff made aware of this requirement.</p>	Medium	<p>This recommendation has been reviewed and has been accepted. Although tickets are already created from HR data, this process will now be reviewed to identify the capability of the current HR hub, ITSM tool and automation, if that cannot be easily done within these existing platforms then this will be developed with the new ITSM tool. The associated action will be to review this and report to key stakeholders.</p> <p><i>Dan Cooper, Head of Technical Support</i></p>	01 July 2024

We have also raised one Low priority recommendations regarding:

- Each organisation should devise and publish a specific monitoring and logging policy, including necessary ownership, version control and review sections.

Joint IT Asset Legacy Management 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>Automated scanning of hardware and software enables organisations to identify discrepancies between the IT asset register and devices present on their network. The Head of Digital, Data and Technology confirmed that there is currently no software in place to scan the network for discrepancies between the IT Asset Register and the actual devices deployed across the Force. Northamptonshire Police & Fire are currently in the process of purchasing a new IT Service Management (ITSM) tool, which we are informed will include this function, with the intention to begin implementation from May 2024.</p> <p>Furthermore, dependent on their type, most devices are separately managed by other software; for example, laptops are registered by Intune, however apart from a historic feed from the Blackberry management software for mobile devices, there are no other automated updates to the IT asset register to keep it updated.</p> <p>Continue with the planned implementation of a new ITSM tool that includes device scanning to identify discrepancies with the IT Asset Register. Once implemented the software should also consume feeds from the management software for each class of device. IT asset register discrepancies identified by automated scanning or following receipt of information from device management software should be investigated before their application to the IT asset register.</p>	Medium	<p>The procurement and implementation of the new ITSM tool is ongoing and DDaT will implement the software in three phases, starting from the first quarter of the current fiscal year and ending by the fourth quarter of the next fiscal year.</p> <p>The first phase will involve installing and configuring the software on the servers and integrating it with the existing IT systems.</p> <p>The second phase will involve testing and validating the software functionality and performance, as well as training the staff on how to use it. The third phase will involve deploying the software to all the devices and conducting a post-implementation review.</p> <p>The current system does not provide Integrations required to consume feeds, however these capabilities are present in the new tool.</p> <p>In the meantime, we are currently exploring opportunities to see how the reporting tools can help us determine device usage. The initial goal is to identify devices not in use against our asset lists.</p> <p><i>Dan Cooper, Head of Technical Support - DDaT</i></p>	31 December 2025
2	<p>Regular reviews of the IT asset register should be conducted to verify that the information within the register is complete, accurate and up to date. Management confirmed that reviews of the IT asset register do not take place and there is currently no plan to implement a formal review.</p>	Medium	<p>DDaT agrees with this recommendation and will review the asset register regularly, to make sure information like assigned user is correct. The technical support team manages the IT Asset register and has started a quarterly dip sample process.</p> <p><i>Dan Cooper, Head of Technical Support - DDaT</i></p>	Completed

Joint IT Asset Legacy Management 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<p>Implement regular (e.g. quarterly) reviews of the asset register, to check that information in the register such as assigned user is accurate. Whilst automated scanning can support this, other checks to confirm that manual updates have been correctly applied should occur. For example, periodic stocktakes of devices in storage, discovery of devices that have not connected for a long period, and verification of disposal are all activities that could occur to support the accuracy of the IT asset register.</p>	Medium		Completed

We have also raised three Low priority recommendations regarding:

- Periodically assess the adequacy of IT architecture to identify and locate potential risks.
- Apply updates to asset register to reflect the true status of these Blackberry phones (i.e. lost) or arrange for their return.
If asset can't be returned, then it should be treated as a lost device within the IT asset register.
- As planned, publish and IT Asset Management policy statements related to each stage in the IT asset lifecycle.

NCFRA Payroll 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>Regular and routine comparisons of employee bank details and supplier details should be carried out to ensure any matches are brought to the attention of NCFRA in a timely manner and can be investigated.</p> <p>We were informed by management that routine and regular checks of employee to supplier bank details are not performed.</p> <p>Audit performed data analysis to identify any instances of employee bank details matching with supplier details. Whilst, we found no duplicates this is a key control in ensuring the prevention of bank mandate fraud across payroll and supplier payments. Therefore, the Force should ensure that there is a preventative control for the detection of matching bank details between suppliers and payroll.</p> <p>NCFRA should implement regular and routine checks of employee bank details and supplier details to identify any duplicates.</p>	Medium	<p>The finance team does review National Fraud Initiatives data against the payroll data on an annual basis, however, we will be implementing for the end of quarter one (time to ensure that the report provides unmasked bank details with supplier data) a look up for each payroll to the current supplier data to check for matches on the bank account number and then if there are any matches we will investigate.</p> <p><i>Nick Alexander, Force Chief Finance Officer</i></p>	30 June 2024
2	<p>NCFRA's Business Travel and Expenses Policy, last reviewed April 2021, states that expenses should be submitted through NCFRA's employee claims system module on E-Works (NCFRA's pay claims system), with receipts scanned and attached to the relevant claim. Expenses claims are to then be approved by the individuals line manager on E-Works.</p> <p>We reviewed a sample of ten expense claims, between April and August 2023, and noted six instances where NCFRA were unable to provide any evidence to demonstrate the claim had been submitted on E-Works with supporting invoices and that approval had been obtained. The monetary range of these claims was £42.43 to £13.84 with an average of £25.09. Of the four expense claims where evidence could be provided from E-Works no issues were noted.</p> <p>Management advised that the current E-Works system is an old, unreliable, and failing system, which is at the end of its lifecycle for NCFRA and is being replaced in April 2024.</p>	Medium	<p>Finance will issue communications to all Fire staff to remind them of their duties to include receipts. They will also complete dip sampling of claims to ensure appropriate receipts are included.</p> <p>Finance will also review the 6 claims and contact the manager to see if receipts are available retrospectively.</p> <p><i>Nick Alexander, Force Chief Finance Officer</i></p>	30 June 2024

NCFRA Payroll 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<p>NCFRA should ensure line managers do not approve expenses unless a receipt is scanned onto E-Works and the completed claim is clearly identifiable and traceable.</p> <p>NCFRA should investigate these six instances and establish why the claims are not present on E-Works.</p>	Medium		30 June 2024
3	<p>NCFRA's Raising a New Employee Claim procedural document presents how overtime claims should be submitted electronically through E-Works. As part of the electronic claim form, claimants are expected to complete personal details and add their claim details, such as claim reason for additional hours and the total number of hours and the rate, before submitting. The claimant's line manager then reviews the submitted overtime claim and approves it on E-Works.</p> <p>We reviewed a sample of ten overtime claims, between April and August 2023, and noted five instances where NCFRA were unable to provide any evidence to demonstrate the claim had been submitted on E-Works with supporting evidence and that line manager approval had been obtained. Of the five overtime claims where evidence could be provided from E-Works no issues were noted.</p> <p>Management advised that the current E-Works system is an old, unreliable, and failing system, which is at the end of its lifecycle for NCFRA, and is being replaced in April 2024.</p> <p>NCFRA should ensure that line managers do not approved overtime claims until required evidence and claims have been completed and uploaded into E-Works.</p> <p>NCFRA should investigate these five instances and establish why the claims are not present on E-Works.</p>	Medium	<p>NCFRA will issue comms to the organisation to ensure that managers are reminded of their responsibilities.</p> <p>NCFRA are migrating to a new Duty Planning and overtime process, it is expected that this error relates to the issues with the existing system & these issues will be permanently resolved.</p> <p><i>Rob Porter, Assistant Chief Fire Officer - Community Risk and Nick Alexander, Force Chief Finance Officer</i></p>	30 September 2024

We have raised one Low priority recommendations regarding:

- NCFRA should ensure that the Pay and Allowances Policy is reviewed on a timely basis, in line with its review cycle.

NCFRA should correct the review cycle inconsistency identified within the Pay Policy to ensure alignment with required Policy review cycle.

NCFRA EDI 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>The NCFRA maintains an action tracker, which is used to identify actions that are required in order to achieve the organisation’s strategic objectives, as well as address people-related recommendations from internal and external drivers. The tracker is governed by the People and Culture Board.</p> <p>We reviewed the action tracker, and note that the template includes an opening dashboard, which outlines the key recommendation areas, with a further breakdown of these areas (Criteria) into individual actions.</p> <p>Our review identified the following issues:</p> <ul style="list-style-type: none"> • The criteria within the action tracker are not linked to each of the strategic aims in the 2021-23 strategy. This is essential in ensuring individual actions are aligned to achieving the strategic aims of the organisation. • Several fields within the tracker have not been completed. This included the sponsor and start date of the action plan, as well as the sign off column for each action within the Tracker. We were advised by the Strategic Lead Cultural Change that this was due to the action tracker format being updated post completion of a number of actions. • The tracker uses a compliance rating (Not compliant, partial compliant, fully compliant). We note that for some criteria, whilst all the actions had been marked as complete, the overall criteria stated partial compliant. <p>In addition, we noted that the evidence of completion for activities had not in all cases been updated, including the evidence of full compliance for each criteria. Our review also found that the progress description assigned to each action was not kept up to date.</p> <p>For example, action EDI 3,1 has an action narrative of "EDI Action Plan - All policies to be reviewed in light of revised EQIA approach". The action is completed, and the description for the field "work needing to be done" stated the following: "EQIA role has been hayed due to be advertised. Still working with HR to resolve and get advertised. EQIA's currently being reviewed within policy updates process"</p>	Medium	<p>2024-2027 EDI Plan has been finalised, this already covers off, most of these recommendations. Strategic owner to be briefed for sign off. Further confirmation/discussion is required regarding future People and Culture Board oversight of EDI Plan.</p> <p><i>Paul Bullen, Joint Assistant Chief Officer for Enabling Services and Jonathan Tunney, HR Change Manager</i></p>	30 April 2024

NCFRA EDI 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>However, through discussions with the Change Manager, we were advised that the role had in fact received no applicants, and instead this had been absorbed into the Senior Equality officer role. As such, we note that the Action tracker is not an accurate reflection of in progress or completed actions relating to EDI.</p> <p>Furthermore, we note that whilst EDI 3.1 had been marked as completed, the action narrative had not been achieved, with 24 policies not having had an EQIA completed. We were advised by the Change Manager that this was because the EQIA was now a Business-as-Usual activity, with the responsibility to carry out EQIAs sitting with the Senior Equality Officer. However, given the backlog of EQIAs that are due to be completed, we take the view that this action should not be marked as completed until all policies have been reviewed in light of the revised EQIA process.</p> <p>NCFRA should ensure that actions included in the action tracker are clearly linked to the overall EDI strategy at the organisation, The tracker should be kept up to date and reflect the current progress of actions towards their completion. To support this, a "date last updated" column should be included to support timely updating of the tracker.</p> <p>When an action is completed, a clear audit trail of the completion should be retained, and formal sign off should be recorded within the action tracker based on P&C approval.</p> <p>Where an action is marked as completed as on the basis of it being a Business-as-Usual, this should only be on the basis that retrospective activities relating to that activity have been completed in full.</p>	Medium		30 April 2024
2	<p>The NCFRA's action tracker includes action EDI 3.1, which states "EDI Action Plan - All policies to be reviewed in light of revised EQIA approach". An EQIA is a critical tool in ensuring that an organisation's policies are aligned to its strategic objectives in relation to equality, and in identifying instances where the impact of policies may be high in order to apply sufficient mitigations.</p>	Medium	<p>Policy updates are continually being reviewed. The EQIA process is part of that review.</p> <p><i>Phil Pells, Assistant Chief Fire Officer – Service Development</i></p>	30 September 2024

NCFRA EDI 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<p>We reviewed a list of all 112 current policies to ensure that an Equality Impact Assessment had been completed in all cases. From our review of the list, we note the following issues from the 112 policies included on the list:</p> <ul style="list-style-type: none"> • 60 policies had missed their review date (54%), with the largest "A27 - Responding to Town and Country Planning Applications" recording a review date of 22/11/2012. • 24 policies had not had an EQIA completed (21.4%). <p>We were advised by the Strategic Lead for Cultural Change that the fire service were aware of this, and a current process was underway to update all policies to ensure they are in date and have an EQIA.</p> <p>As planned, NCFRA should continue as planned to carry out an EQIA for the remaining 24 outstanding policies. NCFRA should update all policies that have missed their review date.</p>	Medium		30 September 2024

We have also raised two Low priority recommendations regarding:

- As planned, NCFRA should finalise the Diversity Statement. This should include the following elements:
 - Key roles and responsibilities relating to EDI, on an individual and governance level.
 - A clear link to the current EDI Strategy, including the aims and objectives included within the strategy.
- NCFRA should ensure that an effective audit trail is maintained regarding the sign off of activities as completed.

Similarly, where quarterly accessibility activities are undertaken for the website, evidence of the issues found and their completion should be retained.

NCFRA Grievance Policy and Procedures 23-24

We have raised one Low priority recommendations regarding:

- Performance measures to substantiate and monitor the impact of changes made across the Service should be introduced to address HMICFRS reviews and Serving with Pride recommendations.

NCFRA New System Assurance (Payroll) 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>The NCFRA is moving away from an outsourced payroll function provided by West Northamptonshire Council and is moving to an in-house payroll function sitting alongside the Force's current payroll function with a planned go live date of 1 April 2024. The NCFRA will utilise iTrent as its new payroll system, which is the system already used by the Force, and due to this payroll staff are already aware of how to use the system.</p> <p>We undertook walkthroughs of system procedures and controls and found that there are currently not any NCFRA payroll procedures in place defining specific controls that will be in place and to provide guidance to staff processing the payroll, although due to using the same iTrent system as the Force most processes are expected to be similar. For example, we were shown how the Unit4 HR system integrates with the iTrent payroll system with details of new starters added in Unit4 being transferred to iTrent, however more detailed parts of the process were unclear such as whether there will be a checking and review process of the new starter details (e.g. bank details) added by payroll.</p> <p>At similar organisations we have found that procedural documents often include screenshots of the system supported by commentary to provide guidance to staff in completing day-to-day processes. This helps to ensure processes are completed consistently and also supports business continuity.</p> <p>Detailed procedures and guidance should be developed for NCFRA payroll processes e.g. what secondary checks should be undertaken by payroll when setting up new starters on iTrent, or the Force's current procedures should be enhanced to cover the NCFRA as well.</p>	Medium	<p>Alongside the improvement work that is completed as a result of the Police Internal Payroll review, we are ensuring that all NCFRA and joint processes, and procedures and guides are being updated to ensure that they are effective for the future Business as Usual. As such, now that the NCFRA implementation is complete and the dual system functionality scoping has been completed, we will ensure that all work across all payrolls (NCFRA, Police & OPFCC) is managed from joint processes and guides where possible to ensure uniformity and accuracy in processing and checking.</p> <p><i>Nick Alexander, Force Chief Finance Officer and Suzanne McMinn, Chief People Officer</i></p>	30 September 2024

NCFRA New System Assurance (Payroll) 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
2	<p>According to the Fire Payroll Self Service Training Guide, employees should submit claims for expenses such as subsistence, mileage and spoilt meals via the MHR Payroll & Expenses Employee Self Service System (ESS). The Training Guide states that there is currently no line manager authorisation process for expenses, although audits will be conducted regularly. However, the Business Travel and Expenses Policy (March 2023) notes that in some circumstances such as when claiming for meals whilst travelling on business that employees should seek approval for the reimbursement prior to incurring the expenditure. Due to this the current policy relating to whether manager authorisation is required for expense claims is unclear.</p> <p>Line manager approval should be obtained and documented when staff make claims for expenses via the ESS. The Business Travel and Expenses Policy should be reviewed and clarification added as to whether line manager approval for expense claims is required or not.</p>	Medium	<p>The risk of retrospective review is accepted and noted, however, the position remains the policy is that inappropriate claims will be managed through performance management and HR and a full reimbursement would be expected. It is anticipated that with the appointment of an additional role under the Finance and Resources Officer we will be able to ensure a wider coverage and review of all claims, which will reduce the risk of those claims being unchallenged.</p> <p><i>Michael Montgomery</i></p>	30 September 2024

EMSOU HMICFRS Action Plan 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>ToR are used to define the aims, methods and reporting for key governance forums. These are essential documents that, alongside the wider governance framework, ensure an effective regime of oversight and review.</p> <p>Audit has reviewed the ToR for the Strategic Governance Board and found several items of key information not included, such as:</p> <ul style="list-style-type: none"> • attendees and roles. • frequency of meetings. • standing agenda items. • reporting and escalation. <p>The Unit should update the ToR for the Strategic Governance Board and Performance Management Group to include all key information, including:</p> <ul style="list-style-type: none"> • frequency of meetings. • attendees. • who chairs the meeting and relevant deputies. • standing agenda items. • where the board reports to and where they receive reports from. 	Medium	<p>A review of the terms of reference and governance structures in EMSOU are being reviewed as part of the implementation and review of The Operating Model. A new Terms of Reference template has been generated for all meetings within EMSOU to ensure consistency, strategic direction and governance in line with all priorities. The Terms of Reference for the Strategic Governance Board will be refreshed in line with the new format which includes the noted information in this report.</p> <p><i>T/DCS Nick Waldram, Head of EMSOU</i></p>	03 May 2024

OPFCC Grants 23-24

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>In the blue-light sector, it is best practice for grantees use of grant funding from the grantor to be monitored formally through quarterly monitoring reports where the grantee provides information and evidence on how funds have been spent to enable the grantor to check that grant funding has been spent in line with the funding agreement.</p> <p>Monitoring arrangements should be clearly set out in funding agreements and the OPFCC should be proactive to collect monitoring information from grantees to enable early detection of instances where the grant funding has not been spent in line with agreements, including recovering any unspent funds from the grantee.</p> <p>At Northamptonshire OPFCC, grant funding agreements state that “the beneficiary shall provide information requested in the format and within the timescales as the OPFCC reasonably requests from time to time.” Operationally, the OPFCC expects grantees to provide completed monitoring forms, attached with receipts and invoices as evidence of purchases made with grant funding, in Q1 of the following financial year (June 2024).</p> <p>This poses the risk that the OPFCC does not obtain timely internal assurance that grant funding provided to grantees is being spent in line with grant agreements and approved grant applications, such as inappropriate purchases are being made or grantees spending is not sufficiently allocated across the timeline of the project. Also, this may cause issues in the OPFCC recovering unspent funding from grantees in a timely manner.</p> <p>Additionally, we reviewed a sample of five grantees who have already provided monitoring reports and noted the following:</p> <ul style="list-style-type: none"> • One instance (Basketball Northants) where the monitoring form completed by the grantee and provided to the OPFCC does not include the required evidence of receipts and invoices for purchases made by grantee with grant funding (£6000). 	Medium	<p>It is pleasing to see that there are strong processes in place around this part of our business and a programme of work will be put into place to deliver against the recommendations.</p> <p><i>Paul Fell, Director of Delivery, OPFCC</i></p>	30 September 2024

OPFCC Grants 23-24 (Cont.)

Ref	Recommendation	Priority	Management Comments	Due Date
1	<ul style="list-style-type: none"> One instance (South Northants Youth Engagement) where the grantee has provided their own format of a monitoring report which is not in line with the OPFCC required monitoring form and does not include the required receipts and invoices to evidence the grant funding spend (£3000). <p>Northamptonshire OPFCC should:</p> <ul style="list-style-type: none"> Clearly set out and establish in funding agreements a quantifiable frequency for monitoring arrangements of grantees. Consider more frequent monitoring processes, such as quarterly monitoring forms or using the expected outcomes and target dates in grantee applications, to enable scrutiny of, and timely internal assurance over, the use of grand funding by grantees. This will be particularly useful for larger funding provided to projects taking place over a longer period of time. Remind grantees submitting monitoring forms that they are to be completed via the official OPFCC monitoring form and all receipts and invoices for purchases made must be attached to evidence grant funding spend. 	Medium		30 September 2024

Contact

Forvis Mazars

David Hoose

Partner

Tel: +44 7552 007 708

david.hoose@mazars.co.uk

Sarah Knowles

Internal Audit Manager

Tel: +44 7917 084 604

sarah.knowles@mazars.co.uk

Statement of Responsibility

We take responsibility to the Office of the Police , Fire & Crime Commissioner (“OPFCC”) for Northamptonshire, Northamptonshire Commissioner Fire & Rescue Authority (“NCFRA”) and Northamptonshire Police (“Force”) 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 Forvis 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.



Northamptonshire Commissioner Fire & Rescue Authority
Joint Independent Audit Committee
Internal Audit Annual Report 2023/24

Prepared by: Forvis Mazars
Date: July 2024

Contents

- 01** Introduction
- 02** Audit Opinion
- 03** Internal Audit Work Undertaken in 2023/24
- 04** Audits with Recommendations Not Accepted 2023/24
- 05** Internal Audit Plan 2023/24 vs Budget
- 06** Benchmarking
- 07** Performance of Internal Audit
- 08** Internal Audit Quality Assurance

- A1** Appendix 1 – Definitions of Assurance

Disclaimer

This report (“Report”) was prepared by Forvis Mazars LLP at the request of the Office of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire and Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) 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 NCFRA and to the fullest extent permitted by law Forvis 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 in this report for further information about responsibilities, limitations and confidentiality.

01 Introduction

Forvis Mazars LLP are the appointed internal auditors to Northamptonshire Commissioner Fire & Rescue Authority (NCFRA). This report summarises the internal audit work undertaken by Forvis Mazars in 2023/24, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

During the year, the NCFRA retained a full scope internal audit service for 2023/24 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the NCFRA arrangements for risk management, control and governance.

The report should be considered confidential to the NCFRA and not provided to any third party without prior written permission by Forvis Mazars.

Scope and purpose of internal audit

The purpose of internal audit is to provide the Joint Independent Audit Committee (JIAC), with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the NCFRA's agreed objectives. It also has an independent and objective advisory role to help line managers improve governance, risk management and internal control.

This opinion forms part of the framework of assurances that is received by the NCFRA. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control. Our professional responsibilities as internal auditors are set out within the Chartered Institute of Internal Auditors (CIIA) and the Internal Audit Charter.

Responsibility for a sound system of internal control rests with the Board 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.

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 2023/24 was considered and approved by the JIAC on 19 July 2023. In total the Plan was for 92 days, including 14 days of Audit Management.

The move to remote auditing has been well established between the NCFRA & auditors with both parties working hard to ensure the audits could be completed in a timely manner. We have regularly communicated with the NCFRA and Office of the Police, Fire & Crime Commissioner (OPFCC), which has enabled us to make good progress in delivering the annual plan.

As noted in the 2023/24 Internal Audit Plan, the approach is a flexible one and, where risks emerge, change or are effectively mitigated, the internal audit plan is reviewed and changes therefore may occur during the year.

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, additionally Appendix A1 describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

01 Introduction (Cont.)

Acknowledgements

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

Sampling Methodology

As part of our auditing methodology, we use a range of sampling techniques to provide a robust basis for our audit opinions. Where possible we favour conducting whole data set testing.

02 Audit Opinion

Our opinion

On the basis of our audit work, our opinion on the framework of governance, risk management, and control is **Moderate** in its overall adequacy and effectiveness.

This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work, in particular a limited assurance opinion was provided during the period in respect of IT Identity Access Management.

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

A 'Substantial' assurance opinion was provided for one internal audits; Grievance Policy & Procedures.

Scope of 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 the NCFRA is a reasonable assurance that there are no major weaknesses in 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 'High' or 'Medium' 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 NCFRA's objectives or activities;
- Matters arising from previous reports to NCFRA;
- 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 NCFRA; and
- The proportion of NCFRA'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.

Reliance Placed on Third Parties

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

02 Audit Opinion (Cont.)

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

Corporate Governance

Governance is a consideration within all our audit engagements, and Audit did not find any significant issues with respect to governance controls across the audit plan. There were a few recommendations made during the year linked to updating policies and procedures, specifically within the 'Core Financials' and 'Payroll' review.

Risk Management

Audit completed a specific review with respect to 'Risk Management' during the year and issued a 'Moderate' assurance opinion which included a total of two 'Medium' recommendations and a single 'Low' recommendation. Overall, Audit were satisfied that an effective system for managing risk was in place at the NCFRA.

