



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

JOINT INDEPENDENT AUDIT COMMITTEE

4th December 2024 10.30-13.30

**Microsoft Teams virtual meeting
Hill 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

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Public Meeting of the Joint Independent Audit Committee				Time
	Meeting of members and Auditors without Officers Present			10:30-10:45
1	Welcome and Apologies for non- attendance			10:45
2	Declarations of Interests			10:50
3 (pg 5)	Meetings and Action log 2 nd October	Chair	Reports	10:55
4 (pg 13)	Internal Auditor Reports	Mazars	Report	11:00
5 (pg 28)	External Audit update	EY	Report	11:15
6 (pg70)	External Audit update	Grant Thornton	Report	11:25
7 (pg102)	Audit implementation update of internal audit recommendations NFRS	JO	Report	11:40
8 (p137)	HMICFRS update - NFRS	JO	Report	11:50
9 (pg 149)	Policing - Fraud and Corruption: Controls and processes	NA	Report	12:00
10 (pg 163)	Agenda Plan	VA	Report	12:15
11	AOB	Chair	Verbal	12:20
12	Confidential items – any	Chair	Verbal	12:30
	Resolution to exclude the public	Chair	Verbal	12:40
	<p>Items for which the public be excluded from the meeting:</p> <p>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:</p> <p><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></p>			
13 (pg 167)	CC Risk register (including current risk policy as appendix)	RB	Report	12:50
14 (pg172)	Complaints Procedure	PF	Report	13:00
15 (pg 180)	CC Recruitment Update	VA	Verbal	13:10
16	Disaster Recover Action Plan and Cyber update	CC	Presentation	13:15
	<p>Future Meetings held in public 10am-13.00pm:</p> <ul style="list-style-type: none"> - 4th December 2024 (10:30-13:30) - 19th March 2025 - 9th July 2025 			

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

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Agenda Item : 3

Joint Independent Audit Committee (JIAC) ACTION LOG – 2nd October 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); Nick Alexander – Joint Head of Finance (NA); Kate Osborne Project Support Officer OPFCC (KO); Colleen Rattigan - Head of Strategy & Innovation – Northamptonshire Police (CR); Paul Fell – Director for Delivery OPFCC (PF)

Internal Audit Mazars –Sarah Knowles

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

Agenda	Issue	Actions	Comments/ actions
1	Welcome and apologies		<p>Apologies –</p> <p>Jonny Bugg OPFCC CEO (JB); Julie Oliver (JO); Lisa Jackson Business Services Area Manager NCFRA (LJ); Ro Cutler (RC); Richard Baldwin (RB);</p> <p>Internal Audit Mazars - Alexander Campbell (AC);</p> <p>External Audit – EY – Elizabeth Jackson (EJ)</p>
2	Declarations of Interests		None
3	Meeting Log and Actions – 17 th July		<p>1. Page 7 (no 11) – RC – personal access on phones. PB – do look at access but we are looking to wrap around security on personal devices. Dependent upon data there will be related security protocols relating to this. this is an ongoing assessment to look at multi factor authentication. 3/10/24 – PB emailed members assurance around this process.</p>

		<p>Action – IT healthcheck at Dec JIAC</p> <p>Action – Disaster recovery at December JIAC</p>	<ol style="list-style-type: none"> 2. Outputs haven't yet been documented. Which system do we want assurance on? AV – overall exercise is done. Annual IT health check – due in Autumn. ACTION – IT health check to be reported at December JIAC (restricted) 3. KO Action – send action list prior to meeting to check progress. 4. KO – move disaster recovery to December restricted Agenda ACTION
4	Internal Auditor Progress report Mazards		<ol style="list-style-type: none"> 1. Pg 16 – progress made 2. Issued two final reports – MTFP and Fire Safeguarding, draft joint asset management audit 3. 2 substantial and 1 limited and recommendations made 4. Detail for all is at the back of pack page 28 5. 1 high priority in safeguarding – detail in page 31 – relating to DBS checking. Relating to 61 fire fighters and 89 fire staff?? – check 6. Page 24 details of KPIs 7. Questions – pg 16 – 20% completed final issued. The others in train. Page 20 overall plan – AB when did we plan to do these? What quarter? – Original dates vs where we are? – SK – we aim to get everything completed by 31st March – we are on track to do that. In the plan we give indication of timeframes. AB – would like to see progress vs the plan presented? – VA – what is the value of this? EW – want reassurance that things are on track, to avoid unexpected delays notified in JIAC. 8. AB – pg 23 – 75% - looks good. 9. AB – limited assurance regarding EMSOU report. What are the implications for Northamptonshire? – VA – regional units we don't have responsibility for – what we expect the units to do is react to recommendations. The governance arrangements with regional set up – there is a regional deputy board that is attended and regional chiefs and PCC board so if there was any issues these would be raised at these boards. AB – are we comfortable about governance arrangements keep track of this? NA – yes 10. Page 34 – DBS checks – JH – colleagues not having checks and continuing to do them? – what safeguarding or mitigation is in place whilst they do not have up to date checks? – PB – there has been no requirement for DBS checks to be in place until very recently. National approach was to start moving towards checks, so have worked

