**Police, Fire & Crime Commissioner**

**for Northamptonshire Police and the Chief Constable for Northamptonshire Police**

Confidential

**Value for Money Interim Report**

Agenda Ite40m 5



Years ended 31 March 2022 and 31 March 2023

July 2024

Confidential **—** All Rights Reserved

41



30 July 2024

Dear Joint Independent Audit Committee (JIAC) Members Interim Value for Money Report for 2021/22 and 2022/23

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for Northamptonshire Police. 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 years 2021/22 and 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. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code.

This report is intended solely for the information and use of the JIAC and management. It is not intended to be and should not be used by

anyone other than these specified parties.

Yours faithfully

Elizabeth Jackson Partner

For and on behalf of Ernst & Young LLP Encl

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. A list of members’ names is available for inspection at 1 More London Place, London SE1 2AF, the firm’s principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at [http://www.ey.com/UK/en/Home/Legal.](http://www.ey.com/UK/en/Home/Legal)

**[01](#_bookmark2)** [Executive](#_bookmark2)



[Summary](#_bookmark2)

[Value for Money](#_bookmark0)

**02** [Commentary](#_bookmark0)

**03** [Appendices](#_bookmark3)



Contents

42

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.psaa.co.uk/auditquality/statement-of-responsibilities/)).The](http://www.psaa.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 Audit and Scrutiny Committee and management of Brentwood Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Scrutiny Committee and management of Brentwood Borough Council 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 Audit and Scrutiny Committee and management of Brentwood Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Confidential **—** All Rights Reserved 3

43



# Executive Summary

Confidential **—** All Rights Reserved 4



Executive Summary

44

**Purpose**

Auditors are required to be satisfied that the Council 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 2021 to March 2023 and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit years 2021/22 and 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, 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 2021/22 and 2022/23.

**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 Council committee reports;
* meetings with the PCC and CC Chief Financial Officers;
* information from external sources; and
* evaluation of associated documentation through our engagement with management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Police, Fire and Crime Commissioner and Chief Constable'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.

**Reporting**

Our interim commentary for 2021/22 and 2022/23 is set out over pages 10 to 14. The interim commentary on these pages summarises our understanding of the arrangements at the PFCC and CC based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2021/22 and 2022/23.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Auditor’s Annual Report

and have been updated to 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.

[Guidance: Update dates for the relevant years covered by this report and the last da

te of the AAR]

|  |  |  |
| --- | --- | --- |
| **Reporting Criteria** | Risks of significant weaknesses in arrangements identified? | **Actual significant weaknesses in**  **arrangements identified?** |
| **Financial sustainability:** How the PFCC and CC 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 PFCC and CC 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 PFCC and CC 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 |

**Independence**

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the PFCC and CC, and its members and senior management and its affiliates, including all services provided by us and our network to the PFCC and CC, 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 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](https://www.ey.com/en_uk/about-us/transparency-report)

48



# Value for Money Commentary

Confidential **—** All Rights Reserved 9

Confidential **—** All Rights Reserved

**Financial Sustainability: How the PFCC and CC plans and manages its resources to ensure it can continue to deliver its services**

**No significant weakness identified**

The Chief Constable’s policing priorities and the PFCC's Police and Crime Plan are continuously reviewed and kept in alignment with decision-making. The documents are used as a basis for corporate and service planning and are linked to the overall strategic plans. The PFCC has established performance measures and governance structures that allow the PFCC and CC to assess progress against their objectives. The PFCC has also kept the Medium Term Financial Plan (MTFP) under regular review so that financial planning is integrated with service planning.

The Budget and MTFP Process and Plan report is presented to the Joint Independent Audit Committee (JIAC) in October every year. All financial pressures, commitments and liabilities are considered in the MTFP and annual budget. Risks and assumptions are clearly stated. Significant financial pressures are identified as part of the annual business planning and monthly financial reporting cycle. Financial monitoring is in place with a rigorous process of monthly review, including scrutiny by the CC’s Chief Finance Officer, the PFCC’s Chief Finance Officer and by the devolved budget holders. The Accountability Board considers the precept levels as part of the budget proposals before workshops are held with the relevant stakeholders and final approval of the budget by the Police, Fire and Crime Panel in February. The precept level has been at the maximum allowed over the period and agreed at £15 for band D council tax for the 2023/24 budget setting process carried out during the 2022/23 financial year which is an increase from the 2022/23 precept of £10. This was consulted on, and the public were favourable to the proposal.