During the course of delivering the 2023/24 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 NCFRA and OPFCC.

Internal Control

Of the eight audits undertaken, where a formal assurance level was provided, one received a substantial level of assurance, six audits received a moderate level of assurance, and one audit received a limited level of assurance.

We have made a total of 31 new recommendations during the year at the NCFRA, with 19 recommendations categorised as 'Medium' and 12 categorised as 'Low'. One of the 'Low' priority recommendations was not accepted, as outlined in Section 04.

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 2023/24

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.

We undertook eight in-depth audit reviews covering a number of important control systems, processes, and risks. The results of this work are summarised below. The results of which are included in **Appendix A1**.

Ref	Audit area	Assurance level	Recommendations				Accepted	Not accepted
			High (Priority 1)	Medium (Priority 2)	Low (Priority 3)	Total		
09.23/24	Grievance Policy & Procedures	Substantial	-	-	1	1	1	-
05.23/24	Risk Management	Moderate	-	2	1	3	3	-
07.23/24	Core Financials (Joint with Northamptonshire Police)	Moderate	-	3	3	6	6	-
08.23/24	Equality, Diversity & Inclusion	Moderate	-	2	2	4	3	1
10.23/24	Payroll	Moderate	-	3	1	4	4	-
13.22/24	IT Asset Management (Joint with Northamptonshire Police)	Moderate	-	2	3	5	5	-
14.23/24	New System Assurance (Payroll)	Moderate	-	2	-	2	2	-
15.23/24	IT Identity Access Management (Joint with Northamptonshire Police)	Limited	-	5	1	6	6	-
	Total		-	19	12	31	30	1

04 Audits with Recommendations Not Accepted 2023/24

Audit Area	Assurance Level	Summary of Key Findings
Equality, Diversity & Inclusion	Moderate	<p><u>One Recommendation Not Accepted:</u></p> <p>9 – Where quarterly accessibility activities are undertaken for the website, evidence of the issues found, and their completion should be retained.</p> <p><i>When we are looked at by external agencies will base their judgement, and evidence of whether the website complies or doesn't with the accessibility requirements, we don't agree that we need to hold further evidence of issues found and completion.</i></p> <p>(Paul Bullen, Joint Assistant Chief Officer for Enabling Services)</p>

05 Internal Audit Plan 2023/24 vs Budget

The Internal Audit Plan for 2023/24 was for a total of 92 days.

Audit area	Planned days	Actual Days	Difference	Status
Payroll	10	10	-	Final Report
Risk Management	8	8	-	Final Report
Core Financials (Joint with Northamptonshire Police)	20	20	-	Final Report
Equality, Diversity & Inclusion	8	8	-	Final Report
Grievance Policy & Procedures	8	8	-	Final Report
New System Assurance (Payroll)	8	8	-	Final Report
IT Asset Management (Joint with Northamptonshire Police)	8	8	-	Final Report
IT Identity Access Management (Joint with Northamptonshire Police)	8	8	-	Final Report
Management	14	14	-	
Total	92	92	-	

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 NCFRA 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.

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 JIAC and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the JIAC.



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.

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.

08 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 with 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 next assessment will take place during the Summer of 2024. 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

A1 Definitions of Assurance

Assurance Gradings

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

Level	Description
Substantial	Findings indicate that on the whole, controls are satisfactory, although some good practice enhancements may have been recommended. We may have made some recommendations to improve good practice.
Moderate	While the control framework has been found to be generally well designed, control issues and / or areas for improvement have been identified. Where action is in progress to address these findings and any other issues known to management, these actions will be at too early a stage to allow a 'substantial' assurance audit opinion to be given. The control framework is generally well designed.
Limited	Control weaknesses have been noted that require corrective action if the control framework is to be considered as operating effectively. Where such remedial action has already been identified by management, this will have not yet started at the time of the audit, or is not currently considered to be sufficient, or sufficiently progressing to address the severity of the control weaknesses identified. We found control weaknesses that need to be corrected in order for the control framework to operate effectively.
Unsatisfactory	Findings indicate serious weaknesses in the control framework which could threaten the ability of NCFRA to achieve its objectives; or, there is evidence that despite any corrective action already taken, key risks are crystallising in the area under review or have already crystallised. This assurance opinion may also cover the scenario where our audit work was obstructed such that we cannot conclude on the effectiveness of internal controls.

Recommendation Gradings

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

Priority	Description
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Low (Priority 3)	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

For annual opinions we use the following classifications within our audit reports:

Opinion	Definition
Substantial	The framework of governance, risk management and control are 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.

Contact

Forvis Mazars

David Hoose

Director

Tel: +4 7552 007 708

david.hoose@mazars.co.uk

Sarah Knowles

Internal Audit Manager

Tel: +44 7917 084 604

sarah.knowles@mazars.co.uk

We take responsibility to the Office of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire and Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) 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 Forvis 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 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.



Police, Fire & Crime Commissioner for Northamptonshire and Northamptonshire Police

Joint Independent Audit Committee

Internal Audit Annual Report 2023/24

Prepared by: Forvis Mazars

Date: July 2024

Contents

- 01** Introduction
- 02** Audit Opinion
- 03** Internal Audit Work Undertaken in 2023/24
- 04** Audits with High Recommendations 2023/24
- 05** Internal Audit Plan 2023/24 vs Budget
- 06** Benchmarking
- 07** Performance of Internal Audit
- 08** Internal Audit Quality Assurance

- A1** Appendix 1 – Definitions of Assurance

Disclaimer

This report (“Report”) was prepared by Forvis Mazars LLP at the request of the Office of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire & Northamptonshire Police (Force) 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 Force and to the fullest extent permitted by law Forvis 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 in this report for further information about responsibilities, limitations and confidentiality.

01 Introduction

Forvis Mazars LLP are the appointed internal auditors to the Office of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire & Northamptonshire Police (Force). This report summarises the internal audit work undertaken by Forvis Mazars in 2023/24, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

The OPFCC and Force retained a full scope internal audit service for 2023/24 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the OPFCC and Force arrangements for risk management, control and governance.

The report should be considered confidential to the OPFCC and Force and not provided to any third party without prior written permission by Forvis Mazars.

Scope and purpose of internal audit

The purpose of internal audit is to provide the Joint Independent Audit Committee (JIAC), with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the OPFCC and Force's agreed objectives. It also has an independent and objective advisory role to help line managers improve governance, risk management and internal control.

This opinion forms part of the framework of assurances that is received by the OPFCC and Force. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control. Our professional responsibilities as internal auditors are set out within the Chartered Institute of Internal Auditors (CIIA) and the Internal Audit Charter.

Responsibility for a sound system of internal control rests with the Board 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.

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 2023/24 was considered and approved by the JIAC on 19 July 2023. In total the Plan was for 131 days, including 14 days of Audit Management and 5 days for Collaboration audits.

The move to remote auditing has been well established between the Force & auditors with both parties working hard to ensure the audits could be completed in a timely manner. We have regularly communicated with the Force and OPFCC, which has enabled us to make good progress in delivering the annual plan.

As noted in the 2023/24 Internal Audit Plan, the approach is a flexible one and, where risks emerge, change or are effectively mitigated, the internal audit plan is reviewed and changes therefore may occur during the year.

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, additionally Appendix A1 describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

01 Introduction (Cont.)

Acknowledgements

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

Sampling Methodology

As part of our auditing methodology, we use a range of sampling techniques to provide a robust basis for our audit opinions. Where possible we favour conducting whole data set testing.

02 Audit Opinion

Our opinion

On the basis of our audit work, our opinion on the framework of governance, risk management, and control is **Moderate** in its overall adequacy and effectiveness.

This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions were provided during the period in respect of Business Continuity and Emergency Planning.

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

Scope of 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 the OPFCC and Force is a reasonable assurance that there are no major weaknesses in 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 'High' or 'Medium' 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.

Reliance Placed on Third Parties

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

02 Audit Opinion (Cont.)

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

Corporate Governance

Governance is a consideration within all our audit engagements, and Audit did not find any significant issues with respect to governance controls across the audit plan. There were a few recommendations made during the year linked to governance, particularly withing the audits of Business Continuity and Payroll, where it was noted that oversight of business continuity plans could be improved on, and policies and procedures should be updated to reflect current working practices.

Risk Management

Our opinion was informed by consideration of risk management aspects through our individual assignments including reporting within our 'risk management' thematic as well as observing reports and discussion around the Force's and OPFCC's Risk Management including the Risk Register at each JIAC meeting with no significant issues arising.

During the course of delivering the 2023/24 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 ten audits undertaken, where a formal assurance level was provided, eight received a moderate level of assurance and two audit received a limited level of assurance.

We have made a total of 41 new recommendations during the year at the Force and OPFCC, with two recommendations categorised as 'High', 22 categorised as 'Medium' and 17 categorised as 'Low'. Despite the fall in the number of audits delivered during the 23/24 year (from 13 to 10), the total number of recommendations raised has increased by eight (33 recommendations were raised during 22/23).

The number and priority of recommendations raised across the audit plan supports the overall assessment that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

03 Internal Audit Work Undertaken in 2023/24

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.

We undertook ten in-depth audit reviews covering a number of important control systems, processes, and risks. The results of this work are summarised below. The results of which are included in **Appendix A1**.

Ref	Audit area	Assurance level	Recommendations				Accepted	Not accepted
			High (Priority 1)	Medium (Priority 2)	Low (Priority 3)	Total		
03.23/24	Business Continuity and Emergency Planning	Limited	2	3	-	5	5	-
15.23/24	IT Identity Access Management (Joint with NCFRA)	Limited	-	5	1	6	6	-
01.23/24	Firearms Licensing	Moderate	-	2	-	2	2	-
02.23/24	Released Under Investigation Follow Up	Moderate	-	1	2	3	3	-
06.23/24	Reasonable Adjustments Follow Up	Moderate	-	2	3	5	5	-
07.23/24	Core Financials (Joint with NCFRA)	Moderate	-	3	3	6	6	-
04.23/24	Fleet Management Follow Up	Moderate	-	-	3	3	3	-
11.23/24	Vetting	Moderate	-	1	2	3	3	-
12.23/24	Payroll	Moderate	-	3	-	3	3	-
13.23/24	IT Asset Management (Joint with NCFRA)	Moderate	-	2	3	5	5	-
	Total		2	22	17	41	41	-

04 Audits with High Priority Recommendations 2023/24

Audit Area	Assurance Level	Summary of Key Findings
<p>Business Continuity and Emergency Planning</p>	<p>Limited</p>	<p><u>Two High Priority Recommendations:</u></p> <p>1 – (a) The Force and OPFCC should implement an internal annual test programme for its business continuity plans.</p> <p>(b) The Force should ensure the test programme covers all plans over a cyclical period, with those of highest priority tested on a more frequent basis.</p> <p>(c) The Force should perform a reconciliation between the BCP Exercise and BCP Management Log, to ensure the departments listed are consistent with one another.</p> <p>2 – (a) The Force should review and update its outdated Contingency Plans as soon as possible and determine which Plans should be updated as priority.</p> <p>(b) Additional resources should be allocated towards locating, reviewing and updating Contingency Plans.</p>

05 Internal Audit Plan 2023/24 vs Budget

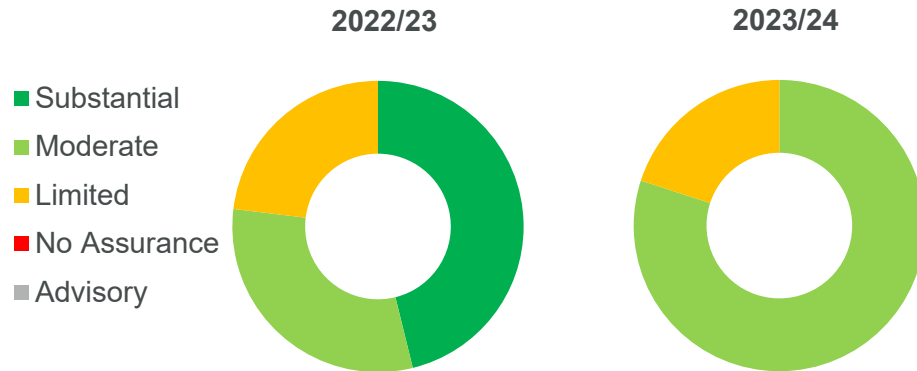
The Internal Audit Plan for 2023/24 was for a total of 131 days.

Audit area	Planned days	Actual Days	Difference	Status
Estates Management	5	-	-5	Deferred into the 24/25 plan
Firearms Licensing	8	8	-	Final Report
Released Under Investigation Follow Up	5	5	-	Final Report
Business Continuity and Emergency Planning	8	8	-	Final Report
Fleet Management Follow Up	10	10	-	Final Report
Payroll	8	8	-	Final Report
Procurement and Supply Chain	10	-	-10	Deferred into the 24/25 plan
Core Financials (Joint with NCFRA)	20	20	-	Final Report
Reasonable Adjustments Follow Up	6	6	-	Final Report
Vetting	8	8	-	Final Report
OPFCC Grants	8	-	-8	Deferred into the 24/25 plan
IT Asset Management (Joint with NCFRA)	8	8	-	Final Report
IT Identity Access Management (Joint with NCFRA)	8	8	-	Final Report
Collaboration	5	5	-	
Management	14	14	-	
Total	131	108	-23	

06 Benchmarking

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

Comparison of Assurance Levels

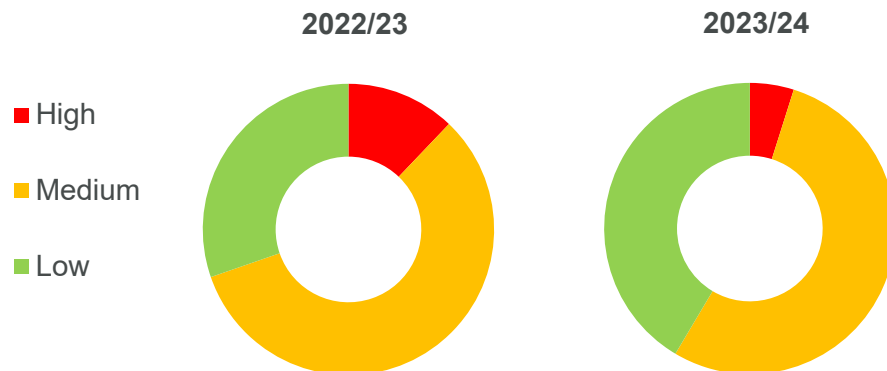


In 2022/23, there were 13 audits completed. Six received 'Substantial' assurance, four received 'Moderate' assurance and three received a 'Limited' opinion.

Of the ten strategic audits conducted in 2023/24, eight received 'Substantial' assurance and two received a 'Moderate' assurance.

It should be noted though that the areas of review will not typically be the same given the risk-based nature of the Internal Audit Plan year on year and that caution should be exercised in comparing years.

Comparison of Recommendation Gradings



The total number of recommendations raised in 2022/23 were 33.

The total number of recommendations made in 2023/24 was 41. There have been two High priority recommendations raised this year.

As noted above, the areas of review each year will not typically be the same.

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 Police 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.

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 JIAC and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the JIAC.



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.

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.

08 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 with 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 next assessment will take place during the summer of 2024. 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

A1 Definitions of Assurance

Assurance Gradings

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

Level	Description
Substantial	Findings indicate that on the whole, controls are satisfactory, although some good practice enhancements may have been recommended. We may have made some recommendations to improve good practice.
Moderate	While the control framework has been found to be generally well designed, control issues and / or areas for improvement have been identified. Where action is in progress to address these findings and any other issues known to management, these actions will be at too early a stage to allow a 'substantial' assurance audit opinion to be given. The control framework is generally well designed.
Limited	Control weaknesses have been noted that require corrective action if the control framework is to be considered as operating effectively. Where such remedial action has already been identified by management, this will have not yet started at the time of the audit, or is not currently considered to be sufficient, or sufficiently progressing to address the severity of the control weaknesses identified. We found control weaknesses that need to be corrected in order for the control framework to operate effectively.
Unsatisfactory	Findings indicate serious weaknesses in the control framework which could threaten the ability of OPPC and Force to achieve its objectives; or, there is evidence that despite any corrective action already taken, key risks are crystallising in the area under review or have already crystallised. This assurance opinion may also cover the scenario where our audit work was obstructed such that we cannot conclude on the effectiveness of internal controls.

Recommendation Gradings

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

Priority	Description
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Low (Priority 3)	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

For annual opinions we use the following classifications within our audit reports:

Opinion	Definition
Substantial	The framework of governance, risk management and control are 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.

Contact

Forvis Mazars

David Hoose

Director

Tel: +4 7552 007 708

david.hoose@mazars.co.uk

Sarah Knowles

Internal Audit Manager

Tel: +44 7917 084 604

sarah.knowles@mazars.co.uk

We take responsibility to the the Office of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire & Northamptonshire Police (Force) 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 Forvis 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.

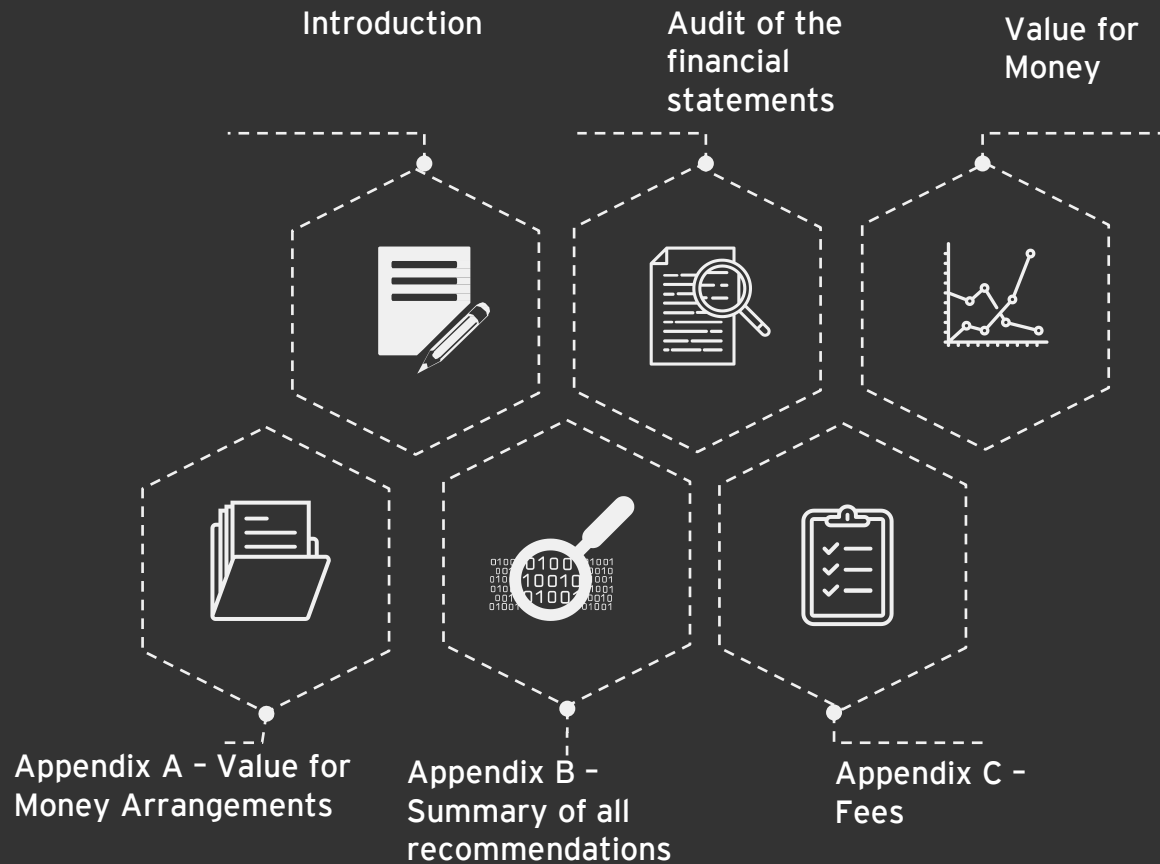
Registered office: 30 Old Bailey, London EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.

**Northamptonshire
Commissioner Fire
and Rescue Authority**

**Auditor's Annual
Report**

Year ended 31 March 2022

Contents



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

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



Introduction

Purpose

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

Responsibilities of the appointed auditor

We have undertaken our 2021/22 audit work in accordance with the Audit Plan that we issued on 30 November 2022. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2021/22 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

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

Responsibilities of the Fire Authority

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



Introduction (continued)

2012/22 Conclusions

Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Fire Authority as at 31 March 2022 and of its expenditure and income for the year then ended. We issued our auditor's report on 01 June 2023.
Going concern	We have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statement	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We had no matters to report by exception on the Fire Authority's VFM arrangements. We have included our VFM commentary in Section 03.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Fire Authority.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of government accounts	<p>We have not yet completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission.</p> <p>This is because we are awaiting confirmation from the NAO of any additional procedures to be performed by auditors for bodies which fall below the reporting threshold.</p>
Certificate	Our audit certificate for 2021/22 will be issued by end June 2024.



Audit of the financial statements

Key findings

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

On 01 June 2023, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the 15 March 2023 Joint Independent Audit Committee meeting and an Audit Results Report Addendum with our final findings dated 30 May 2023. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Risk	Conclusion
Misstatements due to fraud or error - management override (fraud risk)	<p>Our audit work has not identified any material issues, inappropriate judgements or unusual transactions which indicated that there had been any misreporting of the Fire Authority's financial position, or that management had overridden control.</p> <p>We have completed our journals testing. We are satisfied that journal entries had been posted properly and for genuine business reasons.</p> <p>We have reviewed material estimates and did not identify any indication of misstatements due to fraud.</p> <p>There were no material unusual transactions identified.</p>
Valuation of land and buildings (inherent risk)	<p>Our work did not identify any amendments to the valuation of the Fire Authority's land and buildings. The base assumptions used by the valuer and Fire Authority were appropriate.</p>
Pension liability valuation (inherent risk)	<p>Our work identified a misstatement in the pension valuation as a result of the Fire Authority obtaining a revised IAS19 valuation report following the triennial valuation report for 2022 being published by the Actuary. This resulted in an understatement of the pension assets and overstatement of the pension liability of £0.38 million. The Fire Authority chose not to amend for this amount, so it remains unadjusted. This did not impact on the audit report issued for 2021/22 as it is below our materiality level.</p>

We did not identify any risks of significant weaknesses in the Fire Authority's VFM arrangements for 2021/22.

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

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

Scope

We are required to report on whether the Fire Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We have complied with the guidance issued to auditors in respect of their work on value for money arrangements (VFM) in the 2020 Code of Audit Practice (2020 Code) and Auditor Guidance Note 3 (AGN 03). We presented our VFM risk assessment to them 15 March 2023 Joint Independent Audit Committee meeting which was based on a combination of our cumulative audit knowledge and experience, our review of Fire Authority committee reports, meetings with the Chief Finance Officers and evaluation of associated documentation through our regular engagement with Fire Authority management and the finance team.

Reporting

We completed our risk assessment procedures in May 2023 and did not identify any significant weaknesses in the Fire Authority's VFM arrangements. We have also not identified any significant risks during the course of our audit. As a result, we had no matters to report by exception in the audit report on the financial statements. We set out our planned response in our Audit Plan. We have not identified any recommendations in 2021/22.

Our commentary for 2021/22 is set out over pages 7 to [XXX](#). The commentary on these pages summarises our conclusions over the arrangements at the Fire Authority in relation to our reporting criteria (see below) throughout 2021/22. Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Annual Auditors Report and have been updated for 2021/22.

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

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weaknesses identified
Governance: How the Fire Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness: How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weaknesses identified



Value for Money (continued)

Financial Sustainability: How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services

The Authority has a strong track record of achieving its savings plans, as evidenced by the underspend in 2021/22. This is consistent with our knowledge of the Authority over the years, where it has both delivered savings and achieved its forecast outturn with minimal variances. The outturn report shows the quantitative analysis of each strategic budget group, comparing budgets to actual spend variances. At year end 31 March 2022, the outturn position reflects a £360k underspend against its original budget for the strategic groups.

