**Agenda Item : 3**

**Joint Independent Audit Committee (JIAC) ACTION LOG – 17th July 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); Ro Cutler (RC); Lisa Jackson Business Services Area Manager NCFRA (LJ) Nick Alexander – Joint Head of Finance (NA); Julie Oliver (JO) ; Clare Chambers (CC)**

**Internal Audit Mazars – Alexander Campbell (AC); Sarah Knowles External Audit – EY – Elizabeth Jackson (EJ)**

**External Audit – Grant Thornton - Laureline Griffiths (LG); Siobhan Barnard (SB)**

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| **Agenda** | **Issue** | **Actions** | **Comments/ actions** |
| 1 | Welcome and apologies |  | **Apologies –**  Jonny Bugg OPFCC CEO (JB) |
| 2 | Declarations of Interests |  | None |
| 3 | Meeting Log and Actions – 13th March |  | 1. Mazars update on recruitment and staffing – yes on track |
| 4 | JIAC Annual Report |  | 1. Content with items that occurred this year. 2. Objectives from members for this year completed. 3. JIAC is at full compliment and content that good skill coverage. 4. AB – all happy to approve? All affirmative. |

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| 5 | Internal Auditor Progress report including 2024/25 Internal Audit Plans | **Action: update required in October JIAC – CC/PB** | 1. AC presenting progress report – only refers to 24/25 plan. Only thing from 23/24 are copies of reports not yet seen by JIAC 2. Detailed findings in appendix A1 3. Questions: - pg 40 – JH – NCFRA – 89% ? AC - there is one recommendation that wasn’t agreed. Low priority recommendations. Round sign off of audit trail. 4. ABr – expenses – due date March 2025. How many claims are there is it a big problem? Why is it going to take so long to put an additional check and balance in place? – NA – all expenses are retrospective it’s a historical set up. Ongoing issue that officers are aware of. VA and NA offered reassurance to members regarding the process around checking expenses. This is ongoing. Nothing identified has been claimed fraudulently. If this occurred the process would be reassessed. 5. AB – overpayment of salary – yet not be able to reclaim the money? – NA – historic debts that transferred from MFSS – contact or lack of contact reasons there are these charges. But there will always be overpayments due to staff movements. NA – some have payment plans, very few are written off. 6. AB – joint identity access management plan? 7. AV – pg 63 – finding two – concerns around MFA not being enabled for fire service? Medium priority over high given the risk? – AC – in process of rollout so it hadn’t been implemented fully. Not available across the entire service. AB – is the Sept date when it should be rolled out – CC – difficulty in fire service – lots of people use personal devices to access things (inc. rota). In order to implement fully would need be issued with equipment or have MFA installed on their personal device. Problems 8. AV – 30th Sept – “the intention… but full implementation” – is September to do everything? CC – issue if we cannot get LFB agreement or executive support what happens then – we will see. ACTION – update required at October JIAC 9. AV – network security audit – active directory not being monitored ? – CC – absolutely is top priority. However – where joint department, the fire service infrastructure and cyber protection hasn’t been the same as police. There has been massive improvements but not at end of journey. 10. AV – access reviews? Is there something that can be done to tackle high risk accounts in the interim? – CC – constantly reviewing what we are doing to protect resilience. Sometimes these happen not as a result of an audit action. If there is an opportunity to do things sooner we will. Always looking to make sure we can improve things for both   services. |

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|  |  | **ACTION: updates regarding simulation/ penetration testing after these have taken place – CC/ PB** | 1. JH – is a potential solution to have as a requirement to have secure access on personal devices for new starters? RC – HR question? 2. PB – personal devices can only access duty information. So it is organisational data rather than public sensitive information. Fire sector as a whole is immature relating to all things cyber security. 3. AV – verifying risk – assuming accounts are externally accessible? Yes – has there been simulation / penetration test? – Yes – CC every time new system goes live there are IT health tests. – penetration test this calendar year – request updates ACTION 4. AB good to get all 10 reports out for this meeting 5. AB – happy to note progress made. 6. Pg 68 – June dates – JO – for fire they will be in the Fire Audit update in this meeting. 7. Annual report for Fire – 8. SK these present our audit opinions 2023.24 – opinion part of whole framework of assurance and can input into annual governance statements. 9. Section 2 – overall audit opinion – Moderate assurance. – second highest level. Positive assurance option 10. Section 3 – set out all the work completed alongside assurance opinion issued 11. Section 4 – recommendations mentioned previously about non accepted recommendations 12. Section 5 – all reports finalised. Are missing benchmarking section – this is not relevant for fire as it is the first year for fire. 13. Question – EW – what happens if low priority recommendations are not accepted? – SK – collaborative approach. If they don’t feel it is cost effective or worth time? Would this effect opinion – only in case for high priority risk. 14. Annual report for CC and OPFCC 15. Moderate assurance opinion. 16. Section 3 – work carried out against opinion. Only 2 limited assurance. 17. Section 5- compares the plan against budget – 3 audits deferred into 24.25 plan. One already completed at this time |