There is regular communication between the two respective CFOs, Chief Officers and the PCC which assists in determining the information needed for making decisions about budget pressures and savings required. The MTFP is updated regularly to reflect the changes in the social, gove rnmental and financial environment, and any significant changes are reported to the Chief Officer Team. Our review of the key assumptions underpinning the MTFP as set out in the budget proposal paper are considered reasonable and appropriate. They were clearly listed to enable the Police and Crime Panel to make the decisions needed to set the precept and overall budget.

The outturn position for 2012/22 was a policing underspend of £1.01m after a decision was taken to transfer £0.75m to fund capital expenditure committed in the capital programme to reduce the revenue budget requirements in 2022/23. The reason for the underspend was understood and reported. The £1m underspend was transferred to ring fenced reserves with the remaining amount being the net underspend of £142k. Earmarked reserves have increased from £12.951m to £17.35m at end 2021/22 with some of the amount being ringfenced for drawdown in 2022/23. As at 31 March 2022 and 31 March 2023, the general fund reserve has been maintained at the agreed PFCC guideline level of £5m, which is sufficient to meet any short fall from the savings requirements in the shorter term.

The outturn position for 2022/23 was a policing underspend of £1.355m which had been managed from a forecast overspend of £0.802m as at September 2022 due to better than planned grant funding related to the increased officer recruitment to retain the Police Officer establishment at the expected level of 1,500. The underspend was allocated: revenue contribution to capital expenditure in 2023/24 of £0.595m; transfer to general reserves of £0.3m; and transfer to ringfenced reserves to support future revenue budget pressures of £0.46m.

Continued overpage

**Financial Sustainability: How the PFCC and CC plans and manages its resources to ensure it can continue to deliver its services**

**No significant weakness identified**

We are aware that the Force has a track record of delivering the identified savings and has continued to do so in both 2021/22 a nd 2022/23. However, these are becoming harder to identify and ensure delivered over the medium term. The MTFP for the period 2022/23 to 2026/27 shows a savings requirement of £3.32m with £0.376m in 2022/23 and £0.736m in the following four years. The later years is a challenging target as the delivered savings are historically at a lower level than that. In the published budget MTFP for 2022/23 there were no savings identified at that point. The CC has established a savings programme with the intention of identifying savings needed to balance the 2025/26 and 2026/27 budgets as the current budget gaps in those years in the 2022/23 MTFP were £3.929m and

£3.663m respectively.

The Precept and Budget Report for 2023/24 revised the savings and efficiencies requirement. The efficiencies agreed through the savings programme and built into the budget totals £0.5m annually over the MTFP. This leaves a total of £11.41m efficiencies yet to be identified over the same period. Although the budget was balanced for 2023/24, the shortfall pressure of the future budget gap has been realised earlier than expected with a gap of £2.215m at the budget setting stage for 2024/25. The

The Capital Strategy is an ambitious programme over the next five years of the MTFP with a total budget to 2026/27 of £72.1m. In particular, the 2022/23 and 2023/24 budgets of £17.8m and £17.9m respectively are significant budgets for the Force and close monitoring is required to ensure that the key estates projects are delivered to budget and schedule.

**Conclusion: Based on the work performed, the PFCC and CC had proper arrangements in place in 2021/22 and 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.**

**Governance: How the PFCC and CC ensures that it makes informed decisions and properly manages its risks**

**No significant weakness identified**

The PFCC and the CC Annual Governance Statements detail the effectiveness and compliance with the governance structure at the end of each financial year and both are reported to the JIAC. The JIAC provides external scrutiny of strategic risks and operates in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice. The PFCC and the CC have an effective internal audit service that inform and are scrutinised by the JIAC.

Internal Audit’s Opinion was ‘Significant’ assurance over the adequacy of the internal control environment for both 2021/22 and 2022/23. They stated that frameworks of governance, risk management and management control are significant in its overall adequacy and effectiveness. Internal Audit testing has demonstrated controls to be working in practice. Internal Audit concluded that, based on the work completed during the year and observations during their attendance at a variety of management and governance meetings, in their opinion the governance frameworks in place across the PFCC and CC are robust, fit for purpose and subject to regular review as part of the annual review of governance arrangements and the production of the annual governance statement. There is also appropriate reporting to the JAC to provide the opportunity for independent consideration, challenge and recommendation to the PFCC and CC.