Despite the challenges and savings target for the medium term, the Authority continues to record positive revenue outturn positions and balanced the 2022/23 and 2023/24 budgets. However, inflation and the cost of living continue to be a challenge for the whole of the public sector and despite a base budget increase following precept flexibility, savings and efficiencies the Authority needs to continue closely monitoring budget positions and taking action to ensure the financial position is maintained.

When the Authority was established on 1 January 2019, it had no reserves and set in place a three financial stability plan to build reserves. By 2020/21, the Authority had exceeded the minimum level of general reserves as set out in the financial plans forecast at the time of the governance transfer. The Home Office and Fire Minister provided an additional £1m grant in 2020/21 to help boost the general reserves. This equated to 8% of annual revenue budget for 2022/23 and as there are minimal earmarked reserves, the CFOs view is that it is sufficient and within Government guidelines. It is recognised by the Authority that they need to continue to build reserves, especially earmarked reserves to ensure they are resilient for the future.

The 2021/22 capital programme is in line with our expectations for the size and type of estate the Authority hold on their balance sheet. The capital programme budget for 2021/22 was £3m which included long term borrowing of £2.5m. The outturn for the capital budget was £2.839m which shows slippage of £168k or 6%. This demonstrates robust management of the capital budget at a time when building costs increased and the public sector saw high levels of slippage in planned schemes. This is partly due to the smaller nature of the capital programme but also due to the control and monitoring over the programme. The capital programme includes assumptions on how the programme will be funded, including S106, revenue contributions and specific grants, with borrowing only being used for longer term assets. Funding has been prioritised for short life assets and external funding has been utilised before internal funding, in order to minimize the direct impact on future years revenue costs.

The Authority include their assessment of Going Concern within their Accounting Policies in their draft financial statements each year. We have not identified any factors in the budget outturn which would be a risk to the Authority's Going Concern status. Our review of the cash flow forecast shows that the Authority has enough cash and cash to make payments as they fall due in the period 12 months from the audit report date.

The Authority has ensured its financial plan is consistent with its capital and other operational planning arrangements. However, we note the workforce assessment of NCFRA, by HMICFRS, was rated as 'requires improvement' in the year and therefore the Authority need to balance financial sustainability and making improvements in line with the action plan.

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2021/22 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.



Value for Money (continued)

Governance: How the Fire Authority ensures that it makes informed decisions and properly manages its risks

The Authority has an effective shared internal audit function with Milton Keynes Council (previously LGSS) which reports on a regular basis to the Joint Independent Audit Committee (JIAC). The JIAC monitors action taken to address any weaknesses identified. The annual Head of Internal Audit opinion overall assurance on the Authority's framework of governance, risk management and management control is Satisfactory for 2021/22. The ratings issued during the year are:

	System rating	Compliance rating
Good	9	6
Satisfactory	0	2
Limited	2	2
No assurance	0	1

The two limited report areas have been assessed as part of our 2021/22 audit and concluded that neither impact on the VFM reporting. JIAC receives reporting at every committee meeting that tracks the implementation of recommendations by management and corrective action can be taken as needed.

There are appropriate policies in place setting out the process for preventing and detecting fraud and corruption, with controls that are adequately communicated throughout the organisation. A code of ethics is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues (including those that could relate to fraud).

The Annual Governance Statement (AGS) reports on the effectiveness of the Authority's governance arrangements during the financial year to ensure that business is conducted in accordance with the law and proper standards and public money is effectively safeguarded and utilised. The report is formatted to address each of the 7 principles of the CIPFA Framework 'Delivering Good Governance in Local Government: Framework (2016)'.

There were several recommendations in the Action Plan from the 2020/21 AGS that were monitored by the Authority during 2021/22, with an update presented at the same time as the draft 2021/22 AGS. The actions were either closed or included in the 2021/22 AGS as recommendations. The Authority is making reasonable progress to complete the Actions as soon as feasibly possible and report progress to JIAC for monitoring.

The Monitoring Officer has overall responsibility for ensuring the Authority acts lawfully and without maladministration. This includes reporting on any proposal, decision or omission by the Authority likely to contravene any enactment or rule of law or any maladministration. We have not been made aware of any breaches in laws and regulations in the year.

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2021/22 to enable it to make informed decisions and properly manage its risks.



Value for Money (continued)

Improving economy, efficiency and effectiveness: How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) carried out an Effectiveness, Efficiency and People inspection during 2021/22 with the report being published in July 2022. The inspection report shows that the Authority has made significant improvements across the organisation but will continue to work on the specific points mentioned in the report to ensure the Authority runs as efficiently as possible with resources focused in the right areas. None of the areas assessed were rated as inadequate.

Overall ratings in the 2021/22 report are:

- ▶ Effectiveness - Good
- ▶ Efficiency - Good
- ▶ People - Requires Improvement.

The Authority has taken on board the areas for improvement and is monitoring implementation of the actions to ensure continued improvements are made.

The Authority's Narrative Report is included in their draft 2022/23 Financial Statements. The report is based on the requirements of the CIPFA Code. The Narrative Statement is then broken down into several subsections. From our review of the Narrative Statement, we have not identified any factors that would impact the Authority's VFM arrangements.

The Authority regularly reports on the performance of its services and measures performance against key indicators. Performance Information is reviewed regularly alongside financial information at the Accountability and Fire Executive Group Meetings.

Risk management is continuously being monitored within the Authority. The Authority's risk management strategy is reviewed every fiscal year and shows their assessment of risks, triggers, likelihood of occurrence, controls, and diagnostic action plans.

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2021/22 to enable it to use information about its costs and performance to improve the way it manages and delivers services.

Appendices

Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

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

Findings

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

The Authority's Medium-Term Financial Plan (MTFP) underpins the Five-Year Plan, by allocating resources to deliver Council services and strategic outcomes, whilst identifying efficiencies to achieve a sustainable financial position over the next four years. The MTFP 2021-2026 was prepared by the CFO. It comprises two key elements:

- an assessment of the resources available to the Authority over the medium term; and
- an assessment of spending pressures based on existing levels of service delivery, known policy/legislative changes and demand driven service pressures, which taken together displays the movement over the planning period of these elements which constitutes the financial challenge facing the Authority. This is reviewed at least annually and budget monitoring reporting to the JIAC and NPFCAP which occurs at least quarterly.

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

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

The MTFP is reviewed at key committee and Panel meetings during the year. Appropriate challenge is provided by management and Panel members to ensure any variances to budget are understood and action is taken as required to ensure there is no unexpected impact on the annual budget delivery.

The Authority has a strong track record of achieving its savings plans, and this is consistent with our knowledge of the Authority over the years since its inception in January 2019, where it has both delivered savings and achieved its forecast outturn with few variances. As part of the annual budget process, the Authority identifies efficiency savings for the future. For the 2021/22 budget, the Authority modelled two different scenarios for the council tax increase so the Panel could make an informed decision when selecting whether the £5 or 1.99% increase was the right choice. This enabled members to clearly see the impact on the budget if the lower increase option was chosen.

Appendix A - Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria

Findings

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

The Commissioner sets out the priorities for the Authority in the Annual Strategic Outcomes Requirement and this is presented to the CFO to underpin the MTFP over the short and medium term future. The annual budget for 2022/23 was set out in line with the operational and statutory requirements with clear funding for each area.

The MTFP includes prudent estimates to receiving grants and the Authority acknowledge that they will be getting less funding from central government. The Authority also implemented an Efficiency Plan 2019-24 in October 2019 in order to meet the funding gap over the short to medium term which has been revised as needed to react to the funding demands and financing.

In addition to statutory priorities, the Authority have core service values which are embedded throughout their strategic plans and performance framework processes. These core values help support the sustainable delivery of services in accordance with strategic and statutory priorities.

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

The Integrated Risk Management and Fire and Rescue Plans are aligned to the budget and resources included in the budget to meet those services. The financial position is monitored monthly and any new demand areas are identified during the year so action can be taken as required to ensure the overall budget position is maintained. The Authority's performance is also managed throughout the year and resources are regularly reviewed to ensure finances are provided in the areas that need it so budgets can be met.

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

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

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

Appendix A - Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

Findings

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

The Authority has an effective shared internal audit function with Milton Keynes Council which reports on a regular basis to the Joint Independent Audit Committee (JIAC). The JIAC monitors action taken to address any weaknesses identified. The annual opinion of the Chief Internal Auditor opinion has not identified a number of significant findings and management is implementing the agreed actions. The overall Opinion rating issued for 2021/22 is Satisfactory.

Internal audit also reviews and test controls as set out in the Annual Audit Plan. If findings or weaknesses arise during their audits, they will report these to management for them to review and mitigate, and include recommendations in the reports that are presented to JIAC. The Authority maintains a risk register which is regularly reviewed and updated, and informs the internal audit plan which is risk based.

There are appropriate policies in place setting out the process for preventing and detecting fraud and corruption, with controls that are adequately communicated throughout the organisation. A code of ethics is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues (including those that could relate to fraud).

Risk management is continuously being monitored within the Authority. The Authority's risk management strategy is reviewed every fiscal year and shows their assessment of risks, triggers, likelihood of occurrence, controls, and diagnostic action plans.

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

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

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

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

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

Appendix A - Summary of arrangements (continued)

Governance

Reporting Sub-Criteria

Findings

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

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

Responsibilities of committees and officers are detailed on the website.

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

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

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

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

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

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

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

A contracts register is maintained by the Authority.

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

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

Appendix A - Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement	<p>The Authority regularly reports on the performance of its services and measures performance against key indicators. Internal Audit undertook a review of the internal controls operating over the Covid-19 spend and undertook a contract analysis, and found that the Authority has a good system design over governance measures have been in place over Covid-19 contract management and spending. The control environment over Covid-19 contracting and spending had mainly operated largely as intended.</p> <p>Performance Information is reviewed regularly alongside financial information at the Accountability and Fire Executive Group Meetings.</p> <p>The Authority has a strategy for efficiencies with the aim of improving the service whilst keeping within budget. As part of the regular budget monitoring there are regular updates to inform the Accountability and Fire Executive Group Meetings if targets are not being met then plans are made to meet the targets and reasoning behind the missed targets is given.</p> <p>There is also robust monitoring of financial performance in terms of monitoring against budgets, where the Accountability and Fire Executive Group will regularly review outturn reports and act upon where there is over/underspending in any areas in order to keep the budget balanced. These regular meetings challenge the responses from the various budget holders and set follow up actions / recommendations which are monitored.</p> <p>Areas that are not meeting targets or overspending are then targeted for improvement.</p>
How the body evaluates the services it provides to assess performance and identify areas for improvement	<p>HMICFRS carries out inspections of Fire Authorities. An inspection was carried out during 2021/22 and reported in July 2022. The report commented that the Authority engaged positively with the inspection process and had made improvements since their first inspection in 2018. Overall ratings were 2 'good' areas and 1 'requires improvement'. No areas assessed were rated 'inadequate'.</p> <p>Performance is also reported annually in the Annual Report and Fire & Rescue Statement 2020/21.</p>

Appendix A - Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
<p>How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve</p>	<p>A Fire Authority is a statutory emergency response service which supports other organisations at times of mutual aid. During the Covid-19 pandemic, agreements were in place for partnership support arrangements, which were funded where possible and where not funded, mutual aid funding was sought and received from the Home Office.</p> <p>The Authority has close working relation with Northamptonshire Police which includes shared store, communication and some fleet costs. The OPFCC established a Limited Liability Partnership, Mint, to deliver procurement services to organisations. NCFRA contracted with Mint for their procurement arrangements. However, this arrangement was terminated during the year. We are satisfied that proper arrangements were put in place around the termination of the MINT arrangement and ensuring that proper governance processes were followed.</p>
<p>How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits</p>	<p>Procurement policies and delegation levels are set out in the corporate governance framework on the OPFCC website. Compliance with these is tested and assurance gained through targeted internal audits. Each quarter, a list of contracts are published which includes all of the current procurement contracts with a total value of £25,000 and above that are held by its member bodies. Internal Audit routinely tests controls and contracts to ensure that the correct process has been followed. Officers are made aware of the rules. This risk has been brought up in the risk register and has controls implemented for it.</p>

Appendix B – Fees

Fees

We carried out our audit of the Fire Authority’s financial statements in line with PSAA Ltd’s “Statement of Responsibilities of auditors and audited bodies” and “Terms of Appointment and further guidance (updated April 2018)”. As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to Misstatements due to fraud or error in relation to the management override of controls.. As a result, we have reported an associated additional fee with the Chief Finance Officer which remains subject to approval by PSAA Ltd.

Our fee for 2021/22 is in line with the audit fee reported in our 2021/22 Audit Results Report.

Description	Final Fee 2021/22 £	Planned Fee 2021/22 £	Final Fee 2020/21 £ (Note 1)
Scale Fee - Code work	25,000	25,000	25,000
Planned recurrent fee variation reflecting the underlying level additional risk and regulatory standards	24,002	25,096	5,522
ISA 540 estimates, including additional work from EY Pensions	5,434	1,970	1,947
Value for Money arrangements	5,068	5,068	5,068
Prior period adjustment, including consultation	4,819	0	0
Total fees	64,323	57,134	39,537

Note 1: The 2020/21 Code work includes an additional fee of £14,536.50, which relates to additional work undertaken to address the risks identified during the ahead. This additional fee has been approved by PSAA.

Note 2: We reported in previous JIAC meetings that an adjusted baseline audit fee of up to £50,096 has been raised with PSAA. The £25,096 increase related largely to increased risk and complexity facing all public sector bodies, adjusted for our knowledge and risk assessment for the Authority, changes and the incremental increase in regulatory standards. Management do not support an increase in the baseline scale fee and recognise this will be a discussion between Management, EY and PSAA. The rebased fee for 23/24 is £24,002 as an element of the EY Pensions work has been categorised as ISA540 as it underpins the additional audit requirements.

Note 3: For 2021/22 the planned fee represents the base fee, i.e. not including any extended testing, which will be impacted by a range of factors included in our audit planning report which will result in additional work. We set out an estimate of the potential additional fee for this below. The issues we have identified which have impacted on the fee include:

➤ Additional procedures as part of the NAO’s commentary on VFM arrangements. Range determined by PSAA of £5,000 to £9,000. We determined that your risk is at the lower end of the range;

Appendix B – Fees

Fees (continued)

- The need to engage EY Pensions to review assumptions used in the Pensions IAS19 liability. The new auditing standard ISA 540 introduced for the 2020/21 audit requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. The additional fee for this work is £5,000;
- Additional procedures required by ISA 540 on all accounting estimates. Fee determined by PSAA of £1,900 for Fire Authority's. We determined that your risk profile is in line with this fee;
- Additional procedures and prior year adjustment for the Financial Instruments disclosure note omission.

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

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY | Assurance | Tax | Transactions | Consultancy

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2020 EYGM Limited.

All Rights Reserved.

ED None

EY-000070901-01(UK) 07/18. CSG London.

In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com



Northamptonshire Commissioner Fire and Rescue Authority

Value for Money Interim Report

Year ended 31 March 2023

4 July 2024

4 July 2024

Northamptonshire Commissioner Fire and Rescue Authority

Dear Joint Independent Audit Committee Members

2022/23 Value for Money Report

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for Northamptonshire Commissioner Fire and Rescue Authority. This commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 2022/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The National Audit Office (NAO) issued a consultation on 8 February 2024 seeking views on changes to the Code of Audit Practice (the Code) to support auditors to meet backstop dates and promote more timely reporting of their work on value for money arrangements. The consultation proposes to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. At this stage, we are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code until a decision is made by the new DLUHC Minister to address the delays in local audit.

This report is intended solely for the information and use of the Joint Independent Audit Committee, the PFCC, and senior management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 17 July 2024.

Yours faithfully

Elizabeth Jackson

Partner

For and on behalf of Ernst & Young LLP

Encl

Contents

01 Executive Summary



02 Value for Money Commentary



03 Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/auditquality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to JIAC, PFCC and management of Northamptonshire Commissioner Fire and Rescue Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the JIAC, PFCC and management of Northamptonshire Commissioner Fire and Rescue Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the JIAC, PFCC and management of Northamptonshire Commissioner Fire and Rescue Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



BOARDROOM

01 Executive Summary



Executive Summary

Purpose

Auditors are required to be satisfied that the Fire and Rescue Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditor's provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this interim commentary is to explain the work we have undertaken during the period April 2022 to March 2023 and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 2022/23. The NAO has confirmed that where VFM reporting is outstanding for more than one year, the auditor can issue one report covering all years.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Council (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. As part of the NAO consultation issued on 8 February 2024, there is a proposal to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. However, the consultation states that where auditors have begun or already undertaken work that no longer falls under the reduced scope (if agreed once the consultation closes), they may still report on it in accordance with Schedule 4. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will summarise our final view of the value for money arrangements as part of the Auditor's Annual Report once the audit report has been issued for 2022/23.



Executive Summary (continued)

Risks of Significant Weakness

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Fire and Rescue Authority committee reports;
- meetings with the Chief Financial Officers;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Fire and Rescue Authority management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Fire and Rescue Authority's VFM arrangements.

As a result, we have no matters to report by exception at this stage of the audit and we will update our interim reporting as part of issuing the final commentary in the Auditor's Annual Report later in the year.

Executive Summary (continued)

Reporting

Our interim commentary for 2022/23 is set out over pages 10 to 12. The interim commentary on these pages summarises our understanding of the arrangements at the Fire and Rescue Authority based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2022/23. We have not made any recommendations from our review of the arrangements.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2021/22 Auditor's Annual Report and have been updated for 2022/23.

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Fire and Rescue Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Fire and Rescue Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Fire and Rescue Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Fire and Rescue Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Fire and Rescue Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)



02

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Fire and Rescue Authority plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Authority has the financial management arrangements in place to monitor and manage the annual budget. For 2022/23, the Authority achieved an underspend of £129,000 on a budget of £27.092m, although this did include a drawdown from reserves. There was a significant overspend for the Wholetime Firefighters' budget which was due to the cost of the pay award being greater than budgeted, which is in line with other Fire Authorities and public sector bodies, and conditions over the summer and operational changes to the delivery model. The overspend was offset by other budget areas underspending and additional funding being received over the budgeted levels.

The Authority has a strong track record of achieving its savings plans and meeting its budgets. This is consistent with our knowledge of the Authority over the years, where it has both delivered savings and achieved its forecast outturn with minimal variances. The outturn report shows the quantitative analysis of each strategic budget group, comparing budgets to actual spend variances. From a review of the draft 2023/24 accounts, there is a small underspend of £13,000 with the variances across the budget areas being reduced so there is less fluctuation from the original budget.

Despite the challenges and savings target for the medium term, the Authority continues to record positive revenue outturn positions and balanced the 2023/24 and 2024/25 budgets. However, inflation and the cost of living continue to be a challenge for the whole of the public sector and despite a base budget increase following precept flexibility, savings and efficiencies the Authority needs to continue closely monitoring budget positions and taking action to ensure the financial position is maintained.

When the Authority was established on 1 January 2019, it had no reserves and set in place a three financial stability plan to build reserves. By 2020/21, the Authority had exceeded the minimum level of general reserves as set out in the financial plans forecast at the time of the governance transfer. The Home Office and Fire Minister provided an additional £1m grant in 2020/21 to help boost the general reserves. It is recognised by the Authority that they need to continue to build reserves, especially earmarked reserves to ensure they are resilient for the future and minimum level of reserves has been approved as part of the budget setting process. The usable reserves position as at 31 March 2023 was £3.454m and this has increased slightly during 2023/24 to be £5.044m at 31 March 2024.

The 2022/23 capital programme had a budget of £8.8m which is significant increased from the previous year and the programme planned for 2023/24 onwards. However, capital expenditure in 2022/23 totalled £2.9m, part funded by £1.5m internal borrowing and the rest from capital receipts and contributions. This is significant slippage from the original budget. The PFCC published a new Police, Fire and Rescue Plan during the year and the Capital Strategy was updated to align to the new Plan.

The Authority include their assessment of Going Concern within their Accounting Policies in their draft financial statements each year. We have not identified any factors in the budget outturn which would be a risk to the Authority's Going Concern status. Our review of the cash flow forecast shows that the Authority has enough cash and cash to make payments as they fall due in the period 12 months in the future.

Conclusion: Based on the work performed, the Fire and Rescue Authority had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Value for Money Commentary (continued)

Governance: How the Fire and Rescue Authority ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Authority has an effective shared internal audit function with Milton Keynes Council during 2022/23 which reports on a regular basis to the Joint Independent Audit Committee (JIAC). The JIAC monitors action taken to address any weaknesses identified. The annual Head of Internal Audit opinion overall assurance on the Authority's framework of governance, risk management and management control is Good for 2022/23. This is an increase in rating from the previous year and is reflective of positive actions taken by management. The ratings issued during the year are:

	System rating	Compliance rating
Substantial	1	1
Good	10	3
Satisfactory	3	8
Limited	0	2
No opinion	1	1

The two limited report areas have been assessed as part of our 2021/22 audit and concluded that neither impact on the VFM reporting. For both areas, the system rating achieved was at a higher level than the compliance rating of limited which gives assurance that the processes and arrangements are in place but that they are not being consistently complied with by officers. The overall assessment of the impact on the organisation of the limited assurance reports are both minor. JIAC receives reporting at every committee meeting that tracks the implementation of recommendations by management and corrective action can be taken as needed.

There are appropriate policies in place setting out the process for preventing and detecting fraud and corruption, with controls that are adequately communicated throughout the organisation. A code of ethics is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues (including those that could relate to fraud).

The Annual Governance Statement (AGS) reports on the effectiveness of the Authority's governance arrangements during the financial year to ensure that business is conducted in accordance with the law and proper standards and public money is effectively safeguarded and utilised. The report is formatted to address each of the 7 principles of the CIPFA Framework 'Delivering Good Governance in Local Government: Framework (2016)'.

There were several recommendations in the Action Plan from the 2021/22 AGS that were monitored by the Authority during 2022/23, with an update presented at the same time as the draft 2022/23 AGS. The actions were either closed or included in the 2022/23 AGS as recommendations. Seven recommendations were included in the 2022/23 AGS, none of which indicate a significant weakness in arrangements but are areas for continued improvement during 2023/24. The

Value for Money Commentary (continued)

Governance: How the Fire and Rescue Authority ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

Authority is making reasonable progress to complete the Actions as soon as feasibly possible and report progress to JIAC for monitoring.

The Monitoring Officer has overall responsibility for ensuring the Authority acts lawfully and without maladministration. This includes reporting on any proposal, decision or omission by the Authority likely to contravene any enactment or rule of law or any maladministration. We have not been made aware of any breaches in laws and regulations in the year.

The Authority published their draft 2022/23 financial statements for audit on the 31 May 2023, in line with the Audit and Accounts regulations, and advertised and held an inspection period for members of the public in line with these regulations. We confirm that the 2022/23 draft financial statements were arithmetically correct, agreed to the data in the general ledger, and prepared in line with the content required by the CIPFA Code. The Council has carried out bank reconciliations during the year. Therefore, appropriate arrangements for financial reporting were in place during 2022/23.

Conclusion: Based on the work performed, the Fire and Rescue Authority had proper arrangements in place in 2022/23 to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Fire and Rescue Authority uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) carried out an Effectiveness, Efficiency and People inspection during 2021/22 with the report being published in July 2022. The inspection report shows that the Authority has made significant improvements across the organisation but will continue to work on the specific points mentioned in the report to ensure the Authority runs as efficiently as possible with resources focused in the right areas. None of the areas assessed were rated as inadequate and therefore do not lead to a risk or actual weakness in arrangements for the 2022/23 year. The Effectiveness and Efficiency ratings have improved from the previous inspection rating of 'requires improvement' to 'good'.

Overall ratings in the 2021/22 report are:

- Effectiveness - Good
- Efficiency - Good
- People - Requires Improvement.