		Action – update to be provided at December meeting regarding IT audit timescales and topic	<p>through the vast majority. Handful remaining. We will get to the point at non-compliance where these individuals will be sanctioned. It has been a sensitive employee relations issues involving unions.</p> <p>11. JH – have the priority DBS been done? PB – doesn't have data but will fund out.</p> <p>12. AV – 2 audits pg 20 – IT audit to confirm pg 21 – Cyber security also TBC – have the dates been confirmed? SK – not yet – IT manager is on the case. VA – helpful to have this information sooner rather than later to identify topics for IT audit, ACTION – will update JIAC with dates at December meeting.</p>
5	External Auditor Progress – EY		<ol style="list-style-type: none"> 1. No EY to present 2. Received 30th July 3. AB has received EY correspondence letters and these have been returned by 16/09/2024. 4. VA – things moving with EY – Friday 13th December is backstop date. Also been speaking to GT about what can be done with fire audit. To get assurances about opening balances but this is a working progress. Working with PSAA 5. VFM opinion for audits to be finalised by backstop date. And gives opinion on VFM and doesn't highlight any concerns. 6. Questions – AB – final fees for EY? VA – no. we have had some figures through for 2021 audit that has gone through PSAA and been adjusted. Recently had call with fee variations officers with PSAA to dispute these. VA – “unlikely to change much now” they have been budgeted for on a worst case scenario, but upon principle don't want to be overcharged 7. EW – how much was variation? NA massive – 150%
6	External Audit Update – GT		<ol style="list-style-type: none"> 1. LG – happy with where things are going. Broadly got through on fire authorities audit and have just begun equivalent audit for police 2. VFM work ongoing. Nothing to flag 3. Interim audit findings to be presented. Interim as currently discussing prior audit findings to improve unqualified situation and PSAA have been notified and currently working through what this Actually looks like with intention to get this work done prior to Christmas. 4. Police opinion is an extra years gap so this would not be done in this case. So taking disclaimed audit approach to police audits.

			<ol style="list-style-type: none"> 5. SB – presented report. 6. Any mention about opening balances are related to disclaimed audit approach 7. Pg 68 – outstanding areas. Still working through that but no major issues anticipated. Work is ongoing in these areas 8. IS 19 assurance is to be received soon. 9. Pg 69 – outlined materiality – this hasn't changed since planning. Same as audit plan. 10. Pg 70 – management overrider controls risk – raised some recommendations in relation to journals testing but didn't find anything in this testing. 11. Pg 72 (75) – closing valuation for land and buildings work – haven't found any major issues but there are minor amendments identified in appendices. 12. No issues with data migration testing 13. Appendix B – action plan – readdressed within next years audit plan. Pg 88/ 89 – relating to journals. Continuing to work through this with officers, but there have been improvements with authorising processes. Further detail to be provided in December report. 14. Question pg 89 – JH – looking into this do we need a timeframe? This will be provided in December report 15. Effective controls? Has this been resolved? – 16. SB – audit adjustments pg 90 – linked to 91 minor amendments – low value and 3 management have decided not to amend £402,000 – NA – these are being looked at. 17. NA – we are looking at the system, its new and improving. Small team (and smaller since last year) – so there is less management to drive improvement. This will be looked at moving forwards to ensure resilience but need to keep in line with corporate governance framework. 18. AB positive report in timely fashion. EW – encouraged by structure and organisation of GT. 19. NA also encouraged by the partnership working with GT.
7	Audit implementation update of internal audit PFCC and CC		<ol style="list-style-type: none"> 1. PB presenting. 2. 6 monthly internal audit report for police and commissioners office 3. 76 audit recommendations over 3 years – 61 completed closed, 3 recommended for closure, 3 revised original implementation date. Use force assurance board to ensure date movement control . 9 yet to reach implementation date and are ongoing 4. Questions: JH – pg 105 – priority red status green – key – actions completed – shows green but actions not to be completed until 2025 – PB – the request for slip gave 2025 – force assurance said no. so got brought forward. Very final update in green text –