For 2021/22, Internal Audit carried out 10 in-depth audit reviews with assurnace levels given as: 2 significant; 5 satisfactory; and 3 limited. A total of 25 recommendations were made in relation to those reviews. The three limited assurance reviews were in relation to: Released under investigation; Business Change; and Cyber Security. For 2022/23, Internal Audit carried out 13 in-depth reviews with assurance levels given as: 6 significant; 4 satisfactory; and 3 limited. A total of 33 recommendations were made in relation to those reviews. The three limited assurance reviews were in relation to: RUI Follow Up; IT Disaster Recovery; and Reasonable Adjustment. We have reviewed these reports and confirmed that although recommendations have been made for improvements across the areas, none of these impact on the overall governance arrangements of the PFCC and CC.

As part of our review, we reviewed the Internal Audit Recommendations Summary report as of September 2023 and noted that of the 77 recommendations made over the periods 2020/21 to 2021/22 the majority had been completed. Progress against implementation is reported six monthly and gives JIAC an overview of the action being taken and if any actions have passed their due date. As at September 2023, all recommendations in relation to 2020/21 are now closed, there is only one recommendation overdue from 2021/22 and the 13 actions outstanding for 2022/23 had not yet reached their implementation date. We therefore consider that there are governance arrangements over the recommendations made by Internal Audit and these are overseen by JIAC.

There are dedicated resources to monitor and manage the risk environment and ensure regular review by risk owners. The Force Assurance Board oversees this from a Force perspective, which is chaired by Deputy Chief Constable, and details are reported into the Accountability Board for PFCC oversight and to JIAC for independent scrutiny.

Continued overpage

**Governance: How the PFCC and CC ensures that it makes informed decisions and properly manages its risks**

**No significant weakness identified**

There are strict monitoring controls in place by the PFCC and the CC to meet the Code of Ethics. Compliance with legislative and regulatory requirements are monitored through various mechanisms, including a fraud paper which is prepared annually for JIAC. Following the year end for 2022/23, we were made aware during the VFM arrangements work that there had been a breach in the Code of Conduct and an investigation was opened into the Chief Constable. We met with officers to discuss the governance arrangements surrounding the mandatory referral to the Independent Office for Police Conduct, investigation, decision to suspend the CC and the final outcome and have not identified any weaknesses in the governance process followed. Appropriate reporting was made to the Police, Fire and Crime Panel in October 2023 and a full review of declarations made by the remaining Chief Officer team has since been undertaken internally with no wrongdoing found. Appropriate action was taken for approving an Acting CC during the suspension period.

The PFCC and CC published their draft financial statements for audit by the deadline set out in 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 both the 2021/22 and 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 PFCC has carried out bank reconciliations during the year. Therefore, appropriate arrangements for financial reporting were in place during 2021/22 and 2022/23 and we do not have any concerns over the financial reporting in the year.

**Conclusion: Based on the work performed, the PFCC and CC had proper arrangements in place in 2021/22 and 2022/23 to make informed decisions and properly manage its risks.**

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

**No significant weakness identified**

The PFCC and CC are required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement rests with management.

The Force is subject to external review by HMICFRS on the services it provides. These reviews are conducted periodically. The results of the HMICFRS reviews are disclosed in Narrative Statement in draft accounts. The review reports are also published online. The Force was subject to an HMICFRS ‘police efficiency, effectiveness and legitimacy’ (PEEL) programme of inspections in 2021 and were assessed against 10 of the 12 core inspection questions. The reviewed identified Northamptonshire Police as:

* Adequate in four areas: Preventing crime, Investigating crime, Supporting victims, and Disrupting serious organised crime
* Requires Improvement in six areas: Treatment of the public, Responding to the public, Protecting vulnerable people, Managing offenders, Developing a positive workplace, and Good use of resources.

The review also included 19 areas for improvement (AFIs). In response to the PEEL inspection, the CC identified Business Leads to own and deliver the improvements against specific AFIs with a Chief Officer giving oversight to the implementation of the recommendation. JIAC receives reports about the progress made of the actions to ensure sufficient improvement is being made. We have reviewed the recommendations and are satisfied that none of the areas indicate a significant weakness in the arrangements for value for money.

In 2022/23, HMICFRS updated the PEEL inspection process and developed a new grading system to cover the period 2023 to 2025. However, Northamptonshire Police were not inspected in that year. There has been an inspection since the end of the year that is covered by our value for money procedures and a report was published in August 2024. They scored 9 areas, none of which were rated as inadequate so there was no further work by us to consider the detailed findings.

Northamptonshire Police operates and deliver its services through various collaborations entered with other authorities. Regional meetings are attended at all levels with dedicated responsible chief officers. Along with all other Police Forces, mutual aid is provided to other Forces for national events and recharged in full to support national policing priorities. The PFCC has interests in a number of Joint Arrangements. All of these collaborations are governed by formal Section 22 Agreements and the PFCC’s share of the arrangements are fully incorporated in the Authority's annual accounts.