The People pillar looks at values and culture across the organisation. HMICFRS specified that the Service continues to require improvement in this area and issued one Cause of Concern as it was concluded that the Authority had not made enough progress since the last inspection to improve Equality Diversity & Inclusion (EDI). The Cause of Concern included 4 actions for improvement which were broken down into 20 deliverables that were due to be implemented between August 2022 and December 2023. The Authority has taken on board the areas for improvement and is monitoring implementation of the actions to ensure continued improvements are made. During 2022/23, progress reports were made to Northamptonshire Police, Fire and Crime Panel. A follow up inspection has taken place in Spring 2024, and the results are expected to be reported in Summer 2024.

The Authority's Narrative Report is included in their unaudited draft 2022/23 Financial Statements. The report is based on the requirements of the CIPFA Code. The Narrative Statement includes several subsections which are in line with our expectations. From our review of the Narrative Statement, we have not identified any factors that would impact the Authority's VFM arrangements.

The Authority regularly reports on the performance of its services and measures performance against key indicators. Performance Information is reviewed regularly alongside financial information at the Accountability and Fire Executive Group Meetings.

Risk management is continuously being monitored within the Authority. The Authority's risk management strategy is reviewed every fiscal year and shows their assessment of risks, triggers, likelihood of occurrence, controls, and diagnostic action plans.

Conclusion: Based on the work performed, the Fire and Rescue Authority had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.



03

Appendices

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

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

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

The Authority's Medium-Term Financial Plan (MTFP) underpins the Five-Year Plan, by allocating resources to deliver Council services and strategic outcomes, whilst identifying efficiencies to achieve a sustainable financial position over the next four years. The MTFP 2021-2026 was prepared by the CFO. It comprises two key elements:

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

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

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

The MTFP is reviewed at key committee and Panel meetings during the year. Appropriate challenge is provided by management and Panel members to ensure any variances to budget are understood and action is taken as required to ensure there is no unexpected impact on the annual budget delivery.

The Authority has a strong track record of achieving its savings plans, and this is consistent with our knowledge of the Authority over the years since its inception in January 2019, where it has both delivered savings and achieved its forecast outturn with few variances. As part of the annual budget process, the Authority identifies efficiency savings for the future. For the 2021/22 budget, the Authority modelled two different scenarios for the council tax increase so the Panel could make an informed decision when selecting whether the £5 or 1.99% increase was the right choice. This enabled members to clearly see the impact on the budget if the lower increase option was chosen.

Appendix A - Summary of arrangements

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

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

The Commissioner sets out the priorities for the Authority in the Annual Strategic Outcomes Requirement and this is presented to the CFO to underpin the MTFP over the short and medium term future. The annual budget for 2022/23 was set out in line with the operational and statutory requirements with clear funding for each area.

The MTFP includes prudent estimates to receiving grants and the Authority acknowledge that they will be getting less funding from central government. The Authority also implemented an Efficiency Plan 2019-24 in October 2019 in order to meet the funding gap over the short to medium term which has been revised as needed to react to the funding demands and financing. In addition to statutory priorities, the Authority have core service values which are embedded throughout their strategic plans and performance framework processes. These core values help support the sustainable delivery of services in accordance with strategic and statutory priorities.

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

The Integrated Risk Management and Fire and Rescue Plans are aligned to the budget and resources included in the budget to meet those services. The financial position is monitored monthly and any new demand areas are identified during the year so action can be taken as required to ensure the overall budget position is maintained. The Authority's performance is also managed throughout the year and resources are regularly reviewed to ensure finances are provided in the areas that need it so budgets can be met.

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

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

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

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

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

The Authority has an effective shared internal audit function with Milton Keynes Council which reports on a regular basis to the Joint Independent Audit Committee (JIAC). The JIAC monitors action taken to address any weaknesses identified. The annual opinion of the Chief Internal Auditor opinion has not identified a number of significant findings and management is implementing the agreed actions. The overall Opinion rating issued for 2021/22 is Satisfactory.

Internal audit also reviews and test controls as set out in the Annual Audit Plan. If findings or weaknesses arise during their audits, they will report these to management for them to review and mitigate, and include recommendations in the reports that are presented to JIAC. The Authority maintains a risk register which is regularly reviewed and updated, and informs the internal audit plan which is risk based.

There are appropriate policies in place setting out the process for preventing and detecting fraud and corruption, with controls that are adequately communicated throughout the organisation. A code of ethics is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues (including those that could relate to fraud).

Risk management is continuously being monitored within the Authority. The Authority's risk management strategy is reviewed every fiscal year and shows their assessment of risks, triggers, likelihood of occurrence, controls, and diagnostic action plans.

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

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

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

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

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

Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2022/23.

Reporting criteria considerations

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

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

Arrangements in place

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

Responsibilities of committees and officers are detailed on the website.

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

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

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

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

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

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

A contracts register is maintained by the Authority.

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

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

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

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

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

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

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

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

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

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

HMICFRS carries out inspections of Fire Authorities. An inspection was carried out during 2021/22 and reported in July 2022. The report commented that the Authority engaged positively with the inspection process and had made improvements since their first inspection in 2018. Overall ratings were 2 'good' areas and 1 'requires improvement'. No areas assessed were rated 'inadequate'.

Performance is also reported annually in the Annual Report and Fire & Rescue Statement 2022/23.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

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

A Fire Authority is a statutory emergency response service which supports other organisations at times of mutual aid. Partnership working is in place and arrangements are monitored. NCFRA has close working relation with Northamptonshire Police which includes shared store, communication and some fleet costs. The OPFCC established a Limited Liability Partnership, Mint, to deliver procurement services to organisations. NCFRA contracted with Mint for their procurement arrangements. However, this arrangement was terminated during the year. We are satisfied that proper arrangements were put in place around the termination of the MINT arrangement and ensuring that proper governance processes were followed.

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

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

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2024 Ernst & Young LLP. Published in the UK.
All Rights Reserved.

UKC-024050 (UK) 07/22. Creative UK.

ED None

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/uk



Joint Audit Plan for Northamptonshire Police, Fire and Crime Commissioner & Northamptonshire Chief Constable

Year ending 31 March 2024

April 2024



Contents



Your key Grant Thornton team members are:

Laurelin Griffiths

Key Audit Partner

T 0121 232 5363

E laurelin.h.griffiths@uk.gt.com

Siobhan Barnard

Audit Manager

T 0121 232 5121

E siobhan.barnard@uk.gt.com

Oyin Yemidale

Audit In-Charge

T 0121 232 5270

E oyin.o.yemidale@uk.gt.com

Section

Key matters

Introduction and headlines

Significant risks identified

Group audit scope and risk assessment

Other matters

Our approach to materiality

IT Audit Strategy

Value for Money Arrangements

Audit logistics and team

Audit fees and updated auditing standards

IFRS 16 'Leases' and related disclosures

Independence and non-audit services

Communication of audit matters with those charged with governance

Escalation policy

Page

3

6

8

12

13

14

17

18

19

20

22

23

24

26

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the PFCC and Chief Constable or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Key matters

National Policing context

The police service faces an array of challenges. Levels of public trust are at historically low levels – a consequence of recent scandals (and repeated failures to address these) and a general and widespread belief that the police cannot adequately deal with crime. While overall levels of reported crime have declined over the last 10 years, so too have charge rates. In the period, police resources have been stretched by the combination of increasing crime complexity and growing non-crime demands.

Police spending has increased significantly in recent years, largely to support the successful recruitment of an additional 20,000 police officers. The decline in the charge rate has been halted, and the absolute number of charges increased in 2022/23 for the first time since 2013/14. Similarly, forces are increasing their focus on sexual assaults, while aiming to reduce the amount of time spent on non-crime demands such as responding to mental health incidents.

However, there is considerable uncertainty about the long-term impact of the additional officers. Forces are under financial strain to maintain officer numbers, while rapid recruitment has led to concerns over the adequacy of vetting arrangements and the burden placed on supervising officers. It will take time to assess whether these changes can lead to a sustained increase in the number of charges, and improvements in public trust.

Our recent value for money work has highlighted a growing number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

As your new auditor we have taken account of this national context in planning our audit and in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

Against a backdrop of ongoing audit reporting delays, in October 2023 PSAA found that only five local government accounts had been signed by the September deadline. In June 2023 the Public Accounts Committee (PAC) also produced a report setting out their concerns over these audit reporting delays. We issued our report [About time?](#) In March 2023 which explored the reasons for delayed publication of audited local authority accounts.

In our view, to enable a timely sign off of the financial statements, it is critical that draft local authority accounts are prepared to a high standard and are supported by strong working papers.

Key matters (continued)

Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out in this Audit Plan has been agreed with the s151 Officers.
- To ensure close work with our local audited bodies and an efficient audit process, our preference as a firm is work on site with you and your officers. Please confirm in writing if this is acceptable to you, and that your officers will make themselves available to our audit team. This is also in compliance with PSAA contract guidance which requires us to commit to onsite working.
- We would like to offer a formal meeting with Finance Officers quarterly as part of our commitment to keep you fully informed on the progress of the audit.
- At an appropriate point within the audit, we would also like to meet with the PFCC and Chief Constable, to brief them on the status and progress of the audit work to date.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our Value for Money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- We will provide you and your Joint Independent Audit Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretations, to discuss issues with our experts and to facilitate networking links with other audited bodies to support consistent and accurate financial reporting across the sector.
- With the ongoing financial pressures being faced by local authorities, in planning this audit we have considered the financial viability of the PFCC and Chief Constable. We are satisfied that the going concern basis remains the correct basis behind the preparation of the accounts. We will keep this under review throughout the duration of our appointment as auditors of the PFCC and Chief Constable.
- There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.

Key matters (continued)

Prior year disclaimer

If the opinions on the 2021/22 and 2022/23 financial statements are disclaimed due to the imposition of the backstop date, we may need to undertake further audit work in respect of opening balances for the 2023/24 financial year. We will discuss the practical implications of the backstop with you, including the impact on our opening balances work and 2023/24 audit opinion, should this circumstance arise.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audits of Northamptonshire PFCC and Chief Constable ('the PFCC and Chief Constable') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the PFCC and Chief Constable. We draw your attention to these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the PFCC, the Chief Constable and the group's financial statements that have been prepared by management with the oversight of those charged with governance; and we consider whether there are sufficient arrangements in place at the PFCC and the Chief Constable for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or those charged with governance of your responsibilities. It is the responsibility of the PFCC and Chief Constable to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the PFCC and Chief Constable are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PFCC and Chief Constable's business and is risk based.

Introduction and headlines (continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of land and buildings
- Valuation of the liability related to defined benefit pension schemes

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Group Audit

The PFCC is required to prepare group financial statements that consolidate the financial information of the PFCC and Chief Constable.

Materiality

We have determined planning materiality to be £3.0m for the group, PFCC and Chief Constable, which equates to 1.8% of the PFCC's prior year gross expenditure. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £150,000.

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has yet to be completed, but we have not identified any risks of significant weakness in our work to date.

We will continue to update our risk assessment until we issue our Auditor's Annual Report.

Audit logistics

Our planning work began in December 2023, and an interim visit will take place in April. Our final visit is planned to take commence from September 2024, dates TBC. Our key deliverables are this Audit Plan, our Audit Findings Report and our Auditor's Annual Report.

Our preference is for all our work to take place on site alongside your officers.

Our proposed fee for the audit will be £105,556 for the PFCC and £50,680 for the Chief Constable, subject to the PFCC and Chief Constable delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

Risk	Risk relates to	Reason for risk identification
Presumed risk of fraud in revenue recognition ISA (UK) 240	n/a	<p>Under ISA (UK) 240 there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA 240, and the nature of the revenue streams of each of the PFCC and the Chief Constable, we have determined that the presumed risk of material misstatement due to the improper recognition of revenue can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; • revenue received by the Chief Constable comes from the PFCC; and • the culture and ethical frameworks of public sector bodies, including the Police, Fire and Crime Commissioner for Northamptonshire and the Chief Constable of Northamptonshire, mean that all form of fraud is unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Chief Constable, PFCC or Group.</p>

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ [ISA (UK) 315]

Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Risk of fraud related to Expenditure recognition PAF Practice Note 10	n/a	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition.</p> <p>Having considered the nature of the expenditure streams of each of the PFCC and the Chief Constable, we have determined that there is no significant risk of material misstatement arising from improper expenditure recognition.</p>	
Management over-ride of controls	Chief Constable, PFCC & Group	<p>Under ISA (UK) 240 there is a non-rebuttable presumption that the risk of management over-ride of controls is present in all entities. The PFCC and Chief Constable face external scrutiny of their spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, and in particular journals, management estimates, and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	PFCC & Group	<p>The PFCC revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from current value (or the fair value for surplus assets) at the financial statements date. This is done via full valuations, or on a desktop basis, with a full valuation undertaken at least once every five years in accordance with the requirements of the CIPFA Code.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£80 million as at 31 March 2023) and the sensitivity of the estimate to changes in key assumptions. The valuation also depends on the completeness and accuracy of source data such as floor areas and subjective inputs such as obsolescence factors.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuer, and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; • test, on a sample basis, revaluations made during the year, agreeing key source data used such as floor areas and build costs to suitable independent evidence and confirming that the valuation methodology has been correctly applied; and • test revaluations made during the year to see if they had been input correctly into the asset register.

Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of pension fund net liability	Chief Constable & Group	<p>The group's net pension liability (made up of both the Local Government Pension Scheme [LGPS] and Police Pension Scheme [PPS]), as reflected in its balance sheet, represents a significant estimate in the financial statements.</p> <p>The net pension liability is considered a significant estimate due to the size of the numbers involved (£1.0 billion at 31 March 2023) and sensitivity of the estimate to changes in the key assumptions.</p> <p>We therefore identified the valuation of the liability related to defined benefit pension schemes as a significant risk, which was one of the most significant assessed risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management experts (the actuaries for the LGPS and PPS) for this estimate and the scope of the actuaries' work; • assess the competence, capabilities and objectivity of the actuaries who carried out the group's pension fund valuations; • assess the accuracy and completeness of the information provided by the group to the actuaries to estimate the liabilities; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuaries; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of the Northamptonshire Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary, and the fund assets valuation in the pension fund's financial statements.

Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Northamptonshire Police, Fire and Crime Commissioner	Yes	Audit of the financial information of the component using component materiality	<ul style="list-style-type: none"> Management override of controls Valuation of land and buildings 	Full scope audit performed by Grant Thornton UK LLP
Chief Constable of Northamptonshire	Yes	Audit of the financial information of the component using component materiality	<ul style="list-style-type: none"> Management override of controls Valuation of the liability related to defined benefit pension schemes 	Full scope audit performed by Grant Thornton UK LLP

As set out later in this report, we determine materiality thresholds for each of the Chief Constable, the PFCC and the group, and use the lowest of these as the basis for our audit work.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Reports and Annual Governance Statements and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give our opinions and our knowledge of the PFCC and Chief Constable.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the PFCC or Chief Constable under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audits.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description

Planned audit procedures

Determination

We have determined financial statement materiality for the group, PFCC and Chief Constable based on a proportion of the gross expenditure of the PFCC for the prior financial year.

Materiality at the planning stage of our audit is £3.0m, which equates to 1.8% of your prior year gross expenditure.

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- assist in establishing the scope of our audit engagement and audit tests;
- determine sample sizes; and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements.

An item may be considered to be material by nature where it may affect instances when greater precision is required.

We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of £30,000 for these disclosures.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (continued)

Description

Planned audit procedures

Other communications relating to materiality we will report to those charged with governance

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to those charged with governance any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

We report to those charged with governance any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

In the context of the Group, PFCC and Chief Constable, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £150,000.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to those charged with governance to assist them in fulfilling their governance responsibilities.

Our approach to materiality (continued)

	Amount	Qualitative factors considered
Materiality for the Group financial statements	£4.6m	Our materiality thresholds equate to approximately 1.8% of the prior year gross operating costs for the group, the PFCC and the Chief Constable respectively.
Materiality for the Police, Fire and Crime Commissioner	£3.0m	This assessment reflects the fact that the group operates in a stable, publicly funded environment, and no significant control deficiencies have been identified in the prior year or in the course of our audit planning.
Materiality for the Chief Constable	£4.1m	Whilst we calculate separate materiality levels for the group, the PFCC and the Chief Constable, we use the lowest of the three (the PFCC's materiality) as the basis for our overall financial statements audit.
Materiality for senior officer remuneration	£30k	Reflects the wider public interest in senior officer remuneration.

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems - ie IT general controls (ITGCs).

Our audit will include completing an assessment of the design and implementation of relevant ITGCs.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Unit 4 Agresso	Financial reporting	We plan to test the design and implementation of the ITGCs
iTrent	Payroll	We are yet to complete our planning work on the IT systems to understand the scope of work required

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2024.

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention.

In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.

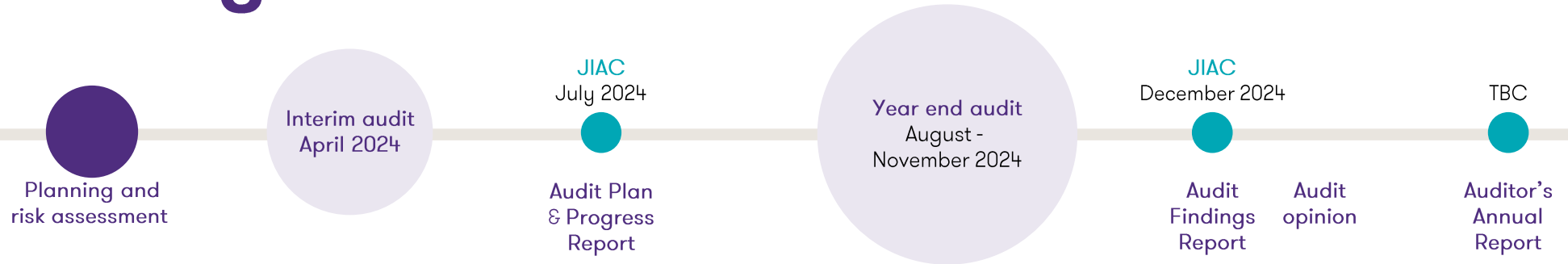


Governance

How the body ensures that it makes informed decisions and properly manages its risks.

We have yet to complete our initial risk assessment for 2023/24. We have not identified any risks of significant weakness through the work that we have completed to date. We will continue our review of your arrangements, including reviewing your Annual Governance Statements, before we issue our auditor's annual report.

Audit logistics and team



Laurelin Griffiths Key Audit Partner

Provides oversight of the delivery of the audit including regular engagement with Governance Committees and senior officers.

Sarah Jassal Audit Manager (to March 2024)

Siobhan Barnard Audit Manager (from April 2024)

Plans and manages the delivery of the audit including regular contact with senior officers.

Oyin Yemidale Audit Incharge

Key audit contact responsible for the day to day management and delivery of the audit work.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to:

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Annual Reports and the Annual Governance Statements;
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you;
- ensure that the agreed data reports are cleansed, are made available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit; and
- respond promptly and adequately to audit queries.

Audit fees and updated Auditing Standards

Audit fees are set by PSAA as part of their national procurement exercise. In 2023, PSAA awarded a contract of audit for the Northamptonshire police group to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2023/24 audit is £102,418 for the PFCC and £47,542 for the Chief Constable.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here <https://www.psa.co.uk/appointing-auditors-and-fees/fee-variations-overview/>

Assumptions

In setting these fees, we have assumed that the PFCC and Chief Constable will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers, ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Audit fees

	Chief Constable Proposed Fee 2023/24	PFCC Proposed Fee 2023/24	Total Proposed Fee 2023/24
PSAA Scale Fee	£47,542	£102,418	£149,960
ISA 315	£3,138	£3,138	£6,276
Total audit fees (excluding VAT)	£50,680	£105,556	£156,236

Previous year

In 2022/23 the scale fee set by PSAA was £33,504 for the PFCC and £11,550 for the Chief Constable. The actual fees charged for the audits are still to be confirmed.

If the opinion on the 2022/23 (and 2021/22) audits are disclaimed due to the imposition of a backstop date, we will need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you should this circumstance arise.

Relevant professional standards

In preparing our fees, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

IFRS 16 ‘Leases’ and related disclosures

IFRS 16 will need to be implemented by police bodies from 1 April 2024. IFRS 16 is a standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases, and it replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. As this is the year before the implementation of IFRS 16, we will need to consider the work being undertaken by the PFCC and Chief Constable to ensure a smooth adoption of the new standard.

Introduction

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major departure from the requirements of IAS 17 in respect of operating leases.

IFRS 16 requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There is a single accounting model for all leases (similar to that of finance leases under IAS 17), with the following exceptions:

- leases of low value assets
- short-term leases (less than 12 months).

The requirements of IFRS 16 are set out in the CIPFA publication IFRS 16 Leases - An early guide for local authority practitioners and PFCC and Chief Constables will need to abide by the requirements set out in the CIPFA Code of Practice on Local Authority Accounting.

PFCC and Chief Constable's systems and processes

This is the year when PCCs and Chief Constables will need to consider the impact the adoption of IFRS 16 will have on their 2024/25 accounts. This will cover the following areas:

- accounting policies and disclosures
- application of judgment and estimation

The PFCC and Chief Constable will need to identify which systems capture and maintain new lease data and ongoing maintenance requirements. We will need to consider the work being undertaken by the PFCC and Chief Constable in updating relevant internal controls to reflect these changes in accounting policies and processes.

Planning enquiries

As part of our planning risk assessment procedures, we have inquired with management on whether the group intends to adopt IFRS16 in the 2023/24 statement of accounts. Management's response confirms no early adoption of the standard.

Further information

Further details on the requirements of IFRS16 can be found in the HM Treasury Financial Reporting Manual. This is available on the following link.

[IFRS 16 Application Guidance December 2020.docx](#)
(publishing.service.gov.uk)

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group, PFCC and Chief Constable.

Other services

No other services provided by Grant Thornton were identified.

Non-audit services provided prior to appointment

No non-audit services provided prior to appointment were identified.

Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Joint Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Communication of audit matters with those charged with governance (continued)

Our communication plan	Joint Audit Plan	Joint Audit Findings
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements (not typically council tax fraud)		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report(s), or emphasis of matter		•

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Escalation policy

The Department for Levelling Up, Housing and Communities are proposing to introduce an audit backstop date on a rolling basis to encourage timelier completion of local government audits in the future.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the 31 May 2024 and respond to audit information requests and queries in a timely manner.

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit Committee (at next available Audit Committee meeting or in writing to Audit Committee Chair within 6 weeks of deadline)

If senior management is unable to resolve the delay, we will escalate the issue to the audit committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.



© 2024 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their audited entities and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to . GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.



Audit Plan Northamptonshire Commissioner Fire & Rescue Authority

Year ending 31 March 2024

April 2024



Contents



Your key Grant Thornton team members are:

Laurelin Griffiths

Key Audit Partner

T 0121 232 5363

E laurelin.h.griffiths@uk.gt.com

Siobhan Barnard

Audit Manager

T 0121 232 5121

E siobhan.barnard@uk.gt.com

Oyin Yemidale

Audit In-Charge

T 0121 232 5270

E oyin.o.yemidale@uk.gt.com

Section	Page	
Key matters	3	The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
Introduction and headlines	6	
Significant risks identified	8	
Other risks identified	12	
Other matters	13	
Our approach to materiality	14	
IT Audit Strategy	16	
Value for Money Arrangements	17	
Audit logistics and team	18	
Audit fees and updated auditing standards	19	
IFRS 16 'Leases' and related disclosures	21	
Independence and non-audit services	22	
Communication of audit matters with those charged with governance	23	
Escalation policy	25	

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Key matters

National context

The national economic context continues to present challenges to the local government sector. There are increasing cost pressures nationally, such as a growing population and increasing demand for local government services, especially in adult and children's social care. Combined with inflationary pressures, pay demands and energy price rises, the environment in which local authorities operate is highly challenging. Local Government funding continues to be stretched and there have been considerable reductions in the grants received by local authorities from government.

Recently, we have seen the additional strain on some authorities from equal pay claims, and there has been a concerning rise in the number of Authorities issuing s.114 notices. These are issued when an authority's Chief Financial Officer does not believe the authority can meet its expenditure commitments from its income. Additionally, the levels of indebtedness at many authorities is now highly concerning, and we have seen commissioners being sent in to oversee reforms at a number of entities.