		<p>Action – revise report to show outstanding actions more clearly</p> <p>Action – PB Provide update around privileged access audit. No comment in July meeting no update in October</p>	<p>matrix being completed and supporting documents completed. Force assurance board is monitoring these dates to avoid slippage.</p> <ol style="list-style-type: none"> 5. AB – in summary of progress (97-99) – doesn't show which actions that are outstanding – cannot identify the three revised and 9 not reached date – PB – fair. Would JIAC like this added for future reports on cover page? – AB yes please. ACTION – to make more obvious at next paper. 6. AB – one audit in 2024/25. Is this as expected? – links back to completion of plan 7. AB – look at Amber – pg 119 – Debtor invoices – revised date September – did we meet that? – NA – started process of moving this over to accounting ops teams. Checks are in place to check nothing missed at handover? EW – should we have revised date? – SK – currently doing audit so this will either be re-raised or identified in audit. NA – would suggest we have delivered, but just checking. 8. AB – pg 128 – payroll – recommended for closure? – NA yes 9. Pg 133 – privileged access – September date – June note no further update – PB – Don't know as hasn't seen output – ACTION - PB to provide update?? 10. Pg 135-6 – monitoring and logging policy – on track – PB - going to get completed on time. But because it is a policy is will go out to consultation. 11. AB – update assessment of IT infrastructure risk s- pg 137/8 – no updates provided – AB do we take as ongoing – PB yes – procurement in place and things have been added into register. 12. EW – procurement question? – is everything flooded? – PB – always too much to procure and imminent change in current legislation has also increased workload of some procurement activities prior to this change. 13. Capital programme – VA no update but work ongoing to remedy – VA will get update at next regional board. 14. Red risk – “ongoing” – PB massive piece of work ongoing around EMSOU – moving at some pace but has some months to go and some months to implement.
8	HMICFRS update - CC		<ol style="list-style-type: none"> 1. Colleen Rattigan - Head of strategy and innovation presents 2. Purpose of team is inspection readiness. Thematic inspections throughout the year plus PEEL inspections 3. Outcome of PEEL - New grading overview – we have had an amendment around response to public – down to human error in data return. Unfortunate, but because of

			<p>difference in percentage this tipped Northants over to requires improvement. But CR and team are working to better understand this in future</p> <ol style="list-style-type: none"> 4. Immediately after PEEL – reviews of approach to PEEL inspection. 5. 6 core workstreams to focus efforts in last 18 months. Lots of progress already. 6. Early findings of audit and analysis work being done shows progress already. 7. Question – AB – abandonment rate – big different – do we lose credibility for that? – CR – initially concerned but HMI Roy Wilshire wrote a formal letter to say this was human error. Important to recognise this was a small piece of data in huge data set. Satisfied this small improvement will make the difference. 8. AB – positive report. 9. JH – public perception survey – how do you go about that? – PB – HMIC do own survey, internal staff survey, public perception – Neighbourhood teams talking to communities, variety of other surveys (council tax survey including perceptions), victim satisfaction. From time to time ad hoc surveys commissioned. JH – do they come together and are they aligned? PB – Confidence and satisfaction board 10. EW – quick wins? – CR – example – last PEEL inspection looked at national best practise – Leicestershire has CSE hub deemed outstanding – so replicated a similar programme in Northants 11. CR – Barroness Casey Review – vetting and misconduct – recommendations in review adopted within Northants – significant improvement in variety of areas whilst doing full review. 12. Angiolini inquiry – taking part in review this week – 8 inspectors – interviewing staff and colleagues and STL – part two of inquiry looks at better understanding processes and procedures around reporting lines. 13. Op Soteria – number of cases going for charge around rape and sexual offences. Northants follow the model and has great structure in place. CC has quarterly update on this. adopted national model. Formalising practises already in place. 14. Question: - AB does the amount of work effective capacity? – CR there is a team that will sense check and due diligence about national picture. The knock on effect is the operational staff including PB team.
9	Fraud and Corruption (NCFRA)		<ol style="list-style-type: none"> 1. Clarifies code of ethics and standards. 2. National Fraud initiative 3. Clarifies policies and procedures in place to prevent or sport fraudulent activities 4. Aren't any fraudulent items to highlight or raise 5. Question – AB – any significant changed? No