**Conclusion: Based on the work performed, the PFCC and CC had proper arrangements in place in 2021/22 and 2022/23 to enable it to plan and manage its**

**resources to ensure that it can continue to deliver its services.**

54



# Appendices

Confidential **—** All Rights Reserved XYZ plc Audit planning report 15

Confidential **—** All Rights Reserved

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the years 2021/22 to 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 Authority has robust procedures in place to identify all significant financial pressures relevant to its short and medium term plans. These are gathered from a variety of sources, including budget monitoring sessions, other specific management meetings for budget process, review of budget and outturn report by senior management team, review of MTFP while it is being prepared to allow for feedback.  As in previous years, the budget strategy, precept reports give details of management's overall approach. Chief Finance Officers attend all decision making meetings and are involved in scrutiny and challenge of investment proposals. As example, horizon scanning is carried out and chief officers attend national and regional meetings where pressures are identified so these can be considered and reflected in the budget as appropriate. |
| How the body plans to bridge its funding gaps and identifies achievable savings | The MTFP shows that the Force has produced a balanced budget for 2021/22 and 2022/23. The Force will also be able to balance the budget until 2025/26 by implementing savings already in train and a minimal use of reserves. There is a savings programme in place to balance out the gaps. The force has already identified savings to meet the majority of these and are trying to identify further savings.  The budget strategy lays out the approach for restricting the amount of budget growth through zero-basing and challenge. Also, the finance officers seek to drive out savings through continual communication with the Police Force as the operational side of the business and fundamental to savings being realised.  We are aware that the Force has a track record of delivering the identified savings and a record of identifying savings to bridge the gaps. The Force has assessed their reserves levels and continue to believe that these are sufficient. |

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the years 2021/22 to 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 MTFP is prepared considering the needs of the Force to deliver its services in the best way possible. Strategic plans are a factor in decision-making regarding investment, growth and savings. The Chief Constable’s policing priorities and the PFCC's Police and Crime Plan are continuously reviewed and kept in alignment with decision-making. The Chief Finance Officers and their teams are part of this decision making process to ensure the financial impact of any revised priorities is understood. |
| 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 | Workforce planning, especially Police officer numbers, and the annual budget are closely aligned as recruitment and establishment changes are captured in budget preparation as the officer numbers drive the grant formula. These plans are underpinned by proper analysis and evaluation, including option appraisal, assessing the impact of alternative approaches and benefits realisation.  Capital financing is regularly reviewed, and the capital programme is monitored alongside revenue. The MTFP is prepared considering the needs of the Authority to deliver its statutory services. |
| How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans | The MTFP and budget report includes a section on risks and uncertainties, including sensitivity analysis for key assumptions.  These are regularly reviewed to ensure they remain appropriate and are focused on the right risks.  Performance and demand is closely monitored by the Force using data available in the Qlik system. A team of analysts report on  pressures at various levels within the Force, including at 'Performance FEM’, which is attended by both Chief Finance Officers.  Unplanned demand is responded to as it arises. As part of managing its financial resilience, there is regular liaison with local authorities across Northamptonshire to ensure regional budgets are developed where possible to ensuring policing demands are met for larger events. |

Governance

We set out below the arrangements for the governance criteria covering the years 2021/22 to 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 | There are dedicated resources to monitor and manage this risk, the resources use the 4Risk system to track risks and ensure regular review by responsible persons. The Force Assurance Board oversees this from a Force perspective, which is chaired by Deputy Chief Constable, and details are reported into the Accountability Board for PFCC oversight and to the Joint Independent Audit Committee (JIAC) for independent scrutiny. |
| How the body approaches and carries out its annual budget setting process | The PFCC has an integrated budget setting structure, plan and timetable in place. Although this process stays largely unchanged from year to year, the underlying strategic goals and challenges can change between years dependent on pressures and strains being faced by the Authority.  The budget strategy sets out the process for ensuring a balanced budget. This includes a detailed timetable, pressures & savings, MTFS summary & assumptions and conclusion thereon. A written briefing on this process is delivered annually to the JIAC which ensures appropriate governance is in place. This process is also subject to Internal Audit and no weaknesses were identified in their last review. |
| 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 | Budgetary control is ensured through a variety of controls across the Force and PFCC. There is monthly budget monitoring reporting to Chief Officers at a summary level. This is supported by detailed monthly reporting to devolved budget holders with regular meetings and discussion about variances so these can be addressed. Action taken is monitored at the next meeting to ensure budgets are managed throughout the year.  There is a timetable in place for statutory accounts and budget preparation process and the draft accounts deadline was met in the year.  The Corporate Governance Framework lays out the overarching controls and responsibilities, which is reviewed and updated annually. |