Our recent value for money work has highlighted a growing number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

As your new auditor, in planning our audit, we have taken account of this national context in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

Against a backdrop of ongoing audit reporting delays, in October 2023 PSAA found that only five local government accounts had been signed by the September deadline. In June 2023 the Public Accounts Committee (PAC) also produced a report setting out their concerns over these audit reporting delays. We issued our report [About time?](#) In March 2023 which explored the reasons for delayed publication of audited local authority accounts.

In our view, to enable a timely sign off of the financial statements, it is critical that draft local authority accounts are prepared to a high standard and are supported by strong working papers.

Key matters (continued)

Other Local issues

During the year, the FRA moved from an externally hosted Unit 4 financial ledger to an internally hosted Unit 4 ledger to enable a joint system between the Authority and Northamptonshire Police, Fire and Crime Commissioner. For the 2023/24 audit, we have identified this transfer as an 'other risk' as the likelihood of errors arising in financial recording and reporting increase when a new ledger is implemented. There is also a risk that issues with data migration may cause challenges in respect to financial reporting for the year. See page 13 for more details.

Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out in this Audit Plan has been agreed with the S151 Officer.
- To ensure close work with our local audited bodies and an efficient audit process, our preference as a firm is work on site with you and your officers. Please confirm in writing if this is acceptable to you, and that your officers will make themselves available to our audit team. This is also in compliance with our delivery commitments in our contract with PSAA.
- We offer a private meeting with the Chief Fire Officer twice a year, and with the S151 Officer quarterly as part of our commitment to keep you fully informed on the progress of the audit.
- At an appropriate point within the audit, we would also like to meet informally with the Chair of the Joint Independent Audit Committee, to brief them on the status and progress of the audit work to date.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our Value for Money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness
- We will continue to provide you and the Joint Independent Audit Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretations, to discuss issues with our experts and to facilitate networking links with other audited bodies to support consistent and accurate financial reporting across the sector.

Key matters (continued)

Our Responses (continued)

- With the ongoing financial pressures being faced by local authorities, in planning this audit we have considered the financial viability of the authority. We are satisfied that the going concern basis remains the correct basis behind the preparation of the accounts. We will keep this under review throughout the duration of our appointment as auditors of the authority
- There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.
- We have identified an ‘other’ audit risk relating to the data migration to the new ledger. Refer to page 13 for more details. Our IT auditors will review the Authority’s process for ensuring the data migration was complete and accurate.
- We have also identified an ‘other’ audit risk relating to the recent cyberattack. We will consult with our IT auditors to assess management’s response and evaluate any potential impact on the Authority’s financial statements.

Prior year disclaimer

If a disclaimer of opinion is issued in respect of the 2022/23 financial statements due to the imposition of the backstop date, we may need to undertake further audit work in respect of opening balances for the 2023/24 financial year. We will discuss the practical implications of the backstop with you, including the impact on our opening balances work and 2023/24 audit opinion, should this circumstance arise

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Northamptonshire Commissioner Fire & Rescue Authority ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. The NAO is in the process of updating the Code. This audit plan sets out the implications of the revised code on the audit. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Authority. We draw your attention to these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Joint Independent Audit Committee); and we consider whether there are sufficient arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Joint Independent Audit Committee of your responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority's business and is risk based.

Introduction and headlines (continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of land and buildings
- Valuation of the liability related to defined benefit pension schemes

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £775k for the Authority, which equates to 1.8% of your prior year gross operating costs. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £38,750.

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has yet to be completed, but we have not identified any risks of significant weakness in our work to date.

We will continue to update our risk assessment until we issue our Auditor's Annual Report.

Audit logistics

Our planning work began in December 2023, and an interim visit will take place in April. Our final visit is planned to take commence from July 2024. Our key deliverables are this Audit Plan, our Audit Findings Report and our Auditor's Annual Report.

Our preference is for all our work to take place on site alongside your officers.

Our proposed fee for the audit will be £100,400 for the Authority, subject to the Authority delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Authority's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

Risk	Reason for risk identification
Presumed risk of fraud in revenue recognition ISA (UK) 240	<p>Under ISA (UK) 240 there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA 240, and the nature of the revenue streams of the FRA, we have determined that the presumed risk of material misstatement due to the improper recognition of revenue can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including the Northamptonshire Commissioner Fire & Rescue Authority, mean that all form of fraud is unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Authority.</p> <p>We will continue to review and test, on a sample basis, material revenue transactions, ensuring that it remains appropriate to rebut the risk fraud in revenue recognition.</p>

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified (continued)

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Risk of fraud related to Expenditure recognition PAF Practice Note 10	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition.</p> <p>Having considered the nature of the expenditure streams of the FRA, we have determined that there is no significant risk of material misstatement arising from improper expenditure recognition.</p> <p>We will continue to review and test, on a sample basis, material expenditure transactions, ensuring that this risk assessment remains appropriate.</p>	
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumption that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, and in particular journals, management estimates, and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified (continued)

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	<p>The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from current value (or the fair value for surplus assets) at the financial statements date. This is done via full valuations, or on a desktop basis, with a full valuation undertaken at least once every five years in accordance with the requirements of the CIPFA Code.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£36 million as at 31 March 2023) and the sensitivity of the estimate to changes in key assumptions. The valuation also depends on the completeness and accuracy of source data such as floor areas and subjective inputs such as obsolescence factors.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuer, and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; • test, on a sample basis, revaluations made during the year, agreeing key source data used such as floor areas and build costs to suitable independent evidence and confirming that the valuation methodology has been correctly applied; and • test revaluations made during the year to see if they had been input correctly into the asset register.

Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of pension fund net liability	<p>The authority's net pension liability (made up of both the Local Government Pension Scheme [LGPS] and Fire Fighter's Pension Scheme [FFPS]), as reflected in its balance sheet, represents a significant estimate in the financial statements.</p> <p>The net pension liability is considered a significant estimate due to the size of the numbers involved (£239.5m at 31 March 2023) and sensitivity of the estimate to changes in the key assumptions.</p> <p>We therefore identified the valuation of the liability related to defined benefit pension schemes as a significant risk, which was one of the most significant assessed risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management experts (the actuaries for the LGPS and FFPS) for this estimate and the scope of the actuaries' work; • assess the competence, capabilities and objectivity of the actuaries who carried out the group's pension fund valuations; • assess the accuracy and completeness of the information provided by the group to the actuaries to estimate the liabilities; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuaries; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of the Northamptonshire Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary, and the fund assets valuation in the pension fund's financial statements.

Other risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
New system implementation April 2023	<p>During the year, the authority moved from an externally hosted financial ledger system to an internally hosted financial ledger system to enable a joint system between the authority and Northamptonshire Police, Fire and Crime Commissioner.</p> <p>There is a risk that the data migrated between the systems is inaccurate or incomplete.</p>	<p>We will:</p> <ul style="list-style-type: none"> review the authority's process for ensuring the data migration was complete and accurate; and perform procedures to determine the design effectiveness of the IT general controls of the new ledger system. <p>Should any issues or concerns arise from these procedures, additional testing may be required.</p>
Cybersecurity breach	<p>During the year, a cybersecurity breach occurred. The data in question was held outside of the authority by a contracted service provider and the associated sub-processor.</p>	<p>We will:</p> <ul style="list-style-type: none"> review the authority's cybersecurity processes and procedures to assess whether actions taken by management were appropriate; and obtain the service organisation's service auditor report and assess the effect of the service provided on the controls relevant to the audit. <p>Should any issues or concerns arise from these procedures, additional testing may be required.</p>

'In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them.' (ISA [UK] 315)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description

Planned audit procedures

Determination

We have determined financial statement materiality for the Authority based on a proportion of the gross expenditure for the prior financial year.

Materiality at the planning stage of our audit is £775k, which equates to 1.8% of your prior year gross expenditure.

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- assist in establishing the scope of our audit engagement and audit tests;
- determine sample sizes; and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements.

An item may be considered to be material by nature where it may affect instances when greater precision is required.

We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of £13,000 for these disclosures.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (continued)

Description

Other communications relating to materiality we will report to those charged with governance

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to those charged with governance any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Planned audit procedures

We report to the Joint Independent Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £38,750.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Independent Audit Committee to assist them in fulfilling their governance responsibilities.

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems - ie IT general controls (ITGCs).

Our audit will include completing an assessment of the design and implementation of relevant ITGCs.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Unit 4 Agresso	Financial reporting	We plan to test the design and implementation of the ITGCs
Unit 4 Agresso	Payroll & HR	We are yet to complete our planning work on the IT systems to understand the scope of work required

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2024.

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention.

In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.

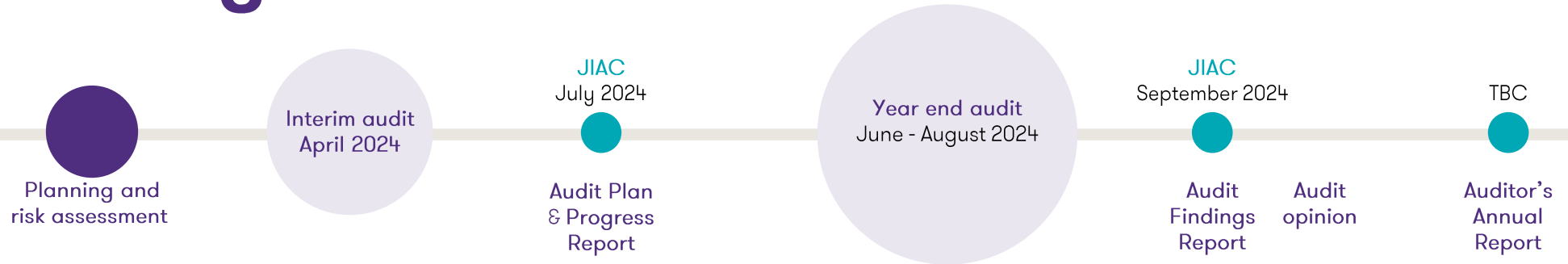


Governance

How the body ensures that it makes informed decisions and properly manages its risks.

We have yet to complete our initial risk assessment for 2023/24. We have not identified any risks of significant weakness through the work that we have completed to date, although we are considering what work will be needed in relation to the arrangements around the decision to appointment of the Interim Chief Fire Officer during the year. We will continue our review of your arrangements, including reviewing your Annual Governance Statements, before we issue our auditor's annual report.

Audit logistics and team



Laurelin Griffiths Key Audit Partner

Provides oversight of the delivery of the audit including regular engagement with Governance Committees and senior officers.

Sarah Jassal Audit Manager (to March 2024)

Siobhan Barnard Audit Manager (from April 2024)

Plans and manages the delivery of the audit including regular contact with senior officers.

Oyin Yemidale Audit Incharge

Key audit contact responsible for the day to day management and delivery of the audit work.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to:

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Annual Report and the Annual Governance Statement;
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you;
- ensure that the agreed data reports are cleansed, are made available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit; and
- respond promptly and adequately to audit queries.

Audit fees and updated Auditing Standards

Audit fees are set by PSAA as part of their national procurement exercise. In 2023, PSAA awarded a contract of audit for Northamptonshire Commissioner Fire and Rescue Authority to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2023/24 audit is £95,380.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here <https://www.psa.co.uk/appointing-auditors-and-fees/fee-variations-overview/>

Assumptions

In setting these fees, we have assumed that the Authority will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers, ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Audit fees

	Proposed Fee 2023/24
PSAA Scale Fee	£95,380
ISA 315	£5,020
Total audit fees (excluding VAT)	£100,400

Previous year

In 2022/23 the scale fee set by PSAA was £31,000. The actual fee charged for the audit is still to be confirmed.

If the opinion on the 2022/23 audit is disclaimed due to the imposition of a backstop date, we will need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you should this circumstance arise.

Relevant professional standards

In preparing our fees, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

IFRS 16 ‘Leases’ and related disclosures

IFRS 16 will need to be implemented by local authorities from 1 April 2024. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. As this is a shadow year for the implementation of IFRS 16, we will need to consider the work being undertaken by the Authority to ensure a smooth adoption of the new standard.

Introduction

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major departure from the requirements of IAS 17 in respect of operating leases.

IFRS 16 requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There is a single accounting model for all leases (similar to that of finance leases under IAS 17), with the following exceptions:

- leases of low value assets
- short-term leases (less than 12 months).

The requirements of IFRS 16 are set out in the CIPFA publication IFRS 16 Leases - An early guide for local authority practitioners and the Authority will need to abide by the requirements set out in the CIPFA Code of Practice on Local Authority Accounting.

Authority’s systems and processes

We believe that most local authorities will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance

Planning enquiries

As part of our planning risk assessment procedures, we have inquired with management on whether the entity intends to adopt IFRS16 in the 2023/24 statement of accounts. Management’s response confirms no early adoption of the standard.

Further information

Further details on the requirements of IFRS16 can be found in the HM Treasury Financial Reporting Manual. This is available on the following link.

[IFRS 16 Application Guidance December 2020.docx \[publishing.service.gov.uk\]](#)

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Authority's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority.

Other services

No other services provided by Grant Thornton were identified.

Non-audit services provided prior to appointment

No non-audit services provided prior to appointment were identified.

Communication of audit matters with those charged with governance

Our communication plan	Joint Audit Plan	Joint Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•
Views about the qualitative aspects of the body's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Joint Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Communication of audit matters with those charged with governance (continued)

Our communication plan	Joint Audit Plan	Joint Audit Findings
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements (not typically council tax fraud)		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report(s), or emphasis of matter		•

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Escalation policy

The Department for Levelling Up, Housing and Communities are proposing to introduce an audit backstop date on a rolling basis to encourage timelier completion of local government audits in the future.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the 31 May 2024 and respond to audit information requests and queries in a timely manner.

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit Committee (at next available Audit Committee meeting or in writing to Audit Committee Chair within 6 weeks of deadline)

If senior management is unable to resolve the delay, we will escalate the issue to the audit committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.



© 2024 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their audited entities and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to . GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.



AGENDA ITEM 8

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

JOINT INDEPENDENT AUDIT COMMITTEE

17th July 2024

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.
- 1.1 There is also a confidential report in the private area of the meeting. DDaT have requested that the contents of the recommendations for 2 internal Audits stay out of the public domain.

2 OVERALL STATUS (excluding confidential)

- The report shows 10 actions that have not yet reached their implementation date and remain ongoing.
- 6 actions that have passed their implementation date & are overdue.
- 33 actions have been completed.

3 OVERVIEW

3.1 2022/23 Audits

All Internal audits have been completed with 2 recommendations remaining open.

- 2 recommendations have passed their implementation date & are overdue.
- 15 Recommendations have been completed.

3.2 2023/24 Audits

All internal Audits have been completed.

- 10 Recommendations have not yet reached their implementation date and remain ongoing.
- 4 recommendations have passed their implementation date & are overdue.
- 18 Recommendations have been completed.

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

3.4 The Senior leadership Team 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 v11.6

INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

Summary of Audit Outcomes for Milton Keynes Internal Audit (up to & incl 2022/23)

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

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	2	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	1	2
Project Management	May 2023	Good	Satisfactory	Minor	0	2	0
People and Data	July 2023	Good	Satisfactory	Minor	0	2	0
Contract Management	July 2023	Good	Limited	Minor	0	7	0
TOM - Performance management	July 2023	Good	Good	Minor	0	1	0
ICT Network Infrastructure Security - Windows fileserver	March 2024	Good	Good	Minor	0	2	0
ICT Privileged Access Control	March 2024	Good	Good	Minor	0	2	0

Summary of Audit Outcomes Audits for Mazars (from 2023/24)

Audits are graded as Unsatisfactory Assurance, Limited Assurance, Moderate Assurance or Substantial Assurance. Recommendations are prioritised as High Priority, Medium Priority or Low Priority to reflect the assessment of risk associated with the control weaknesses.

Definitions of Assurance Levels	
Substantial Assurance	The framework of governance, risk management and control is adequate and effective.
Moderate Assurance	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited Assurance	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 Assurance	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.

Definitions of Recommendations		
High Priority	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium Priority	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low Priority	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	Remedial action should be prioritised and undertaken within an agreed timescale.

2023/24

AUDIT	DATE	Assurance levels	Agreed Action plans		
			High	Medium	Low
Risk management	Jan 2024	Moderate	0	8	2
Core Financials	March 2024	Moderate	0	7	4
Grievance	March 2024	Substantial	0	0	1
Payroll	April 2024	Moderate	0	3	1
EDI	May 2024	Moderate	0	2	2
New systems Assurance	May 2024	Moderate	0	2	0
Identity Access Management	June 2024	Limited	0	5	1
IT Asset Legacy Management	June 2024	Moderate	0	2	3

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.


2022/23 AUDITS	RECOMMENDATIONS MADE	Essential	Important	Standard
Safeguarding Policy & Procedures	7	Closed		
Organisational Governance – Core Code of Ethics	3	Closed		
MTFP & Budget Management	2	Closed		
Financial control environment	0	N/A		
Payroll	6	Closed		
AP/AR	3	Closed		
Project Management	2	0	2	0
People Data	2	Closed		
Contract Management	7	Closed		
TOM – Performance Management	1	0	1	0
ICT Network Infrastructure Security – Windows fileserver	2	Closed		
ICT Privileged Access Control	2	Closed		
Totals	37	0	3	0


2023/24 AUDITS	RECOMMENDATIONS MADE	High	Medium	Low
Risk management	10 actions from 3 recs	0	5	2
Core Financials	6	0	3	Closed
Grievance	1	0	0	1
Payroll	4	0	3	1
EDI	4	0	1	Closed
New systems Assurance	2	0	2	0
Identity Access Management	Confidential report	-	-	-
IT Asset Legacy Management	5	0	1	2
Totals	32	0	15	6


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

2022/23

Safeguarding Policy and Procedures – December 2022 (Limited compliance)

Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
<p>3 Weakness: Recruitment policies (A43) and procedures had been in the process of being updated for a considerable length of time.</p> <p>Risk –</p> <ul style="list-style-type: none"> • Harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS. 	<p>The service should include a Safer Recruitment Policy as part of the implementation of revised recruitment policies and procedures.</p>	<p>Agreed</p>	<p>Essential</p>	<p>HR Business Partner</p> <p>20.04.23 – MS update - we have developed a draft safer recruitment policy in liaison with Lisa, which will be finalised shortly, we are just waiting for final national guidance document.</p> <p>7.8.23 VB update.</p> <p>All previous recruitment policies for fire and police have been amalgamated into one policy. This draft policy is due to go out for consultation next week. New due date October 2023.</p> <p>21.11.23 CB update. Due for TLT in December for sign off.</p> <p>4.1.24 A43 policy published on Fireplace</p>	<p>31 March 2023</p> <p>New date 31st June 2023</p> <p>New date 31st Oct 2023</p> <p>New date 31st Dec 2023</p> <p>Completed</p>	

Safeguarding Policy and Procedures – December 2022 (Limited compliance)

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
4	<p>Weakness</p> <p>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.</p> <p>Risk –</p> <ul style="list-style-type: none"> • Risk of harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS. 	<p>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.</p>	<p>Agreed, albeit this requires new processes and systems putting in place, and decisions need to be taken on how to deal with retrospective checks.</p>	<p>Essential</p>	<p>HR Business Partner</p> <p>25.7.23 SM update.</p> <p>A DBS policy is being drafted which outlines the process to follow for new recruits, transfers and a DBS renewal process.</p> <p>This forms part of fire culture review recommendations with a due date of 1st Jan 2024. Work is in progress & due to be delivered by then.</p> <p>30.10.23 A56 Disclosure & barring Policy now published.</p> <p>8.11.23 SMC update - comms on revised process are being agreed and it will be launched, and DBS processes rolled out prior to deadline.</p> <p>9.1.24 SMC update - The roll out of DBS commenced in November and all have been issued. We are waiting on responses and checks to be completed and this is being chased and escalated as needed - this action has been completed and follow up remains in BAU.</p>	<p>30th June 2023</p> <p>New date 1st Jan 2024</p> <p>Completed</p>	<p></p>

Safeguarding Policy and Procedures – December 2022 (Limited compliance)

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
5	<p>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.</p> <p>Risk –</p> <ul style="list-style-type: none"> • Risk of harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS. 	<p>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.</p>	<p>Agreed. This links to the above action about processes.</p>	<p>Essential</p>	<p>HR Business Partner 25.7.23 SM update (as MAP4) A review of all the service has been completed to assess what DBS checks are in place and those that we have no record of. In line with NFCC guidance, a DBS risk assessment process is being drafted to outline the approach to take when a DBS comes back with positive measures. This covers the approach to take with new starters and existing members in the service. New date 1st Jan 2024. 30.10.23 A56 Disclosure & barring Policy now published. 8.11.23 SMC update - comms on revised process are being agreed and it will be launched, and DBS processes rolled out prior to deadline. 9.1.24 SMC update - The roll out of DBS commenced in November and all have been issued. We are waiting on responses and checks to be completed and this is being chased and escalated as needed - this action has been completed and follow up remains in BAU.</p>	<p>30th June 2023</p> <p>New date 1st Jan 2024</p> <p>Completed</p>	<p>Completed</p>

Safeguarding Policy and Procedures – December 2022 (Limited compliance)

Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
<p>6</p> <p>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.</p> <p>Risk</p> <ul style="list-style-type: none"> • Risk of harm to children, young people and vulnerable adults. • Legal challenges if allegations are made. • Reputational damage to NFRS. 	<p>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.</p>	<p>Agreed – Links to 4 and 5 above</p>	<p>Essential</p>	<p>HR Business Partner</p> <p>25.7.23 SM update as above in MAP 4 & 5. New date 1st Jan 2024</p> <p>30.10.23 A56 Disclosure & barring Policy now published.</p> <p>8.11.23 SMC update - comms on revised process are being agreed and it will be launched, and DBS processes rolled out prior to deadline.</p> <p>9.1.24 SMC update - DBS processes launched and moved into BAU recruitment clearance procedures. Can be closed.</p>	<p>30th June 2023</p> <p>New date 1st Jan 2024</p> <p>Completed</p>	<p>Completed</p>

Organisational Governance – Core Code of Ethics – January 2023

Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
<p>1</p> <p>Weakness The A26 Resolving Workplace concerns had not been updated to reference the Core Code of Ethics.</p> <p>Risk NCFRA suffers negative</p>	<p>The A26 Policy should be reviewed and updated appropriately to reference the Core Code of Ethics and the Service Values</p>	<p>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. A joint police/fire policy called grievance</p>	<p>Important</p>	<p>Leo Holmes (senior EDI officer) Manjit Sohal HR Business Partner</p> <p>20.4.23 MS update - draft Fire and Police one, which references Code of Ethics etc. Just waiting for Ali to return to work to progress this.</p> <p>14.8.23 Update CL/AR. Joint policy still to be reviewed. New date Nov 23.</p> <p>21.11.23 CB update - Some changes were made to the policy, discussing with FBU on Thursday</p>	<p>30th April 2023</p> <p>New date 31st June 2023</p>	<p>Completed</p>

reputational and legal compliance through staff not complying.		resolution will replace A26 resolving workplace concerns.		for their agreement as we only had two responses in consultation. Once I have this approval and it is documented I should then be able to present this to TLT, planning for December meeting. 9.1.24 CB update – Policy approved and published. Completed.	New Date 31st Dec 2023 Completed	
--	--	---	--	--	--	--

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 9.11.23 NA update – Due for completion by 31.3.24 21.5.24 PB update - 2024/25 budget was built in a zero based way and aligned to the workforce plan, as such this has rectified the issue for 23/24 and this action can be closed.	31 st Jan 2023 New date 31 st March 2024 Completed	

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	<p>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.</p> <p>Risk - Non-compliance with statutory Home Office guidance</p>	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 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.	Important	<p>Rob Porter</p> <p>11.08.23 RP update – Recruitment policy review New due Date 31st Oct 2023 (in line with Safeguarding MAP3)</p> <p>21.11.23 CB update. A43 Due for TLT in December for sign off.</p> <p>30.01.24 RP update A43 v2.0 section 9.8 covers right to work process. Completed</p>	<p>31st May 2023</p> <p>New due date 31st Oct 2023</p> <p>New date 31st Dec 2023</p> <p>Completed</p>	