			<ol style="list-style-type: none"> 6. AB – data matching exercise. Is this done? VA no this is happening over the next few weeks. Results should be released in couple of months. NA data is ready just needs inputting. 7. AB – do we benchmark with similar forces? – VA – not specifically. NA is there regional benchmarking – SK – potentially? NA – Broadly are we doing the best we can in this regard? Is anything seen regionally that works well? NA there have been a couple of FOIs to ask about these risks. Yes naturally and adapted evolved over time.
11	Budget Plan and MTFP process and plan update and timetable		<ol style="list-style-type: none"> 1. NA been through first round of looking at interim MTFP and presented at accountability boards in august. 2. Principles are we test all decisions and business case approval. New strategies looked at and incorporated and pay award information. And where there is any required consultation around additional pressures. 3. Work done with the region around inflation assumptions, HO and Deluc pay awards, pensions forecasts. Employee pay awards expected and national assumptions. 4. Keen to identify savings and savings plans in place against budget build. Review of savings within fire (internal savings within department) police process and atomisation. 5. Council tax, business rate and funding – assumptions – best to worse scenarios. 6. Savings assumptions achievable. 7. Broad timeline – good final draft of budget early December – propose after scrutiny mid December. Finance updates post Christmas. Police Fire and Crime Panels 6th February. 8. Business rates major concern 9. Important dates align with strategic and operational planning. To ensure all working to same timetable. 10. Expectations of deliverability.
12	Agenda plan	<p>Action – complaints report (dec mtg)</p> <p>Action – combine fraud and corruption in 2025</p>	<ol style="list-style-type: none"> 1. Disaster recovery and IT health check moved to December (restricted) 2. ACTION Complaints update and CC update December 3. ACTION Can we combine Fraud and corruption updates for police and fire for 2025.
13	AOB	Action – Mountford room bookings	ACTION Look at booking Mountford room for future meetings due to upgraded spec as remote accessing members struggled with sound quality during this meeting

14	PFCC Risk Register (including policy as appendix)		<ol style="list-style-type: none"> 1. Key points covered 2. Follows format of previous years and provides annual update of current position of OPFCC 3. Report is an overview of processes. 4. Last year reported using 4risk – commonly used risk management platform. There were difficulties around consistent access last year – issues appear to be resolved. 5. 2 risk registers OPFCC – 1.) discharge of responsibility for police and 2.) for fire. There are some duplicates of they affect both. Currently 3 live risks 2 fire. 1 police 6. 7. JH – cultural risk – are there matrix published about trends or projection? – PF – maybe. There isn't a defined list of metrics we are monitoring things like grievance, fairness at work, misconduct. Repeat of staff survey. JH – how do you know its improving. PF – current position assessment things are improving (HMIC inspection). 8. AB – “its not embedded well enough yet” – when will they re-inspect – PF – they wont do another full inspection for about 2 years but because cause for concern the action plan has been submitted. So they will come back and do light touch which potentially before end march 2025. 9. AV – are these strategic risks? – PF this is about strategic risk about OPFCC delivering is accountability to police and fire. 10. Regional benchmarking against similar fire services and against Northamptonshire Police.
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**Office of the Police, Fire & Crime Commissioner for Northamptonshire,
Northamptonshire Commissioner Fire & Rescue Authority and
Northamptonshire Police**

Joint Independent Audit Committee – 04 December 2024

Internal Audit Progress Report

Date Prepared: November 2024

Strictly private and confidential

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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

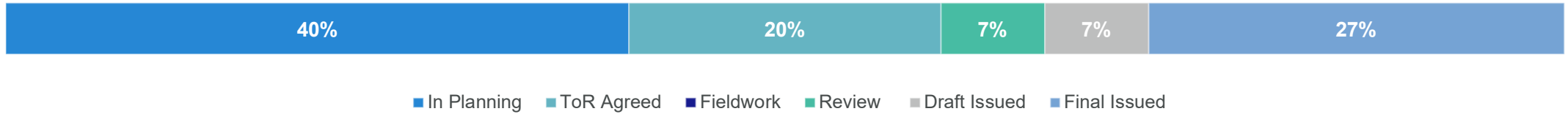
Disclaimer

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, reinterpreted, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpreted, 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.