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|  |  | **ACTION – AC to update wording in middle paragraph regarding benchmarking.** | 1. There is enough work completed to still give overall assurance opinion 2. Benchmarking – middle paragraph – wording needs updating. 3. From the comparison very few high priority, more moderate, and fewer limited. 4. AV – assurance level – same for business continuity and another – curious around why these are different? What goes into overall assurance opinion? – SK appendix A1 – looks at gradings to try and explain how overall opinions are formed. 5. EW – concerns about contingency plans? – AC – in terms of contingency planning, SK always do follow up on limited assurance reports. EW – updating of plans rather than content. AC – this will be contained in the content of business continuity report. 6. PB – we are not surprised to see high priority or limited assurances as the plans are to target these areas. More worried if everything is great as we are selecting areas to audit. 7. AB – what was the overall opinion last year? – same 8. VA gave thanks to Mazars for the timely submission of the draft reports to allow good timeframe options. |
| 6 | External Auditor |  | 1. Fire – take fire reports as read 2. EY perspective satisfied 3. Procedures around account have been sent. 4. EJ – 21.22, 22.23 – spanner in the works due to election about new way forward in place. Suspect won’t be different to previous proposals. 5. We are expecting new backstop date to be issued (2 years police, 1 year fire) 6. Police report in draft – to be issued by end of July 7. EJ – need to speak to VA and NA around previous chief constable exit – to speak next week, so the reports do not show any weaknesses in processes. 8. Questions: 9. AB – wanted assurance regarding the commitment to receive the report by end July as previous deadlines have ben missed– EJ explained staffing issues around workers on report. Reports now drafted 10. AB how confident can we be about July? EJ – very. NA confident too 11. JH – cause for concern areas being audited, but chief constable recruitment has ‘blindsided’ organisation. |
|  | Progress – EY |  |
|  | Police Annual |  |
|  | Report  VFM Interim | **ACTION – EJ – issue police report by end July.** |
|  | Fire Annual Report |  |
|  | VFM Interim |  |

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|  |  |  | 1. VA speaking to EJ – next week. PB has offered support for topics of discussion 2. EW – has there ever been a problem with chief before that could have pointed to potential issues with Chief Constable? PB, VA, NA – Never 3. AB – fees – notes baseline fees – any response – fire 21.22 – approved 22.23 – no fees have been approved for fire for PSAA? Don’t know fee base rate. PSAA determining way forward after process is decided. 4. AB – have we budgeted for this? VA yes we have budgeted about what we know. |
| 7 | External Audit Update – GT  OPFCC and CC NCFRA |  | 1. OPFCC and CC 2. Formal audit plans for the audit of the 3 bodies for the 23.24 financial year 3. Very similar 4. Audit using concept of materiality. 5. OPFCC and CC – threshold £3million – determined through group and single entity accounts. Fire - £775,000 6. Smaller errors will still be reported. But the above are the threshold that would impact the qualifying of the audit opinions 7. Both have same significant risks – 2 presumed – management controls & risk of fraud in revenue recognition 8. Valuation of land and buildings & valuation of pension liabilities on balance sheets – identified as big risks due to their values. 9. Plan is fire to begin first, followed by police. VFM initial work has been concluded. Identified no risks of significant weakness 10. At the back of reports – page sets out audit fees and few pages around re-setting local government audit and how GT plan to get back on track. Formal escalation process – which is included in all audit plans. 11. Questions: 12. AB – are you happy with materiality? – VA and NA – yes reasonable and happy. In terms or risks are big numbers so agree they need looking at properly 13. ABr – material by nature? – LG – aware of public interest in these. Audit to level of   £30k. NA if there is an error on a note it would be corrected., biggest risk – qualification of who would or wouldn’t be included.   1. AB – value or property and pension – how will GT approach valuation of lands and buildings? LG – different approach to EY – GT starting point would look at the expert valuation provided by organisation – look at risk approach of valuations. If couldn’t get satisfaction to answers being posed. GT would then get independent valuation in,. 2. JH – are you aware of source data you are expecting to receive and do we have it? – NA – lots of work done to ensure this data is in hand. NA confident that this will give GT |