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
3	<p>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.</p>	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	<p>Rob Porter</p> <p>11.08.23 RP update – Recruitment policy review New due Date 31st Oct 2023 (in line with Safeguarding MAP3)</p> <p>30.10.23 A56 Disclosure & barring Policy now published.</p> <p>21.11.23 CB update. A43 Due for TLT in December for sign off.</p> <p>30.01.24 RP update A43 v2.0 section 9.8 covers right to work process.</p>	<p>31st May 2023</p> <p>New due date 31st Oct 23</p> <p>New date 31st Dec 2023</p> <p>Completed</p>	

Risk -Non-compliance with statutory Home Office guidance				Completed		
--	--	--	--	-----------	--	--

Payroll – April 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
5	<p>Weakness - Testing highlighted that one mileage claim had been paid without evidence of a VAT receipt.</p> <p>Risk - Non-compliance with statutory HMRC guidance.</p>	<p>All mileage claims should be submitted with a supporting VAT receipt for fuel in accordance HMRC requirements.</p> <p>Authorising managers should be reminded not to approve claims without the appropriate evidence being provided by the claimant.</p>	<p>Accepted, communications will be issued around the requirement and reasons for including a receipt with mileage claim.</p> <p>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.</p>	Important	<p>Nick Alexander 15.8.23 NA update. Comms regarding receipts to be added into next weekly bulletin.</p> <p>Nick Alexander 22.11.23 Update. Project for new system on schedule for April 2024 21.5.24 PB update - The new system is now live and therefore this action can closed.</p>	<p>31st May 2023</p> <p>Completed</p> <p>30th April 2024</p> <p>Completed</p>	

Project Management – May 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	<p>Weakness The level of the Competency Based Training Framework project was not identified. No formal Project Board meetings were held for the project.</p> <p>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.</p>	<p>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.</p>	<p>All AM's and equivalents and GM's and equivalents to be contacted to reinforce the following points –</p> <ol style="list-style-type: none"> 1. 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. 2. Reinforce the need for all identified projects to clearly articulate the project level (level 1 or level 2). (Support will be provided by the CRMP Manager to discuss project methodology, project documentation and to assist determining project level. 3. Project level to be included on the SIP to ensure a list of level 1 and level 2 projects are maintained. 	<p>Important</p>	<p>Programme Manager.</p> <p>31st May 2023 1. Completed</p> <p>31st May 2023 2. Completed</p> <p>31st May 2023 3. 23.11.23 MB update. Project framework reviewed, updated and published. Projects and project board need to be recorded and published. New due date 31.03.24 3.6.24 – LJ update. A review and evaluation has taken place around the project management framework and a paper has been produced a paper for SLT where Enabling Services and Business Services will work together and appoint from the outset Senior Responsible Officers, SME's and all stakeholders to support project management and the change process into NFRS. The paper is being submitted to June SLT and expected completion if approved for Sept 2024.</p>	<p>31st May 2023</p> <p>New due date 31st Mar 2024</p> <p>New date 30th Sept 2024</p>	<p style="background-color: red; color: red;"> </p>

Project Management – May 2023

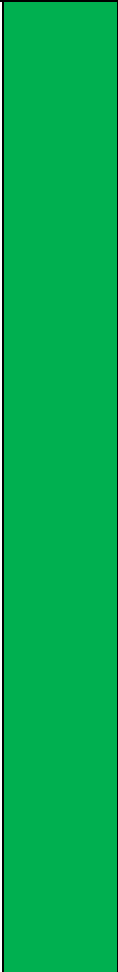
	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	<p>Weakness The document approval section of the Project Closure/Evaluation Report has not been completed.</p> <p>Risk The Commissioner, S151 Officer and Chief Fire Officer do not have clear oversight of key organisational / 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.</p>	In accordance with the Project Management Framework, the Project Closure/Evaluation report should be approved by the Project Executive for each project developed.	<p>All AM's and GM's to be contacted to reinforce the following points –</p> <ol style="list-style-type: none"> 1. Project SRO to ensure compliance with Project Management Framework for appropriate project closure and evaluation. (inc. follow up documentation capturing evaluation and outcomes) 2. SRO to review CBTF project and review closure and evaluation 	Important	<p>Programme Manager</p> <ol style="list-style-type: none"> 1. 23.11.23 MB update. Project framework reviewed, updated and published. Projects and project board need to be recorded and published. New due date 31.03.24 3.6.24 – LJ update. A review and evaluation has taken place around the project management framework and a paper has been produced a paper for SLT where Enabling Services and Business Services will work together. The framework will include all project stages including closure/evaluation. The paper is being submitted to June SLT and expected completion if approved for Sept 2024. 2. .3AM Operational Support. <p>Completed</p>	<p>31st May 2023 New date 31st Mar 2024</p> <p>New date 30th Sept 2024</p> <p>30th Sept 2023</p> <p>Completed</p>	

People and Data – July 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	<p>Weakness The response rate from the sample of personnel selected</p>	Given the poor response rate to the sample undertaken by	This will be picked up as part of the move from ERP Gold and WNC to Enabling Services and Unit 4.	Important	<p>June Withey</p> <p>13.11.23 JW update. This project is still underway, with a data cleansing exercise ongoing. Once on Unit 4, all Fire employees</p>	<p>1st April 2024</p> <p>Completed</p>	

<p>to check their people data was only 38%.</p> <p>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</p>	<p>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.</p>	<p>We will look into the possibility of a technological system in order for all to check their personal details.</p> <p>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</p>		<p>will have the ability to access their own information and request amendments where necessary. We are still on target to meet the April 2024 deadline.</p> <p>22.1.24 JW update - User Acceptance Testing starts on 24th January for the new Fire HR system. We are still on target for go live on 1st April 2024.</p> <p>13.3.24 JW update. Data coming from Firewatch has been cleansed and checked prior to upload into the new system. We still have gaps in information where employees are not wishing to/don't know how to disclose and update. Once Unit 4 goes live, part of the comms plan will be around Safe to Say, where colleagues will be encouraged to complete their own protected characteristics as part of self service.</p> <p>10.4.24 JW update - Unit 4 system is now live for Fire and protected characteristics are self-service. We had limited responses to the letters that were sent to individuals as part of the Safe to Say campaign, but all responses have been amended or added to the Unit 4 system.</p> <p>As an ongoing piece of work, we will be running the Safe to Say campaign for Fire periodically to enhance and increase disclosure rates. Can be closed.</p>		
--	---	--	--	---	--	--

People and Data – July 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	<p>Weakness - NCFRA personnel were not always able to access their personal data on Firewatch system to check accuracy.</p> <p>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.</p>	<p>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.</p>	<p>This will be picked up as part of the move from ERP Gold and WNC to Enabling Services and Unit 4.</p> <p>We will liaise with DDaT to look at any outstanding systems access issues that have been raised or are outstanding.</p>	<p>Important</p>	<p>June Withey</p> <p>13.11.23 JW update. This project is still underway, with a data cleansing exercise ongoing. Once on Unit 4, all Fire employees will have the ability to access their own information and request amendments where necessary. We are still on target to meet the April 2024 deadline.</p> <p>22.1.24 JW update - User Acceptance Testing starts on 24th January for the new Fire HR system. We are still on target for go live on 1st April 2024.</p> <p>13.3.24 JW update. As above - UAT has now been completed and signed off. Outstanding defects are on track to be resolved prior to the new go live date of 2nd April. This has been pushed back 1 day as 1st April is a Bank Holiday. The comms plan has been approved and will go live after 2nd April 2024</p> <p>10.4.24 JW update - Unit 4 system is now live for Fire and protected characteristics are self-service. Can be closed.</p>	<p>1st April 2024</p> <p>Completed</p>	

Contract Management – July 2023 (Limited compliance)

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	<p>Weakness Contracts management was not being administered using the Contract Monitoring Pack.</p> <p>Risk Lack of management of contracts – volume deliverables and financial implications</p>	All contracts should be managed using the Contract Monitoring Pack provided by the Commercial and Estates Enabling Services.	The contract management pack and the level of input shall vary across the tier of the contract. Given the wide variety of areas covered by the staff currently managing work shall be undertaken to re-allocate the contracts and put in place contract management packs, where appropriate.	Important	<p>Leanne Hanson Jo Davis</p> <p>23.11.23 update. On schedule. 17.1.23 LH update Jo has confirmed these are now in use, where the contracts require them, and she is utilising these in performance managing the delivery. Completed.</p>	18 th Dec 2023	Completed

Contract Management – July 2023 (Limited compliance)

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
4	<p>Weakness Contracts not being managed due to lack of suitable cover arrangements where a Contract Manager is off work for an extended period of time.</p> <p>Risk Lack of management of contracts – volume deliverables and financial implications.</p>	NCFRA should ensure that their business continuity arrangements include provision /nomination of suitable cover resource to enable management of contracts, where a Contract Manager is off work for an extended period of time.	The structure for the department shall be reviewed to ensure appropriate rebalance of the function currently covered by H&S team and also ensure resilience.	Important	<p>Leanne Hanson</p> <p>10.11.23 LH update. Paper at Fire SLT 28 November 2023 regarding BCP for Fire H&S. New due date 31/01/24.</p> <p>10.6.24 – Update LH. Contract management business continuity new practice will assure coverage by senior responsible owner.</p>	<p>31st August 2023</p> <p>New date 31st Jan 2024</p>	Completed

Contract Management – July 2023 (Limited compliance)

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
6	<p>Weakness No evidence was provided to demonstrate that Contract Providers had undertaken an annual satisfaction survey exercise in line with Schedule 6 of the standard Contract – Monitoring.</p> <p>Risk Lack of management of contracts</p>	The Contract Manager should ensure that satisfaction survey data is provided, annually by the Contract Provider as required within Schedule 6 of the contract	Satisfaction Surveys shall need to be assessed based on the contract value and tier to ensure that such activities are proportionate to spend. This shall be reviewed by the contract owner and the Commercial Manager.	Important	<p>Jo Davis/Emily Jelley</p> <p>22.11.23 JD update – due for completion by end of Jan 2024 12.3.24 JD & EJ update - The BHSF, Tier 1 annual surveys are complete. The SEE, ACS surveys are done as part of the delivery of the products. This is in place and can be signed off.</p>	<p>31st Jan 2024</p> <p>Completed</p>	

TOM – Performance Management July 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	<p>Weakness: The Risk Management Policy was due for review in February 2023.</p> <p>Risk: Operational objectives are not delivered, and monitoring is inadequate.</p>	The Risk Management Policy should be reviewed to ensure that risks are captured as required to meet national fire standards and local performance and operating standards.	The policy is currently under review and is expected to be changed to reflect the new Service Structure.	Important	<p>Ro Cutler</p> <p>2.11.23 JO update. Risk Management Internal Audit draft report received yesterday. Policy will be reviewed following the recommendations. 08.01.24 JO update. Risk management internal audit completed. Review policy in line with findings. This action will be superseded once final report issued. 9.4.24 JO update Policy approved for consultation by Lisa Jackson. New date 31st May 2024. 30.5.24 JO Update. Consultation completed. In June TLT for approval. 24.6.24 JO update. Approved & published. Complete.</p>	<p>30th Sept 2023 New date 31st Dec23 New date 31st Mar24 New date 30th June 2024</p> <p>Completed</p>	

Mazars 2023/24

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (a)	Risk and Impact Risk registers are not complete and risk actions are not appropriately tracked leading to the failure to effectively manage and address risks facing the organisation	Risk registers should be reviewed on a quarterly basis, ensuring that all sections of risk registers are fully completed, including controls and/or action plans to reduce risk to an acceptable score and reasoning for risk scores	Medium	AM Business Services to ensure every department risk and strategic risks should have a full review and update by the risk owners by 31 March 2024. All risks should have a recorded risk treatment. If the risk treatment is 'tolerate', no actions are required. Actions must be assigned to risks that are being treated. 31.5.24 JO update. All risk registers being reviewed with owners. New due date 30 th June 2024. 28.6.24 JO update. Completed	Assurance Manager 31 st Mar 2024 New date 30 th June 2024 Completed	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (b)	Risk and Impact Risk registers are not complete and risk actions are not appropriately tracked leading to the failure to effectively manage and address risks facing the organisation	Risk registers should be reviewed on a quarterly basis, ensuring that all sections of risk registers are fully completed, including controls and/or action plans to reduce risk to an acceptable score and reasoning for risk scores	Medium	ACFO Enabling services to ensure that all risks that relate to Fire or joint Police/Fire within HR, DDaT, Estates & Facilities, Fleet/Transport & Finance should have a full review & update by the risk owners by 31 March 2024. The review should include consideration of Fire risk within each area, if not Northamptonshire Commissioner Fire & Rescue Authority – Risk Management (01.23/24) Internal Audit Final Report Page 7 already done so. All risks should have a recorded risk treatment. If the risk treatment is 'tolerate', no actions are required. Actions must be assigned to risks that are being treated. 1.5.24 PB update. All enabling services departments reminded to update and review their risk registers. New date 31.5.2024.	ACFO Enabling Services 31 st Mar 2024 New date 31 st May 2024 Completed	

				<p>21.05.24 PB update - All ES risk registers are up to date as of 17/5/24. Where there are no risks it is because there are not currently risks at dept level that effect fire for those depts that are worthy of inclusion on a formal dept risk register. Further, all Enabling Services heads of dept report in their monthly report to the ACO on risk progress across organisations and therefore a process is in place for future capturing and ensuring it is kept on top of. Risk reviews are being monitored through the quarterly Service Assurance Board (SAB).</p>		
--	--	--	--	--	--	--

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (c)	<p>Risk and Impact Risk registers are not complete and risk actions are not appropriately tracked leading to the failure to effectively manage and address risks facing the organisation</p>	<p>Risk registers should be reviewed on a quarterly basis, ensuring that all sections of risk registers are fully completed, including controls and/or action plans to reduce risk to an acceptable score and reasoning for risk scores</p>	Medium	<p>Review of A30 Assurance and Performance policy by 31 March 2024. 3.6.24 LJ update – Assurance & Performance policy direction needs discussion with new Chief Fire Officer.</p>	<p>Assurance Manager 31st Mar 2024 New date 30th Sept 2024</p>	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (d)	<p>Risk and Impact Risk registers are not complete and risk actions are not appropriately tracked leading to the failure to effectively manage and address risks facing the organisation</p>	<p>Risk registers should be reviewed on a quarterly basis, ensuring that all sections of risk registers are fully completed, including controls and/or action plans to reduce risk to an acceptable score and reasoning for risk scores</p>	Medium	<p>Review SAB & QAR ToR to include quarterly risk review by 31 March 2024. 3.6.24 LJ update – Both ToR’s can be reviewed once Assurance & Performance policy agreed with CFO.</p>	<p>Assurance Manager 31st Mar 2024 New date 30th Sept 2024</p>	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (e)	Risk and Impact Risk registers are not complete and risk actions are not appropriately tracked leading to the failure to effectively manage and address risks facing the organisation	Risk registers should be reviewed on a quarterly basis, ensuring that all sections of risk registers are fully completed, including controls and/or action plans to reduce risk to an acceptable score and reasoning for risk scores	Medium	Send out comms for Quarterly risk reviews to be held in Quarterly Assurance Reviews from December 2023. These can then feed into or be escalated to SAB 31.05.24 JO update – Reviews booked in with all dept managers. Comms sent re quarterly reviews. New due date 30 th June 2024. 28.6.24 JO update. Completed	Assurance Manager 31 st Mar 2024 New due date 30 th June 2024 Completed	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2(a)	Risk and Impact Insufficient training is provided on the risk management system leading to risks being inappropriately identified and recorded and the NCFRA not achieving best value for money from the use of the 4Risk system.	The training required for the 4Risk system should be determined and a structured training programme should be implemented for staff who use the system, with the training programme monitored for completion. This training should also include training on the principles of risk management in general.	Medium	Deliver basic training on the risk system by 31 January 2024 and consider how new staff will receive this. Last of 6 training sessions being held on 7 th February	Assurance Manager 31 st Jan 2024 Completed	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2(b)	Risk and Impact Insufficient training is provided on the risk management system leading to risks being	The training required for the 4Risk system should be determined and a structured training programme should be implemented for staff who use the system, with the training programme monitored for completion. This	Medium	Continuous Professional Training to be written and delivery by 30 June 2024 included in the management training programme to Middle	Assurance Manager 30 th June 2024 New date	

	inappropriately identified and recorded and the NCFRA not achieving best value for money from the use of the 4Risk system.	training should also include training on the principles of risk management in general. A training plan / matrix should be developed for different levels of staff, which identifies exactly what level of risk management training is required for different levels or roles of staff.		and senior managers on the principles of risk management. 3.6.24 – RC update. Delay due to HMICFRS inspection. New date 31.08.24 for everyone to complete.	31 st August 24	
--	--	--	--	---	----------------------------	--

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2(c)	Risk and Impact Insufficient training is provided on the risk management system leading to risks being inappropriately identified and recorded and the NCFRA not achieving best value for money from the use of the 4Risk system.	The training required for the 4Risk system should be determined and a structured training programme should be implemented for staff who use the system, with the training programme monitored for completion. This training should also include training on the principles of risk management in general.	Medium	Guidance documents for 4Risk published on SharePoint by 31 January 2024. 24.1.24 JO update. Guidance published on FirePlace V1.0.	Assurance Manager 31 st Jan 2024 Completed	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3 (a)	Risk and Impact: Risk management policies and procedures are outdated and do not reflect the organisation's current working practices leading to risks being managed ineffectively.	The Risk Management Policy should be reviewed and updated, and the document control section updated to note the date of review and of the next review.	Low	The risk policy review needs to include direction from the A30 Assurance and Performance policy review by 31 March 2024. 9.4.24 – JO update. Document control section updated. Policy reviewed and due out imminently for consultation as per TOM – performance management rec 1 (as above) 24.6.24 JO Policy approved & published	31 March 2024 New date 30 th June 2024 Completed	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3 (b)	Risk and Impact: Risk management policies and procedures are outdated and do not reflect the organisation's current working practices leading to risks being managed ineffectively.	The Risk Management Policy should be reviewed and updated, and the document control section updated to note the date of review and of the next review.	Low	Review all risk registers, once the risk policy and procedures are published for compliance, by 31 May 2024. 29.5.24 JO update. Policy consultation feedback received. Procedures can now be written. New date 31st August 2024.	Assurance Manager 31st May 2024 New due date 31 st Aug 2024	

Core Financial Systems Internal Audit – March 2024 (Joint Police/Fire)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1	<p>Debtor Invoices</p> <p>After the provision of goods or services to a customer or raising charges for services a request to raise an invoice should be sent to Finance Operations, who then complete an invoice template in order to automatically generate an invoice which is then sent to the customer by Finance Operations in order for the Force to receive payment. We reviewed a sample of ten Force debtor invoices and found:</p> <ul style="list-style-type: none"> One instance where no request to raise the invoice could be evidenced. The invoice remains unpaid and overdue by 190 days at the time of the audit. Two instances where the invoices had not been raised in a timely manner (18 days and 12 days). <p>We reviewed a sample of ten NCFRA debtor invoices and found:</p> <ul style="list-style-type: none"> Nine instances where the invoices had not been raised in a timely manner (range of 45 – 12 days and average of 22 days). 	<p>Northamptonshire should ensure that invoice requests forms or similar are completed and provided to Finance Operations prior to the raising of an invoice and that this can be evidenced when required. To do this Finance Operations should not raise an invoice until a valid request is received.</p> <p>Northamptonshire should implement a clearly defined timeline for the raising of invoices following a request being received to ensure invoices are raised in a timely manner.</p> <p>Northamptonshire should ensure overdue income is appropriately chased in line with debt management procedures. To do this there should be clear oversight within Finance of all overdue income and evidence of debt chasing carried out at the required time intervals should be retained.</p>	Medium	<p>The process needs to be refined and better followed.</p> <p>21.06.24 The process has now been improved to ensure that there is a review of all documentation & on a quarterly basis the Head of Finance has a report to ensure that a review of the documentation has been completed.</p> <p>Complete</p>	<p>Nick Alexander/ Debbie Clark</p> <p>1st April 2024</p> <p>Completed</p>	

<ul style="list-style-type: none"> One instance where the invoice remains unpaid and overdue by 82 days at the time of the audit. We were advised by management that there is no formal timeline in place for the raising of an invoice following a request. <p>Risk and Impact: Invoices are raised inaccurately or inappropriately leading to the Force not receiving income in a timely manner.</p>					
--	--	--	--	--	--

Core Financial Systems Internal Audit – March 2024 (Joint Police/Fire)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>Debt Recovery</p> <p>The Force and NCFRA have an Aged Debt Process document in place last reviewed May 2023 which sets out the processes to be followed by Finance Operations for the collection and recovery of overdue income:</p> <ul style="list-style-type: none"> Day 1 – A copy of the invoice is emailed out to the customer requesting a payment date. Day 7 – Follow up by emailing a statement to the customer. Day 10 – Contact the customer by phone to request a payment date. <p>Customers are expected to be continued to be contacted at this point if no replies are received. Additionally, a customer aged debt report is run on a monthly basis and reviewed by the Finance Operations Team Leader to determine actions to take in respect of chasing or if debt should be forwarded to Legal or requested to be written off. We reviewed a sample of 10 debtor invoices at the Force and five at NCFRA to confirm that aged debt processes had been followed in accordance with the procedural document. We found:</p> <ul style="list-style-type: none"> Force – four instances, which were salary overpayments, where debt procedures had not been followed. This was due to there being no contact details on the individuals account for the Force to use following the no responses 	<p>The Force should ensure that the Aged Debt Process is followed in a timely manner for overdue income and documented evidence is retained. To do this there should be sufficient oversight within the Finance Team of overdue income and clear escalation procedures in place to ensure debts are chase in accordance with timelines in the Aged Debt Process.</p> <p>The Force should ensure that customers are set up with all necessary contact details including email address, phone number and home address. These should be kept up to date to allow for debt procedures to be followed in the event of the Force being owed money.</p> <p>NCFRA should ensure that the Aged Debt Process is followed, by ensuring there is sufficient oversight of overdue income and clear escalation procedures in place, and documented evidence of</p>	Medium	<p>Agreed – Whilst the team has been very successful in driving down outstanding debts, a more robust process will ensure that issues do not arise again. Re point 5: We believe this was the result of imported customer files, whereas in Unit4, all new customers are required to have all necessary details populated prior to raising any invoices.</p> <p>21.06.24 – All invoices are reviewed by the Finance Operations team on an on-going basis & there is a quarterly oversight meeting to review the collectability of those invoices.</p> <ul style="list-style-type: none"> In accordance with the CGF the S151 officers will then approve or 	<p>Nick Alexander / Debbie Clark 1st April 2024</p> <p>Completed</p>	

<p>from the letters posted to their addresses. These debts remain overdue since Jan 2022 (three instances valued at £2920.51, £3275.81, £3987.55) and October 2022 (one instance valued at £2282.38).</p> <ul style="list-style-type: none"> • Force – two instances where debt procedures had not been followed in accordance with the Process document. From a review of the October aged debt report we noted that verbal communication with customers had occurred, and a payment date had been agreed. However, the Force does not have documented evidence in respect of this. • NCFRA – Two instances where debt management procedures had not been followed in accordance with the Process document. Of these two instances, we did note one had now been paid, although this was two months late, and one instance (valued at £57,583.75) remains unpaid since July 2023 due to the invoice being rejected as there is no Purchase Order. <p>Risk and Impact: Aged debt processes are not followed or performed in a timely manner leading to loss of money owed to the OPFCC.</p> <p>The Force does not have adequate contact details for employees with salary overpayments leading to a lack of avenues to use to chase overdue income resulting in financial loss to the OPFCC.</p>	<p>agreed payment dates with customers is retained and can be evidenced upon request.</p>		<p>request legal assistance on debts.</p> <p>Complete</p>		
---	---	--	---	--	--