■ In Planning ■ ToR Agreed ■ Fieldwork ■ Review ■ Draft Issued ■ Final Issued



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

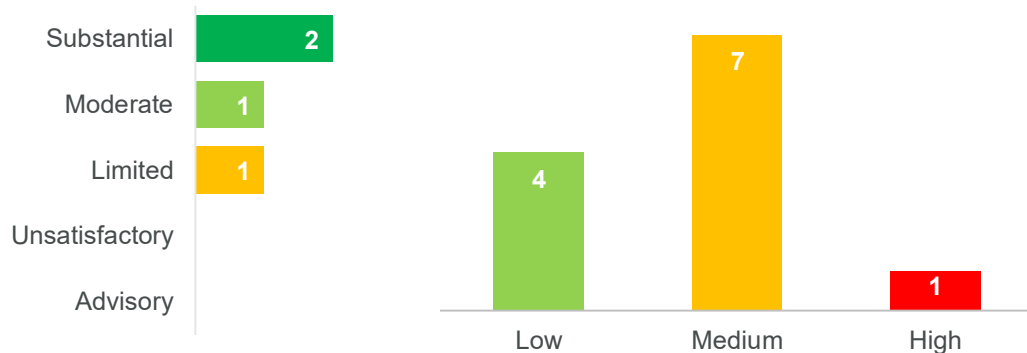
On Track

Key updates
 Since the last update provided to the committee, fieldwork for the NCFRA Payroll audit has been concluded, we have issued the final report for the Joint Asset Management audit, the draft report has been issued for the Joint Core Financials audit, and Terms of Reference have been issued for the Workforce Planning audit.
 The NCFRA Data Quality audit has been deferred to 2025/26 following discussions with management, and has been replaced with the NCFRA Succession Planning & Promotions audit. The Terms of Reference for this audit has also been issued.
 We are continuing to plan and scope the remaining audits of the 2024/25 audit plan.
 An overview of the Internal Audit Plan can be found in **Section 3**.
 We have organised scoping meetings for the EMSOU Data Governance & Security and EMSOU Wellbeing & EDI audits for the 2024/25 audit plan.

An overview of the Collaboration Audit Plan can be found in **Section 4**.

Assurance opinions to date (2024/25)

Audit recommendations to date (2024/25)



02. Latest Reports Issued – Summary of Findings

Joint Asset Management 2024/25

Your One Page Summary

Audit Objective: To provide assurance that the OPFCC, the Force, NCFRA and Northamptonshire Fire & Rescue Service ("Service") have effective processes and controls of portable physical assets and vehicles, including the procurement, maintenance and replacement of these assets.

Audit rationale

Why the Audit is in Your 2024/25 Plan

To provide assurance over the processes and controls of portable physical assets (i.e. Body Worn Video, Airwave Radios, Vehicle Radios, Laptops) and vehicles, including the procurement, maintenance and replacement of these assets.

Your Strategic / Tactical Objective

OPFCC - Modern services that are fit for the future.
NCFRA - Making the best use of our resources.

Summary of our opinion

Moderate Opinion
See Appendix A1 for definitions



Summary of Recommendations

High Priority	-	Actions agreed by you	100%
Medium Priority	1	High Priority completion	N/A
Low Priority	3	Overall completion	November 2025

Summary of findings

Examples of good practice

- ✓ The Force keep up to date vehicle records, the fleet follows the vehicle maintenance schedule whilst the team works simultaneously to make sure that the lifecycle of the vehicle is maximised.
- ✓ Segregation of duties in the fleet procurement process.

Highest Priority Findings

- Reliance on spreadsheet for the Vehicle Maintenance and Records.
- Lack of Equipment Inventory Checks.

Key root causes

- Non-compliance with the guidance in the "Occupational Driving Policy".
- Barcodes on equipment may be rubbed off over time due to the nature of the job.
- Inventory checks may not be completed as the firefighters have had a call out.

03. 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	Original Quarter	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	Q1	13-May-24	Jul-24	Substantial	1	-	1	-
Medium Term Financial Planning	10	10	Final Issued	Q1	28-May-24	Oct-24	Substantial	-	-	-	-
Workforce Planning	10	10	ToR Agreed	Q2	09-Dec-24			-	-	-	-
Business Continuity Follow Up	5	5	In Planning	Q4	29-Jan-25			-	-	-	-
Wellbeing	10	10	In Planning	Q3	04-Feb-25			-	-	-	-
Procurement & Supply Chain	10	10	In Planning	Deferred from 23/24	06-Mar-25			-	-	-	-
IT Audit – IT Governance	15	15	In Planning	N/A	06-Jan-25			-	-	-	-
Joint Audits											
Asset Management	10	10	Final Issued	Q2	23-Jul-24	Dec-24	Moderate	4	-	1	3
Core Financials	30	30	Draft Issued	Q2	16-Sep-24			-	-	-	-
Estates Management	20	20	ToR Agreed	Q2	06-Jan-25			-	-	-	-
Governance	10	10	In Planning	Q4	03-Feb-25			-	-	-	-
Totals	140	140						5	-	2	3