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|  |  |  | sufficient information to form opinions on this   1. ABr – impact of unqualified audits to base opinions on – awaiting government decision 2. AV –– mentions that planning work not completed – when will this be completed? – SB – imminently. 3. AB – fees – in line with PSAA scale fees – we don’t know about other work until government decisions. Are we assuming PSAA will set the fees for the work to be done? LG – discussions ongoing around fees. The remainder of uncertainty sits with government and needs statutory recommendation to dictated what GT should do (and others) moving forwards. 4. AB – IFS16 – is there a lot to do? – NA – a lot of work in background going on, there is an ongoing project identifying positive situation – need to go through contracts to provide an opinion. |
| 8 | Audit implementation update of internal audit NCFRA |  | 1. JO presents 2. Overall status – 10 items not reached implementation 3. Some overdue, Some closed 4. 6 monthly report – hence why numbers seem high 5. Pg 214 - 2 – project management – relate to paper which has been done. It is sat with Deputy Chief Fire officer, will be presented in due course. delays relating to new chief. 6. Project management pg 215 – involved the paper above. Awaiting viewing by CFO 7. Next four are on risk pg. 221 – A30 – assurance and performance framework being assessed. Awaiting discussion with chief. LJ – imminently being addressed by SLT and fire Chief. 8. 1D – confirming ToR for assurance meetings 9. Pg 222 – professional training. Delayed until end august 10. Pg 224 – policy has been approved. Lots of changes moving away from NCC – policy approved before procedure setting. 11. Questions: 12. AB – really good progress made. 13. AB – recommendations made – risk management 10 actions, 5 medium, 2 low. Adds to 7 – JO to look into 14. AB – asset legacy management – don’t add up – JO - due to confidential item (see later agenda item). 15. JH – pg 208 – safeguarding – do those checks read across to police as well - No just   Fire. Police are vetted through a national vetting. Different for Fire. |

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|  |  |  | 16. PB – anyone in a police building is vetted under police vetting. DBS is different. |
| 9 | HMICFRS update - NCFRA |  | 1. RC – action plans relating to cause for concern and improvement. We set up business plans within departments to assess cause for concerns areas. 2. Worked through that and now undertaken another inspection by HMICFRS – report not published. Do have prepublication information? RC addressing initial issues. 3. Report not due to be published until September 2024 4. Questions: 5. AB – broadly is it what you were expecting from report? – RC – its fair. There are some things we would like more progress on but there are significant projects that need embedding. Some areas within report around practise and are really pleased to have these results. 6. Significant progress in IT areas. Still journey to be made, but there is full engagement with staff 7. AB – pg 250 – where you’ve got 60% complete on schedule – what is the timeframe here? – RC – identified in previous report. Took on board report and with the change in Chief Fire Officer it hasn’t allowed as much progression as would like. Talent management process is place will address this moving forwards 8. JH – how do you know your behind schedule or not – RC – in business plans for each department. Whilst being mindful of realistic deadlines (keep in mind requirements and potential resources – both people and equipment). |
| 10 | Agenda plan |  | 1. Disaster Recovery to be added to December meeting, 2. Accounts workshop to be sent – separate for Police and Fire. 3. Topic for Feb/ March 4. March and July JIAC dates to be sent. |
| 11 | AOB |  |  |
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| 13 | Disaster recover update |  | 1. CC – Chief Digital Officer 2. Happy to share slides after meeting if required. 3. Disaster recovery audit took place and recommendations which were accepted 4. Message to JIAC was lots of delays. The presentation showed where we are now, not where we were at time of Police audit. 5. Disaster recovery plans should be based on business continuity priorities. (critical functions) 6. Working on (as part of DDaT team) has enterprise architecture. Also a critical system |