Core Financial Systems Internal Audit – March 2024 (Joint Police/Fire)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3	<p>NCFRA - Comparison of Employee Bank Details and Supplier Details</p> <p>The Force performs quarterly comparisons of employee bank details with supplier details and duplicates testing of employee bank details to identify instances where they match and therefore require investigation.</p>	<p>NCFRA should implement regular and routine checks of employee bank details and supplier details, similar to the Force arrangements</p>	<p>Medium</p>	<p>Agreed – this control will be aligned to Police when payroll comes in-house.</p> <p>26.06.24 Routine checks are being completed between the</p>	<p>Nick Alexander / Sue Fisher 1st April 2024</p> <p>Complete</p>	

<p>Whilst we noted no issues with Force procedures, we were not provided with evidence to demonstrate that NCFRA perform routine comparisons of employee bank details with supplier details.</p> <p>Therefore, NCFRA should ensure that there is a preventive control for the detection of matching bank details between suppliers and payroll.</p> <p>It is noted that this may be difficult due to the payroll function currently being outsourced to West Northants Council for NCFRA employees, therefore a detective control would be required to be regularly carried out to ensure instances are flagged appropriately and in a timely manner.</p> <p>Risk and Impact: Fraudulent activity is not identified or prevented in a timely manner</p>			<p>supplier file & the payroll BAC's files. Any matches are reported to the Chief Finance Officer (CFO), if it relates to a CFO it would be reported to the second CFO or their line manager/ PFCC or Chief of the appropriate Service Complete</p>		
--	--	--	---	--	--

Core Financial Systems Internal Audit – March 2024 (Joint Police/Fire)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
4	<p>NCFRA Leavers Access to Unit4</p> <p>NCFRA should manually end leaver's access to the finance system, Unit4,, by moving their status to parked, following their leaving date.</p> <p>We performed a population test of all leavers from NCFRA since April 2023 to confirm their system access had been removed in a timely manner. We found five instances from a population of 21 NCFRA leavers who still had active access to Unit4 despite having now left NCFRA.</p> <p>We were advised by management that whilst the Force's process in respect of ending leavers access to Unit4 is automatic, NCFRA do not have a HR system within enabling services as the Payroll/HR function currently sits with West Northants Council therefore a</p>	<p>NCFRA should ensure that leaver's Unit4 system access is removed in a timely manner following their leaving date. HR should notify IT of this requirement for a leaver on or before their leaving date.</p> <p>In light of the planned integration between NCFRA and the Force, the Force should look to embed NCFRA into their</p>	Low	<p>Agreed – this was a temporary issue due to the conscious decision to not align the Finance and HR implementations of Unit4, and a workaround was not put in place promptly. This issue will be resolved with Unit4 for HR is implemented, as is part of the core design</p> <p>Update 24.4.24 YH : The new on-premise Unit4 HR system for NCFRA went live on 2nd April 2024. As a result, the leaver process now aligns to the leaver process for Northants Police, managed by the</p>	<p>James Swindall 1st April 2024</p> <p>Completed</p>	

<p>manual process is in place for the Force to end NCFRA leavers Unit4 access. Risk and Impact: NCFRA leavers system access is not removed on a timely basis from Unit4 leading to inappropriate users accessing systems with confidential information and potential for data breaches resulting in reputational damage.</p>	<p>HR system to enable the automation of ending leaver's system access to Unit4.</p>		<p>Enabling Services HR Team, who terminate leavers in Unit4, and notifications will be generated by the system and will be sent to relevant departments. Status: Completed.</p>		
--	--	--	--	--	--

Core Financial Systems Internal Audit – March 2024 (Joint Police/Fire)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
5	<p>Supplier Amendments Amendments to supplier details arrive through a supplier request form to the Finance Operations e-mail inbox and the amendments request are verified with the supplier verbally over the phone or via email. Once verified, Finance Operations will apply the amendment in Unit4 attaching backing documents, such as the supplier request, to support the amendment. This flows through workflow in Unit4 to a team leader in Finance with approval access to approve the amendment to the supplier details. We reviewed a sample of ten supplier amendments at the Force and noted one instance (GS-51564) where workflow evidence to demonstrate segregation of duty between the inputter and approver of amended supplier details could not be provided. We were advised by management that a workflow system error message associated with this sample was preventing them from demonstrating the required evidence. Risk and Impact: The Force is unaware of system errors preventing the Force from ensuring all amendments to supplier details are appropriately reviewed and verified.</p>	<p>The Force to review this instance, ensure the workflow system error is resolved and confirm appropriate segregation of duty is present in the supplier amendment made</p>	Low	<p>This is an isolated incident regarding a transaction early in the use of Unit4 workflows. It is not expected to reoccur and to continue investigation is not good value use of our resources, but any future errors will be flagged and escalated to Unit4 experts for review.</p>	N/A	

Core Financial Systems Internal Audit – March 2024 (Joint Police/Fire)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
6	<p>NCFRA Petty Cash – Imprest Account Policy NCFRA has a Petty Cash – Imprest Account Policy (April 2021) in place which documents the financial petty cash and Imprest requirements responsible NCFRA personnel must follow. This includes security requirements of petty cash, petty cash monetary restrictions and reconciliation and management review of petty cash records. The NCFRA Petty Cash – Imprest Account Policy was last updated April 2021 and was due next for review April 2022. Therefore, the Policy is outdated and requires its annual review. Risk and Impact: The NCFRA Petty Cash – Imprest Account Policy is outdated and is not fit for purpose leading to inconsistent approaches to the management of cash and cheques received into the NCFRA.</p>	<p>NCFRA should ensure that the Petty Cash – Imprest Account Policy is updated and approved at the earlier opportunity and reflects current petty cash working practices in place at NCFRA.</p>	Low	<p>Agreed – policy to be reviewed and updated. 3.6.24 – RC update. Petty cash imprest account has been removed from service, the policy has been removed from FirePlace.</p>	<p>Nick Alexander / Debbie Clark / Sue Fisher 01 April 2024 Completed.</p>	

Grievance Internal Audit – March 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1	<p>NCFRA have made a variety of changes to address causes for concern, areas for improvement and recommendations raised from HMICFRS reviews and the internal Serving with Pride consultation. Whilst we confirmed there are HR KPIs in place to monitor grievance cases, and there is adequate reporting of progress made to implement recommendations, we noted there currently aren't any metrics to capture and quantify the impact of wider actions and changes.</p>	<p>Performance measures to substantiate and monitor the impact of changes made across the Service should be introduced to address HMICFRS reviews and NCFRA Serving with Pride recommendations.</p>	Low	<p>Accepted - The recommendations that have been highlighted within this audit are reasonable and are an area of focus for the Service to ensure that the impact of the various action plans is achieved. We will look at the different performance measures that</p>	<p>Suzanne McMinn 1st April 2025</p>	

<p>We acknowledge that the Service are in the initial stages of implementing a number of recommendations, including those raised within Serving with Pride, however it is important to consider assurance mechanisms in the future to ensure recommendations are having the intended impact.</p> <p>For example, the Service could use staff surveys to measure cultural changes such as the confidence in grievance processes. They could also use data from third parties to report the number of concerns raised via FRS Speak Up or Flag It, and then the number of grievance referrals subsequently made from this.</p> <p>Risk and Impact: Changes and improvements made do not address HMICFRS causes for concern and NCFRA Serving with Pride recommendations.</p>			<p>are needed, including follow up staff surveys and measurement of the volume of speak up routes. An action date has been set in the future to allow time for implementation and impact of actions required to provide for meaningful feedback.</p>		
---	--	--	--	--	--

Payroll Internal Audit – April 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
1	<p>Comparison of employee bank details and supplier details. Regular and routine comparisons of employee bank details and supplier details should be carried out to ensure any matches are brought to the attention of NCFRA in a timely manner and can be investigated. We were informed by management that routine and regular checks of employee to supplier bank details are not performed. Audit performed data analysis to identify any instances of employee bank details matching with supplier details. Whilst, we found no duplicates this is a key control in ensuring the prevention of bank mandate fraud across payroll and supplier payments. Therefore, the Force should ensure that there is a preventative control for the detection of matching bank details between suppliers and payroll.</p> <p>Risk and Impact: Fraudulent activity is not identified or prevented in a timely manner.</p>	<p>NCFRA should implement regular and routine checks of employee bank details and supplier details to identify any duplicates.</p>	<p>Medium</p>	<p>The finance team does review National Fraud Initiatives data against the payroll data on an annual basis, however, we will be implementing for the end of quarter one (time to ensure that the report provides unmasked bank details with supplier data) a look up for each payroll to the current supplier data to check for matches on the bank account number and then if there are any matches we will investigate.</p> <p>26.06.24 This is complete as per the Core Financials audit and is now Business As Usual – Update. Routine checks are being completed between the supplier file & the payroll BAC's files. Any matches are reported to the Chief Finance Officer (CFO), if it relates to a CFO it would be reported to the second CFO or their line manager/ PFCC or Chief of the appropriate Service. Complete</p>	<p>Nick Alexander</p> <p>Due date 30th June 2024</p> <p>Completed</p>	

Payroll Internal Audit – April 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>Expenses. NCFRA’s Business Travel and Expenses Policy, last reviewed April 2021, states that expenses should be submitted through NCFRA’s employee claims system module on E-Works (NCFRA’s pay claims system), with receipts scanned and attached to the claim. Expenses claims are to then be approved by the individuals line manager on E-Works. We reviewed a sample of ten expense claims, between April and August 2023, and noted six instances where NCFRA were unable to provide any evidence to demonstrate the claim had been submitted on E-Works with supporting invoices and that approval had been obtained. The monetary range of these claims was £42.43 to £13.84 with an average of £25.09. Of the four expense claims where evidence could be provided from E-Works no issues were noted. Management advised that the current E-Works system is an old, unreliable, and failing system, which is at the end of its lifecycle for NCFRA, and is being replaced in April 2024.</p> <p>Risk and Impact: NCFRA are unable to confirm that appropriate claims were submitted and approved for all expenses leading to expenses payments made by NCFRA not being for bona fide claims and amounts, resulting in financial loss to NCFRA.</p>	<ul style="list-style-type: none"> NCFRA should ensure line managers do not approve expenses unless a receipt is scanned onto E-Works and the completed claim is clearly identifiable and traceable. NCFRA should investigate these six instances and establish why the claims are not present on E-Works. 	Medium	<p>Finance will issue communications to all Fire staff to remind them of their duties to include receipts. They will also complete dip sampling of claims to ensure appropriate receipts are included. Finance will also review the 6 claims and contact the manager to see if receipts are available retrospectively.</p> <p>26.06.24 HR are reviewing the policy of March 2023 and following the migration to the new claims systems the wording of the policy is being proposed to be changed to ‘Expenses and Claim systems’ from specific systems and that any other amendments are considered. Suzanne McMinn & Nick Alexander will review this before passing for consultation.</p>	<p>Nick Alexander</p> <p>Due date 30th June 2024</p> <p>Consultation & completion by 31st July 2024.</p>	

Payroll Internal Audit – April 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3	<p>Overtime. NCFRA's Raising a New Employee Claim procedural document presents how overtime claims should be submitted electronically through E-Works. As part of the electronic claim form, claimants are expected to complete personal details and add their claim details, such as claim reason for additional hours and the total number of hours and the rate, before submitting. The claimant's line manager then reviews the submitted overtime claim and approves it on E-Works. We reviewed a sample of ten overtime claims, between April and August 2023, and noted five instances where NCFRA were unable to provide any evidence to demonstrate the claim had been submitted on E-Works with supporting evidence and that line manager approval had been obtained. Of the five overtime claims where evidence could be provided from E-Works no issues were noted. Management advised that the current E-Works system is an old, unreliable, and failing system, which is at the end of its lifecycle for NCFRA, & is being replaced in April 2024.</p> <p>Risk and Impact: NCFRA are unable to confirm that appropriate claims were submitted and approved for all overtime claims leading to overtime payments made by NCFRA not being for bona fide claims and resulting in financial loss to NCFRA.</p>	<ul style="list-style-type: none"> NCFRA should ensure that line managers do not approve overtime claims until required evidence and claims have been completed and uploaded onto E-Works. NCFRA should investigate these five instances and establish why the claims are not present on E-Works. 	Medium	NCFRA will issue comms to the organisation to ensure that managers are reminded of their responsibilities NCFRA are migrating to a new Duty Planning and overtime process, it is expected that this error relates to the issues with the existing system & these issues will be permanently resolved.	Rob Porter – System Nick Alexander – Comms Due date 30 th Sept 2024	

Payroll Internal Audit – April 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
4	<p>Out of date Pay and Allowance Policy and inconsistent review cycle within Pay Policy. NCFRA has several policy documents in place relevant to the payroll function and financial activities. Whilst our review of policies noted no concern over their appropriateness, we did note the following:</p>	<ul style="list-style-type: none"> NCFRA should ensure that the Pay and Allowances Policy is reviewed on a timely basis, in line with its review cycle. 	Low	Pay and Allowance Policy has not been updated, in line with their review cycle, by NCFRA. Incorrect next review due date in the Pay Policy compared to its	Nick Alexander/Suzanne McMinn Due date 31st July 2024	

<ul style="list-style-type: none"> • Pay and Allowances Policy to be out of date and due for review since February 2022. • The Pay Policy March 2023 has a next review due date of March 2026, however the Policy states that it is to be reviewed on an annual basis in consultation with the relevant trade union representatives. <p>Risk and Impact: NCFRA utilise out of date policies and has incorrect review cycles in place, leading to inconsistent approaches taken to financial and payroll activities.</p>	<ul style="list-style-type: none"> • NCFRA should correct the review cycle inconsistency identified within the Pay Policy to ensure alignment with required Policy review cycle. 		<p>defined monitoring and review cycle.</p> <p>26.06.24</p> <p>As per earlier recommendation, the reviewed policy by SM & NA will be passed for consultation, by the required date to ensure that any old wording following migration is updated & any HR/ statutory updates are included.</p>		
--	---	--	---	--	--

EDI – May 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1	<p>Action tracker has missing fields, and actions are inappropriately recorded as completed. The NCFRA maintains an action tracker, which is used to identify actions that are required in order to achieve the organisation’s strategic objectives, as well as address people-related recommendations from internal and external drivers. The tracker is governed by the People and Culture Board. We reviewed the action tracker, and note that the template includes an opening dashboard, which outlines the key recommendation areas, with a further breakdown of these areas (Criteria) into individual actions. Our review identified the following issues:</p> <ul style="list-style-type: none"> • The criteria within the action tracker are not linked to each of the strategic aims in the 2021-23 strategy. This is essential in ensuring individual actions are aligned to achieving the strategic aims of the organisation. • Several fields within the tracker have not been completed. This included the sponsor and start date of the action plan, as well as the sign off column for each action within the Tracker. We were advised by the 	<ul style="list-style-type: none"> • NCFRA should ensure that actions included in the action tracker are clearly linked to the overall EDI strategy at the organisation. • The tracker should be kept up to date and reflect the current progress of actions towards their completion. To support this, a "date last updated" column should be 	Medium	<p>2024-2027 EDI Plan has been finalised, this already covers off, most of these recommendations. Strategic owner to be briefed for sign off. Further confirmation/discussion is required regarding future People and Culture Board oversight of EDI Plan.</p> <p>5.6.24 PB update - This is complete and was agreed as such by</p>	<p>Paul Bullen & Jonathan Tunney</p> <p>Due date 30th April 2024</p> <p>Completed</p>	

<p>Strategic Lead Cultural Change that this was due to the action tracker format being updated post completion of a number of actions.</p> <ul style="list-style-type: none"> The tracker uses a compliance rating (Not compliant, partial compliant, fully compliant). We note that for some criteria, whilst all the actions had been marked as complete, the overall criteria stated partial compliant. <p>In addition, we noted that the evidence of completion for activities had not in all cases been updated, including the evidence of full compliance for each criteria. Our review also found that the progress description assigned to each action was not kept up to date. For example, action EDI 3,1 has an action narrative of "EDI Action Plan - All policies to be reviewed in light of revised EQIA approach". The action is completed, and the description for the field "work needing to be done" stated the following: "EQIA role has been hayed due to be advertised. Still working with HR to resolve and get advertised. EQIA's currently being reviewed within policy updates process" However, through discussions with the Change Manager, we were advised that the role had in fact received no applicants, and instead this had been absorbed into the Senior Equality officer role. As such, we note that the Action tracker is not an accurate reflection of in progress or completed actions relating to EDI.</p> <p>Furthermore, we note that whilst EDI 3.1 had been marked as completed, the action narrative had not been achieved, with 24 policies not having had an EQIA completed (See recommendation 3 for further details). We were advised by the Change Manager that this was because the EQIA was now a Business-as-Usual activity, with the responsibility to carry out EQIAs sitting with the Senior Equality Officer. However, given the backlog of EQIAs that are due to be completed, we take the view that this action should not be marked as completed until all policies have been reviewed in light of the revised EQIA process.</p> <p>Risk and Impact: Management are unaware of the progress towards completion of actions, which may lead to inappropriate completion of actions relating to EDI. Actions are not linked to the organisations EDI strategy, leading to actions being carried out which are not consistent with the objectives of the organisation.</p>	<p>included to support timely updating of the tracker.</p> <ul style="list-style-type: none"> When an action is completed, a clear audit trail of the completion should be retained, and formal sign off should be recorded within the action tracker based on P&C approval. Where an action is marked as completed as on the basis of it being a Business-as-Usual, this should only be on the basis that retrospective activities relating to that activity have been completed in full. 		<p>People and Culture Board</p>		
--	--	--	---------------------------------	--	--

EDI – May 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>EQIAs have not been completed for all policies. As noted in Recommendation 2, the NCFRA’s action tracker includes action EDI 3.1, which states “EDI Action Plan - All policies to be reviewed in light of revised EQIA approach”. An EQIA is a critical tool in ensuring that an organisation’s policies are aligned to its strategic objectives in relation to equality, and in identifying instances where the impact of policies may be high in order to apply sufficient mitigations. We reviewed a list of all 112 current policies to ensure that an Equality Impact Assessment had been completed in all cases. From our review of the list, we note the following issues from the 112 policies included on the list:</p> <ul style="list-style-type: none"> 60 policies had missed their review date (54%), with the largest "A27 -Responding to Town and Country Planning Applications" recording a review date of 22/11/2012. 24 policies had not had an EQIA completed (21.4%). <p>We were advised by the Strategic Lead for Cultural Change that the fire service were aware of this, and a current process was underway to update all policies to ensure they are in date and have an EQIA.</p> <p>Risk and Impact: Policies are not compliant or consistent with the EDI strategy and general objectives of the organisation. Policies are out of date and do not reflect current practice, leading to an inappropriate approach that is inconsistent with the NCFRA’s objectives.</p>	<ul style="list-style-type: none"> As planned, NCFRA should continue as planned to carry out an EQIA for the remaining 24 outstanding policies. NCFRA should update all policies that have missed their review date. 	Medium	Policy updates are continually being reviewed. The EQIA process is part of that review.	Lisa Jackson & Leo Holmes Due date 30 th Sept 2024	

EDI – May 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3	<p>Diversity Statement does not include all elements of best practice. The NCFRA has issued an Equality, Diversity and Inclusion Policy Statement, the purpose of which is to confirm the organisation’s commitment to EDI, both within the service as an employer and as a public sector service provider to the wider community of Northamptonshire. An overarching policy statement is key control for a public organisation which outlines an its approach to EDI, both internally and externally. We were advised by the Strategic Lead for Cultural Change that the NCFRA is in the process of finalising this Equality, Diversity and Inclusion Policy Statement. We reviewed the statement and noted that whilst the statement included details of the overall responsibilities and commitment if the organisation towards EDI, it did not detail key roles and responsibilities on an individual and governance group level. Additionally, the statement did not refer to the aims and objectives of the NCFRA as per the EDI Strategy. From our experience in the sector, we consider these to be key elements to support the development of the Diversity Statement as a single point of reference for individuals to learn and the NCFRA and its relationship with EDI. We were advised by the Strategic Lead for Cultural Change that the Force is in the process of finalising the Diversity Statement.</p> <p>Risk and Impact: Key stakeholders are unclear on NCFRA's approach to EDI, including roles and responsibilities and key objectives.</p>	<p>As planned, NCFRA should finalise the Diversity Statement. This should include the following elements: Key roles and responsibilities relating to EDI, on an individual and governance level. A clear link to the current EDI Strategy, including the aims and objectives included within the strategy.</p>	Low	<p>These updates were already applied to the Diversity statement following the audit feedback session.</p> <p>A49 - Equality, Diversity, and Inclusion Policy Statement published Feb 2024 Equality, Diversity and Inclusion Strategy 2024-27 also published on Sharepoint.</p>	<p>Paul Bullen & Leo Holmes</p> <p>Due date 31st Mar 2024</p> <p>Completed</p>	

EDI – May 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
4	<p>Evidence regarding the fire services website was not provided. We were advised by the Assurance and Business Continuity Manager that the NCFRA's website had recently undergone a review by the Government digital services. We reviewed the associated report and note that this included several issues which relate to the accessibility of the website. Whilst we were advised that a plan had been developed by the NCFRA to address these issues and were provided with such an action plan this did not note the completion of the related activities, and no formal sign off of their completion was provided. In addition, we were advised by the Assurance and Business Continuity Manager that on a quarterly basis an accessibility checker is run on the website to identify issues with accessibility of the website. However, no evidence was provided to support this.</p> <p>Risk and Impact: An ineffective audit trail leads to delays in provision of information.</p>	<ul style="list-style-type: none"> • NCFRA should ensure that an effective audit trail is maintained regarding the sign off of activities as completed. • Similarly, where quarterly accessibility activities are undertaken for the website, evidence of the issues found, and their completion should be retained. 	Low	<ul style="list-style-type: none"> • This action sits outside of the Culture Change team to implement however work is underway to address this within People and Culture board. • When we are looked at by external agencies will base their judgement, and evidence of whether the website complies or doesn't with the accessibility requirements, we don't agree that we need to hold further evidence of issues found and completion. <p>3.6.24 – RC update – quarterly checks are completed to ensure that the website remains accessible. Content that is uploaded to the website is restricted to authorised personal only who carry out accessibility checks at point of uploading.</p> <p>Completed</p>	<p>Paul Bullen</p> <p>Due date 30th June 2024</p> <p>Completed</p>	

New systems Assurance – May 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
1	<p>Detailed Payroll Procedures. The NCFRA is moving away from an outsourced payroll function provided by West Northamptonshire Council and is moving to an in-house payroll function sitting alongside the Force’s current payroll function with a planned go live date of 1 April 2024. The NCFRA will utilise iTrent as its new payroll system, which is the system already used by the Force, and due to this payroll staff are already aware of how to use the system. We undertook walkthroughs of system procedures and controls and found that there are currently not any NCFRA payroll procedures in place defining specific controls that will be in place and to provide guidance to staff processing the payroll, although due to using the same iTrent system as the Force most processes are expected to be similar.</p> <p>For example, we were shown how the Unit4 HR system integrates with the iTrent payroll system with details of new starters added in Unit4 being transferred to iTrent, however more detailed parts of the process were unclear such as whether there will be a checking and review process of the new starter details (e.g. bank details) added by payroll. At similar organisations we have found that procedural documents often include screenshots of the system supported by commentary to provide guidance to staff in completing day-to-day processes. This helps to ensure processes are completed consistently and also supports business continuity.</p> <p>Risk and Impact: Without clear procedures and defined controls there may be a heightened risk of errors in payroll processing leading to incorrect payments to employees.</p>	<p>Detailed procedures and guidance should be developed for NCFRA payroll processes e.g. what secondary checks should be undertaken by payroll when setting up new starters on iTrent, or the Force’s current procedures should be enhanced to cover the NCFRA as well.</p>	<p>Medium</p>	<p>Alongside the improvement work that is completed as a result of the Police Internal Payroll review, we are ensuring that all NCFRA and joint processes, and procedures and guides are being updated to ensure that they are effective for the future Business as Usual. As such, now that the NCFRA implementation is complete and the dual system functionality scoping has been completed, we will ensure that all work across all payrolls (NCFRA, Police & OPFCC) is managed from joint processes and guides where possible to ensure uniformity and accuracy in processing and checking.</p> <p>26.06.24 System Payroll processes are being reviewed and refreshed processes will be internally made available to payroll (this is an internal payroll process only and guides on ‘how to’ for the payroll system will not be published externally to that team) team Nick Alexander & Suzanne McMinn will discuss the Policies across pay to ensure appropriate updates.</p>	<p>Nick Alexander & Suzanne McMinn (policies only)</p> <p>Due date 30 Sept 2024</p>	