Governance (continued)

We set out below the arrangements for the governance criteria covering the years 2021/22 to 2022/23.

|  |  |
| --- | --- |
| **Reporting criteria considerations** | **Arrangements in place** |
| 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 JIAC has the responsibility for overseeing the governance of the PFCC and the CC. The Corporate Governance Framework lays out the decision-making process and is revised as required. The Corporate Governance Framework is consistent with the principles of the CIPFA Framework, ‘Delivering Good Governance’. Business cases are prepared for all major decisions and the PFCC will publish decision records where deemed necessary. The Change Oversight Group keeps Force oversight of the progress of delivery.  The various elements of the Corporate Governance Framework set out the systems and processes, culture and values by which PFCC and CC is directed and controlled, and the activities it undertakes to engage with and be accountable to local communities. It enables the PFCC to monitor the achievement of the strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.  The PFCC and the CC Annual Governance Statements detail the effectiveness and compliance with the governance structure at the end of each financial year and both are reported to the July JIAC meeting. The JIAC provides external scrutiny of strategic risks and operates in line with CIPFA guidance and within the guidance of the Financial Management Code of Practice. The PFCC and the CC also have an effective internal audit service that inform, and are scrutinised, by the JAC. |
| 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) | There are strict monitoring controls in place by the PFCC and the CC to meet the Code of Ethics. Compliance with legislative and regulatory requirements are monitored through various mechanisms, including a fraud paper which is prepared annually for JIAC. A gifts & hospitality register is maintained by the Professional Standards Department.  The PFCC publishes the registers of interests and records of gifts, hospitalities and expenses for the PCC, Chief Officers and relevant staff and reports these to JIAC. |

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the years 2021/22 to 2022/23.

|  |  |
| --- | --- |
| **Reporting criteria considerations** | **Arrangements in place** |
| How financial and performance information has been used to assess performance to identify areas for improvement | Both financial and operational performance are reported and considered at the Accountability Board.  Management carries out budget sessions as laid down in the budget strategy and process during the year. These sessions have involvement from the Chief Finance Officers and other senior management from different departments. With support from Finance, each department has presented their budgets of responsibility, detailing what they spent, the level of service provided and opportunities for savings mainly via efficiencies. There were also examples of where transformation was expected to enable savings and improve service delivery via collaborations. |
| How the body evaluates the services it provides to assess performance and identify areas for improvement | The Authority is subject to external review by HMICFRS on the services it provides. These reviews are conducted periodically. The results of the HMICFRS reviews are disclosed in Narrative Statement in draft accounts. The review reports are also published online on Authority's website.  The Force was subject to an HMICFRS inspection in 2021 and were assessed against 10 of the 12 core inspection questions. The reviewed identified Northamptonshire Police as ‘Adequate’ in four areas and ‘Requires Improvement’ in six areas. The review included 19 areas for improvement (AFIs). The Force identified Business Leads to own and deliver the improvements against specific AFIs to ensure implementation. There were no inadequate rated areas. |

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the years 2021/22 to 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 | The Authority operates and deliver its services through various collaborations entered with other authorities. Regional meetings are attended at all levels with dedicated responsible chief officers, Mutual Aid provided to other Forces for national events (and recharged in full), PFCC partnership meetings.  The OPFCC has interests in a number of Joint Arrangements. All of these collaborations are governed by formal Section 22 Agreements and the OPFCC share of the arrangements are fully incorporated in the Authority's annual accounts.  The collaboration agenda is underpinned by 5 guiding principles:   1. that local policing remains local 2. any collaboration helps deliver more efficient and/or effective policing for Northamptonshire 3. all areas of business are considered 4. decisions not to participate in a particular collaboration are reviewed regularly, as circumstances may change 5. any cost and/or benefits are shared between participating Forces. |
| 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 is conducted as per Corporate Governance Framework.  In October 2020, together with the PCC for Nottinghamshire, the PFCC established a Limited Liability Partnership, “Mint Commercial Services LLP” to deliver procurement services and solutions to the two PCCs and Police Forces.  Following 10 months of trading, a decision was made to issue a 3-month notice to MINT with the intent of bringing these services to an in-house provision. This contract therefore terminated in October 2021. We reviewed the series of events which triggered the decision to wind up MINT and have found no significant findings to report in the 2020/21 VFM work. |

**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.