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|  |  |  | identification process, which feeds into System recovery matrix   1. Previously this wasn’t done in such a formalised way. It was a recommendation to formalise the process. 2. Assurances from national team colleagues around national airwave process/ system. 3. Central team within DDaT are in with audit recommendations, Risk and budgets. Responsible for monitoring the actions and processes. 4. Enterprise architecture/ technical roadmaps 5. Recommendation about third party testing are in place, but understandably require much more logistics and organising. 6. Questions: 7. AV – categorising systems is good. In terms of tier 0 systems – will there be some architecture requirements for tier 0 sections? CC – quite likely. Parts of network and solutions are. Tier 0 infrastructure elements will identify gaps 8. AV – are tabletops and simulations being done as opposed to full DR process? CC – yes planned for autumn and have been involved in previous exercises and our own within Northants. 9. AV – roadmap is great – CC – part of roadmap is making resources available to both police and fire. 10. AV – has funding been agreed for the processes in roadmap? CC – no, but in near future yes, but longevity funding is more difficult (in case move of cloud, update of software, more appropriate processes and system become available). 11. Digital Strategy – focuses on cloud appropriate. 12. AB – new software/ hardware – is this considered? CC – yes enterprise architects – nothing goes in without their consideration. A number of systems have been assessed and have been rejected. 13. AB – worry that reliant on people knowledge. Happier now written process in place, avoiding single point of failure. 14. CC – end of October for critical systems – documentation will be in place. |
| 14 | Systems implementation Update |  | 1. Final bits of future systems 2. Live on police for couple years 3. Live on fire finance in April 2023 – April 2024 finalisation. PB – good news HR and payroll are one system for police and fire. 4. Single route of service requests for police and fire 5. Fire new fire service rota (duty management for fire) |

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| **RECOMMENDATION** | To discuss the agenda plan |

1. **Background**
   1. The agenda plan incorporates statutory, good practice and agreed scrutiny items.

**ROLLING AGENDA PLAN 2024**

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|  |  | frequency required | 13th March 2024 | June 2024 Workshop  governance and organisational structure | 17th July 2024 | 2nd October 2024 | 4th December 2024 | 19th March 2025 | 9th July 2025 |
|  | 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 | Apologies | Apologies |
| Public | Declarations | every meeting | Declarations |  | Declarations | Declarations | Declarations | Declarations | Declarations |
| Public | Meetings log and actions | every meeting | Meetings log and actions |  | Meetings log and actions | Meetings log and actions | Meetings log and actions | Meetings log and actions | Meetings log and actions |
|  | JIAC annual report | Annually |  |  | JIAC annual report |  |  |  | JIAC annual report |
| Restricted | Meeting of members and Auditors without  Officers Present | once per year |  |  | Meeting of members and Auditors without Officers Present |  |  |  | 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 | External Auditor reports | External Auditor reports – written End Annual report |
| Public | External Auditor Reports – Grant  Thornton | Every meeting |  |  | External Auditor reports | 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 | 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 |  |  |  | Year End Reports  2023/24 |
|  | Internal Audit Plans 2024/25 NCFRA, PFCC  and CC |  |  |  | Internal Audit Plans 2024/25 NCFRA, PFCC  and CC |

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|  |  | frequency required | 13th March 2024 | June 2024 Workshop  governance and organisational  structure | 17th July 2024 | 2nd October 2024 | 4th December 2024 | 19th March 2025 | 9th July 2025 |
| 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 | Audit implementation update of internal audit recommendations  PFCC and CC | Audit implementation update of internal audit recommendations  NFRS |
| Public | HMICFRS updates | 1 per year per organisation | CC - HMICFRS update |  | NFRS – HMICFRS  Update | 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) | NCFRA Risk Register (including current risk policy as an 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 | External Audit Update | External Audit Update |
| Public | Treasury Management  Strategy | annually for all | NCFRA, CC and PFCC -  Treasury  Management Strategy |  |  |  |  | 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) |  |  |  | Verbal update – systems implementation (including review of  new finance systems) |
|  | Disaster Recovery Update |  |  |  | Disaster Recovery Update |  |  |  | Disaster Recovery Update |
|  | Complaints procedure |  |  |  |  |  | Complaints procedure |  |  |
|  | CC issues addressed and forward plans |  |  |  |  |  | CC issues addressed and forward plans |  |  |