New systems Assurance – May 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>Secondary Check of Expenses Claims. According to the Fire Payroll Self Service Training Guide, employees should submit claims for expenses such as subsistence, mileage and spoilt meals via the MHR Payroll & Expenses Employee Self Service System (ESS). The Training Guide states that there is currently no line manager authorisation process for expenses, although audits will be conducted regularly. However, the Business Travel and Expenses Policy (March 2023) notes that in some circumstances such as when claiming for meals whilst travelling on business that employees should seek approval for the reimbursement prior to incurring the expenditure. Due to this the current policy relating to whether manager authorisation is required for expense claims is unclear.</p> <p>Risk and Impact: Expenses claims are not reviewed or checked by payroll leading to payments being made to employees not in line with policy.</p>	<ul style="list-style-type: none"> Line manager approval should be obtained and documented when staff make claims for expenses via the ESS. The Business Travel and Expenses Policy should be reviewed and clarification added as to whether line manager approval for expense claims is required or not. 	Medium	<p>As per the Police Payroll audit. The risk of retrospective review is accepted and noted, however, the position remains the policy is that inappropriate claims will be managed through performance management and HR and a full reimbursement would be expected. It is anticipated that with the appointment of an additional role under the Finance and Resources Officer we will be able to ensure a wider coverage and review of all claims, which will reduce the risk of those claims being unchallenged.</p> <p>26.06.24 Michael Montgomery is reviewing guides in alignment to the Payroll audit recommendation to ensure they are effective for challenge and governance requirements, however, we will continue with the existing checks in place and the system will not move to further checks before payment.</p>	<p>Michael Montgomery</p> <p>Due date 30 Sept 2024</p>	

IT Asset Legacy Management – June 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1	<p>Automated scanning of hardware and software is not used to identify inaccuracies in the IT asset register</p> <p>Automated scanning of hardware and software enables organisations to identify discrepancies</p>	Continue with the planned implementation of a new ITSM tool that includes device scanning to identify discrepancies with the IT	Medium	The procurement and implementation of the new ITSM tool is ongoing and DDaT will implement the software in three phases, starting from the first quarter of the current fiscal year and	Dan Cooper, Head of Technical Support - DDaT	

<p>between the IT asset register and devices present on their network. The Head of Digital, Data and Technology confirmed that there is currently no software in place to scan the network for discrepancies between the IT Asset Register and the actual devices deployed across the Force. Northamptonshire Police & Fire are currently in the process of purchasing a new IT Service Management (ITSM) tool, which we are informed will include this function, with the intention to begin implementation from May 2024. Furthermore, dependent on their type, most devices are separately managed by other software; for example, laptops are registered by Intune, however apart from a historic feed from the Blackberry management software for mobile devices, there are no other automated updates to the IT asset register to keep it updated.</p> <p>Risk and Impact: Inaccuracies in the IT asset register, such as those that arise from failure to apply manual updates of new devices, prevent effective management of the Northamptonshire Police & Fire devices, whether this be from a financial, security or service management perspective.</p>	<p>Asset Register. Once implemented the software should also consume feeds from the management software for each class of device. IT asset register discrepancies identified by automated scanning or following receipt of information from device management software should be investigated before their application to the IT asset register.</p>		<p>ending by the fourth quarter of the next fiscal year. The first phase will involve installing and configuring the software on the servers and integrating it with the existing IT systems. The second phase will involve testing and validating the software functionality and performance, as well as training the staff on how to use it. The third phase will involve deploying the software to all the devices and conducting a post-implementation review.</p> <p>The current system does not provide Integrations required to consume feeds, however these capabilities are present in the new tool. In the meantime, we are currently exploring opportunities to see how the reporting tools can help us determine device usage. The initial goal is to identify devices not in use against our asset lists.</p>	<p>31 Dec 2025</p>	
--	--	--	--	--------------------	--

IT Asset Legacy Management – June 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>Formal reviews of the IT asset register do not take place.</p> <p>Regular reviews of the IT asset register should be conducted to verify that the information within the register is complete, accurate and up to date.</p> <p>Management confirmed that reviews of the IT asset register do not take place and there is currently no plan to implement a formal review.</p> <p>Risk and Impact: Omissions and inaccuracies in the IT asset register could lead to incomplete application of security controls or assessment of security risks, which may cause a vulnerability to be unresolved that is exploited in a subsequent security incident.</p>	<p>Implement regular (e.g. quarterly) reviews of the asset register, to check that information in the register such as assigned user is accurate. Whilst automated scanning can support this, other checks to confirm that manual updates have been correctly applied should occur. For example, periodic stocktakes of devices in storage, discovery of devices that have not connected for a long period, and verification of disposal are all activities that could occur to support the accuracy of the IT asset register</p>	Medium	<p>DDaT agrees with this recommendation and will review the asset register regularly, to make sure information like assigned user is correct. The technical support team manages the IT Asset register and has started a quarterly dip sample process.</p>	<p>Dan Cooper, Head of Technical Support - DDaT</p> <p>Completed</p>	

IT Asset Legacy Management – June 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3	<p>Assessments of IT infrastructure risks are performed on an ad-hoc basis</p> <p>IT infrastructure should be subject to formal periodic review to assess its adequacy and highlight any risks that are not identified through day-to-day management activities. We noted periodic assessments of the infrastructure do not take place, instead risks are identified in the course of normal management activities. We found only three risks relating to infrastructure support had</p>	<p>Periodically assess the adequacy of IT architecture to identify and locate potential risks.</p>	Low	<p>DDaT accept the recommendation. The Enterprise Architecture team are in the process of developing a suite of roadmaps. The infrastructure roadmap was developed in late 2023 and is designed to account for a number of identified risks. These risks will be captured in the register more formally going forward. These risks will then be managed in line with our existing risk</p>	<p>Roy Cowper, Enterprise Architect – DDaT</p> <p>31 Dec 2024</p>	

<p>been identified and assessed, with these risks covering software upgrades, Cyber Security and ageing systems, and hardware and software coming towards their end of life.</p> <p>Risk and Impact: The IT Infrastructure does not support the future needs of the force or carries unidentified risks that threaten the availability and security of IT systems.</p>			<p>management processes. In addition, we are about to enter a procurement process for an Enterprise Architecture tool that will bring together all the information from multiple sources inclusive of risks, contract end dates, the solution / software catalogue and infrastructure components to enable better visibility of the IT Landscape.</p>		
---	--	--	---	--	--

IT Asset Legacy Management – June 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
4	<p>Two leavers had devices still assigned to them after leaving Any equipment assigned to staff should be returned to the organisation before leaving. We tested a sample of 5 leavers to verify that the asset register had been updated to show the device is no longer assigned to them. We noted from testing that two of these leavers still had Blackberry phones assigned to them following their leave date. Following this we identified that indeed 117 Blackberry phones are still distributed to staff, yet the Service Desk Manager confirmed that Blackberry devices are no longer in use, and some may not have been returned by staff. As a result, the IT Asset register has not been updated to show that they have been returned. We noted that Blackberry phones had been decommissioned in 2017, and we were informed that users have since been unable to access these phones since this point.</p> <p>Risk and Impact: Mobile phones not collected from leavers could become avenues for inappropriate users to gain access to Northamptonshire’s network, potentially leading to confidential data being leaked and incurring costs for the organisation. As access to these Blackberry phones is now disabled this risk is however considered minimal.</p>	<p>Apply updates to asset register to reflect the true status of these Blackberry phones (i.e. lost) or arrange for their return. If asset can’t be returned, then it should be treated as a lost device within the IT asset register.</p>	Low	<p>As the Blackberry handsets are no longer connected to the network and the associated sims are from an expired contract, these devices hold no value and therefore all blackberry assets have now been marked as disposed or scraped. The two outstanding phones have now been marked as lost.</p>	<p>Dan Cooper, Head of Technical Support - DDaT</p> <p>Completed</p>	

IT Asset Legacy Management – June 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
5	<p>A formal IT Asset Management policy/procedure document has not yet been implemented.</p> <p>An IT asset management policy is necessary for appropriate governance of IT assets acquired and managed by the Force.</p> <p>By enquiry with management, we noted that an IT Asset Management Policy is being drafted but has not yet been released to staff. Management are looking to implement the policy from April 2024.</p> <p>Risk and Impact: Confusion in the effective management of IT assets and failure to track assets effectively, potentially leading to unnecessary procurement of IT assets and failure to effectively manage IT assets omitted from the IT asset register.</p>	<p>As planned, publish an IT Asset Management policy setting out policy statements related to each stage in the IT asset lifecycle.</p>	<p>Low</p>	<p>We agree with this recommendation and have initiated the process of developing an IT Asset Management policy that covers all the stages of the IT asset lifecycle, from planning and acquisition to disposal and decommissioning.</p> <p>The draft IT Asset Management policy is currently under review by the senior management team.</p>	<p>Dan Cooper, Head of Technical Support - DDaT</p> <p>30th Jun 2024</p>	

Joint Independent Audit Committee



HMICFRS Recommendations Update

July 2024

Service Liaison Lead: GC Ro Cutler

Senior Lead Sponsor: DCFO Simon Tuhill

Wkh#xusrvh#i#k#lv#hsruw#lv#r#sgdwh#kh#Mr#lw#qghshqghq#Dxgl#F#rp#p#lwhh#r#q#kh#Q#ruw#dp#sw#qvk#lh#
I#lh#D#gg#J#hvfxh#7#huylfhv#s#urjuhv#z#lk#h#j#dugv#r#k#h#h#frp#p#hggd#w#r#q#v#q#k#h#5354#K#P#I#F#I#U#V#J#h#s#r#u#w#d#v#
z#h#o#p#v#r#h#s#r#u#w#r#q#z#r#u#n#k#q#g#h#u#d#n#h#q#r#s#u#h#s#d#u#h#r#u#k#h#s#o#l#q#q#h#g#5356#l#q#v#s#h#f#w#l#r#q#1

Introduction

The service was inspected by HMICFRS as part of the second round of inspections in the winter of 2021/22. 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).

The 7-week inspection commenced in mid-December 2021, finishing at the end of February 2022. On 27th July 2022, the report was published identifying 4 Causes of Concern and 14 Areas for Improvement

The service produced two action plans; one to address the Cause of Concern, and one to address Areas for Improvement.

The Management of the Cause of Concern sit within the People and Culture Board, chaired by the deputy Chief Fire Officer, and the management of all AFIs sit within Department Business Plans.

The expected Round 3 inspection was paused by HMICFRS, to allow a Thematic review into Misconduct within the Fire Service. NFRS took part as 1 of 10 Fire and Rescue Services chosen at random by HMICFRS.

The Round 3 inspection commenced in March 2024 and the report with new findings is expected to be published in Summer 2024

Northamptonshire Fire and Rescue Service Round 2 Inspection

This is HMICFRS's second full assessment of fire and rescue services. This assessment examines the service's effectiveness, efficiency and how well it looks after its people. It is designed to give the public information about how their local fire and rescue service is performing in several important areas, in a way that is comparable with other services across England.



The extent to which the service is effective at keeping people safe and secure from fire and other risks is **good**.



The extent to which the service is efficient at keeping people safe and secure from fire and other risks is **good**.







The extent to which the service looks after its people **requires improvement**.







Cause of Concern

People Pillar

Criteria	Recommendation	Priority			Impact			Status						
		Low	Medium	High	Low	Medium	High	Completed	On Schedule	Behind Schedule	Not Started	Active but Delayed	%	Chart
HMI03.3.1	<p>3.3: Ensuring fairness and promoting diversity</p> <p>03.3.1 - CAUSE FOR CONCERN - 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.</p>	1	18	1	1	18	1	20	0	0	0	0	100%	
HMI03.3.2	<p>3.3: Ensuring fairness and promoting diversity</p> <p>03.3.2 - CAUSE FOR CONCERN - Make sure it has robust processes in place to undertake equality impact assessments and review any actions agreed as a result.</p>	0	4	0	0	4	0	4	0	0	0	0	100%	
HMI03.3.3	<p>3.3: Ensuring fairness and promoting diversity</p> <p>03.3.3 - CAUSE FOR CONCERN - Make improvements to the way it collects equality data to better understand its workforce demographic and needs.</p>	0	4	0	0	0	4	4	0	0	0	0	100%	
HMI03.3.4	<p>3.3: Ensuring fairness and promoting diversity</p> <p>03.3.4 - CAUSE FOR CONCERN - Support staff and managers to confidently challenge inappropriate behaviour</p>	0	0	0	0	11	1	11	0	0	0	0	100%	





Area for Improvement

People Pillar

Criteria	Recommendation	Priority			Impact			Status						
		Low	Medium	High	Low	Medium	High	Completed	On Schedule	Behind Schedule	Not Started	Active but Delayed	%	Chart
HMI03.1.1	<p><u>3.1: Promoting the right values and culture</u></p> <p>03.1.1 AREA FOR IMPROVEMENT - The service should make sure it has effective absence and attendance procedures in place.</p>	0	0	1	0	0	1	1	0	0	0	0	100%	
HMI03.1.2	<p><u>3.1: Promoting the right values and culture</u></p> <p>03.1.2 - AREA FOR IMPROVEMENT - The service should formally monitor overtime and secondary contracts to make sure working hours are not exceeded</p>	0	0	3	0	0	3	3	0	0	0	0	100%	
HMI03.1.3	<p><u>3.1: Promoting the right values and culture</u></p> <p>03.1.3 AREA FOR IMPROVEMENT - The service should assure itself that middle managers are visible and demonstrate service values through their behaviours.</p>	0	0	1	0	0	0	1	0	0	0	0	100%	
HMI03.1.4	<p><u>3.1: Promoting the right values and culture</u></p> <p>03.1.4 AREA FOR IMPROVEMENT ACTION - Managers need to improve the health and wellbeing conversations they have with staff</p>	0	1	0	0	1	0	1	0	0	0	0	100%	



Area for Improvement

People Pillar cont.

Criteria	Recommendation	Priority			Impact			Status						
		Low	Medium	High	Low	Medium	High	Completed	On Schedule	Behind Schedule	Not Started	Active but Delayed	%	Chart
HMI03.1.5	<p>3.1: Promoting the right values and culture</p> <p>03.1.5 AREA FOR IMPROVEMENT ACTION - Senior leaders don't model and maintain service values</p>	0	0	2	0	0	2	2	0	0	0	0	100%	
HMI03.2.0	<p>3.2: Getting the right people with the right skills</p> <p>03.2.0 AREA FOR IMPROVEMENT - The service should assure itself that staff with managerial responsibilities are appropriately trained for their role</p>	0	0	0	0	5	0	5	0	0	0	0	100%	
HMI03.3.5	<p>3.3: Ensuring Fairness and promoting Diversity</p> <p>HMI 03.3.5 AREA FOR IMPROVEMENT - The service should make sure problems identified through staff feedback mechanisms are appropriately assessed and that actions it takes are communicated to staff in a timely way.</p>	0	3	0	0	3	0	3	0	0	0	0	100%	
HMI03.3.6	<p>3.3: Ensuring Fairness and promoting Diversity</p> <p>HMI03.3.6 AREA FOR IMPROVEMENT - The service should make sure that policies used to handle grievance and discipline cases are applied in a consistent and timely manner across the workforce, that staff have confidence in the process, and that those involved in these processes are appropriately trained.</p>	0	0	1	0	0	1	1	0	0	0	0	100%	

Area for Improvement

People Pillar cont.

Criteria	Recommendation	Priority			Impact			Status						
		Low	Medium	High	Low	Medium	High	Completed	On Schedule	Behind Schedule	Not Started	Active but Delayed	%	Chart
HM103.4.1	<p>3.4: Managing Performance and Developing Leaders</p> <p>HM103.4.1 AREA FOR IMPROVEMENT - The service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders</p>	0	3	0	0	3	0	2	1	0	0	0	67%	
HM103.4.2	<p>3.4: Managing Performance and Developing Leaders</p> <p>HM103.4.2 AREA FOR IMPROVEMENT - The service should improve all staff understanding and application of the performance development review process, ensuring it uses this to develop talent within the organisation</p>	0	2	0	0	2	0	2	0	0	0	0	100%	


Area for Improvement

Effectiveness Pillar

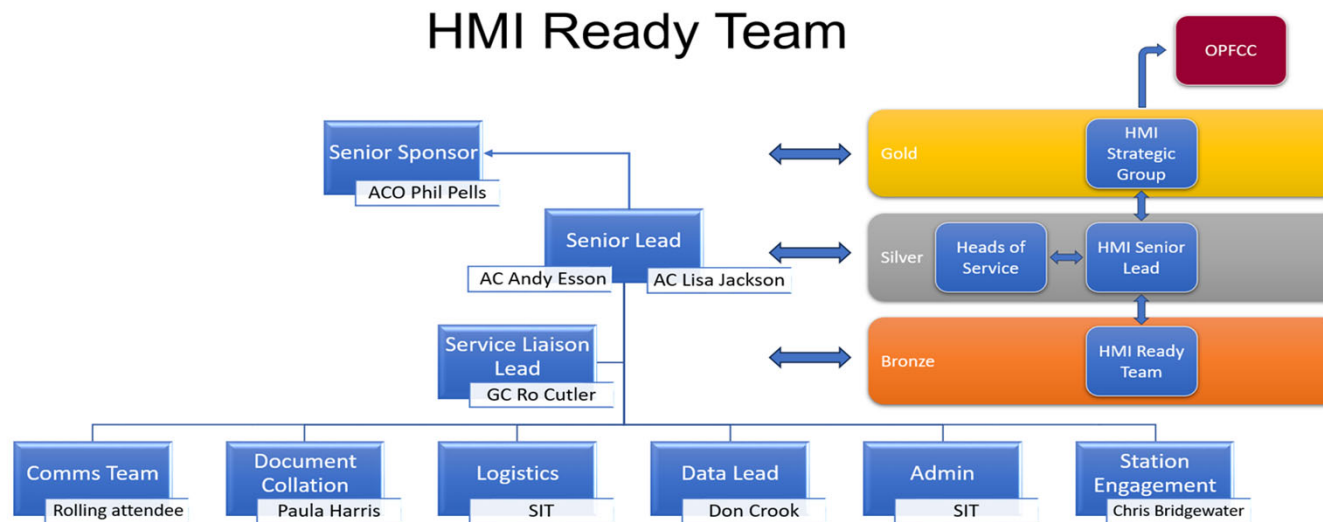
Criteria	Recommendation	Priority			Impact			Status						Chart
		Low	Medium	High	Low	Medium	High	Completed	On Schedule	Behind Schedule	Not Started	Active but Delayed	%	
HMI01.1	How effective is the FRS at understanding the risk of fire and other emergencies? Area for Improvement - The service should ensure that consultation is meaningful in influencing its future plans and informing its risk profile	0	2	0	0	1	1	1	1	0	0	0	50%	
HMI01.2	How effective is the FRS at preventing fires and other risks? Area for Improvement - The service should ensure that the new ways of working to provide home fire safety visits are fully understood by staff to best support the targeting of risk.	0	2	0	0	2	0	2	0	0	0	0	100%	
HMI01.3	How effective is the FRS at protecting the public through fire regulation? Area For Improvement - The service should ensure its RBIP uses a systemised methodology that can be applied consistently in the future	0	5	0	0	1	4	3	2	0	0	0	60%	
HMI01.4	How effective is the FRS at responding to fires and other emergencies? Area For Improvement - The service should make sure its MDT's are reliable so firefighters can readily access up-to-date risk information	0	0	0	1	0	2	1	1	0	0	0	50%	
HMI01.5	How effective is the FRS at responding to major and multi-agency incidents? Area for Improvement - The service should make sure it is well prepared to form part of a multi-agency response to a terrorist incident, and its procedures for responding are understood by all staff and are well tested	0	0	10	0	0	10	10	0	0	0	0	100%	

Area for Improvement

Efficiency Pillar

Criteria	Recommendation	Priority			Impact			Status						
		Low	Medium	High	Low	Medium	High	Completed	On Schedule	Behind Schedule	Not Started	Active but Delayed	%	Chart
HM102.2	<p><u>How well does the FRS make the fire and rescue service affordable now and in the future?</u></p> <p>Area for Improvement - The service needs to assure itself that it is maximising opportunities to improve workforce productivity and develop future capacity through the use of innovation, including the use of technology</p>	0	3	1	0	2	2	4	0	0	0	0	100%	

HMICFRS Round 3 Inspection



HMICFRS Round 3 Inspection

- A rigorous review of the HMICFRS criteria and standards has been conducted to ensure a clear understanding of expectations. This understanding forms the basis for our preparation efforts, aligning our practices with the defined benchmarks. The team also understand the focus areas and the specific aspects that inspectors will be examining. These are:
- How well the fire and rescue service understands its current and future risks, works to prevent fires and other risks, protects the public through the regulation of fire safety, and responds to fires and other emergencies, including major and multi-agency incidents.
- How well the fire and rescue service uses its resources to manage risk, and secures an affordable way of providing its service, now and in the future.
- How well the fire and rescue service promotes its values and culture, trains its staff and ensures that they have the necessary skills, ensures fairness and diversity for its workforce, and develops leaders

HMICFRS Round 3 Inspection

- Review of published Round 3 reports - Round 3 inspection reports have been systematically reviewed to identify thematic areas of focus, and to gain an understanding of recurring issues raised in other FRS (see appendix 1). This is assisting the service to self-assess and close any gaps ahead of the inspection where possible. Analysing the Round 3 reports has proved challenging in providing direct comparisons due to the alterations in the grading system.
- Internal Self-Assessment audit – each Head of Service is undertaking a mini self-assessment to identify strengths and weaknesses within their areas. This proactive approach will allow department heads to address issues before the inspection.

HMICFRS Round 3 Inspection

- The Round 3 Report is expected in Summer 2024
- Action Plans will be devised to address any areas identified





Joint Independent Audit Committee

17th July 2024

AGENDA ITEM: 10

REPORT BY	OPFCC/NCFRA Chief Finance Officer
SUBJECT	Joint Independent Audit Committee (JIAC) - Agenda Plan 2024
RECOMMENDATION	To discuss the agenda plan

1. Background

1.1 The agenda plan incorporates statutory, good practice and agreed scrutiny items.

ROLLING AGENDA PLAN 2024

		frequency required	13th March 2024	June 2024 Workshop governance and organisational structure	17th July 2024	2nd October 2024	4th December 2024
	Confirmed agenda to be circulated		02/02/2024		05/06/2024	21/08/2024	25/10/2024
	Deadline for reports to be submitted		01/03/2024		05/07/2024	20/09/2024	22/11/2024
	Papers to be circulated		06/03/2024		10/07/2024	25/09/2024	27/11/2024
Public	Apologies	every meeting	Apologies		Apologies	Apologies	Apologies
Public	Declarations	every meeting	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
	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 EY	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 – written End Annual report	External Auditor reports	External Auditor reports
Public	External Auditor Reports – Grant Thornton	Every meeting			External Auditor reports	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
Public	Internal Audit Plan and Year End Report	twice a year for NFRS and PFCC & CC			Year End Reports 2023/24		
					Internal Audit Plans 2024/25 NCFRA, PFCC and CC		
Public	Update on Implementation of internal audit recommendations	twice a year for NFRS and PFCC & CC	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

		frequency required	13th March 2024	June 2024 Workshop governance and organisational structure	17th July 2024	2nd October 2024	4th December 2024
Public	HMICFRS updates	1 per year per organisation	CC - HMICFRS update		NFRS – HMICFRS Update	CC - HMICFRS update	NFRS – HMICFRS Update
Restricted	Risk register update (including current risk policy as an 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				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 PFCC - 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
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	Systems implementation				Verbal update – systems implementation (including review of new finance systems)		
	Disaster Recovery Update				Disaster Recovery Update		