03. 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	Original Quarter	Start Date	AC	Assurance Level	Total	High	Medium	Low
Northamptonshire Commissioner Fire & Rescue Authority											
Safeguarding	10	10	Final Issued	Q1	18-Jul-24	Oct-24	Limited	7	1	5	1
Payroll	15	15	In Review	Q3	11-Nov-24			-	-	-	-
Data Quality	10	-		Q2	Deferred to 25/26			-	-	-	-
Succession Planning & Promotions	-	10	ToR Agreed	N/A	12-Dec-24						
Cyber Security	15	15	In Planning	N/A	06-Jan-25			-	-	-	-
Totals	50	50						7	1	5	1

04. 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					-	-	-	-

05. 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	80% (4 / 5)
5	Issue of final report	Within 5 working days of agreement of responses	100% (4 / 4)
6	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork	78% (7 / 9)
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% (2 / 2)

05. 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	08-Jul-24	24-Jul-24	8	24-Jul-24	0	N/A	N/A
Workforce Planning	20-Nov-24	09-Dec-24	13							
Business Continuity Follow Up		29-Jan-25								
Wellbeing		04-Feb-25								
Procurement & Supply Chain		06-Mar-25								
IT Audit – IT Governance		06-Jan-25								
Joint Audits										
Asset Management	27-Jun-24	23-Jul-24	18	19-Aug-24	30-Aug-24	6	22-Oct-24	37	30-Oct-24	4
Core Financials	09-Aug-24	16-Sep-24	25	16-Oct-24	30-Oct-24	6				

05. 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										
Estates Management	21-Aug-24	13-Jan-24	99							
Governance		03-Feb-25								
Northamptonshire Commissioner Fire and Rescue Authority										
Safeguarding	27-Jun-24	18-Jul-24	15	05-Aug-24	30-Aug-24	12	17-Sep-24	12	19-Sep-24	2
Payroll	24-Oct-24	11-Nov-24	12							
Succession Planning & Promotions	22-Nov-24	12-Dec-24	14							
Cyber Security		06-Jan-25								

06. 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

Joint Asset Management 24-25

Ref	Recommendation	Priority	Management Comments	Due Date
1	<p>The Force and the Service should ensure that regular equipment inventories are taken to ensure operational readiness, to ensure that all the necessary equipment is available and in proper working conditions in preparation for an emergency. We noted that the Force does not operate a system which allows it to check the equipment that 'belongs' in a vehicle. We reviewed the 'Occupational Driving Policy' and noted that it is the police officer's responsibility to ensure that the appropriate equipment is held in the vehicle, which should be checked daily. We noted that there is no auditable trail that can be evidenced to show that equipment checks are being completed.</p> <p>We reviewed a sample of 10 vehicles to ensure that the appropriate equipment was in the vehicle. We used the 'Vehicle Safety Inspection and Equipment Checklist', and matched this to the relevant department to ensure that the correct equipment is carried on the vehicle. We were not able to inspect four vehicles as the vehicles were out, however for the other six we noted that three vehicles did not have the correct equipment</p> <p>During our review of equipment management of the Service, we noted that barcodes for equipment are important in ensuring that the correct piece of equipment is checked out to the correct pump on the Redkite system. We identified that for five out of 57 pieces of equipment that was reviewed, there were no barcodes. After discussions with the firefighters, we noted that there is some difficulty in raising a defect in the Redkite system if there is no barcode on the equipment.</p> <p>We noted that the full inventory checks of the pump should be carried out on a weekly basis, however we identified that weekly checks had not been noted on Redkite for four pumps and we could not confirm that weekly checks had been completed.</p> <p>The Force should ensure that inventory checks are carried out daily (or as suggested in the policy) and that an auditable trail is kept to evidence that inventory checks are completed.</p> <p>The Service should ensure that all equipment is barcoded where appropriate to allow for effective and efficient inventory checks.</p>	Medium	<p>The organisations will need to implement a new system to support the ongoing management of the equipment within operational fleet. A project mandate shall now be submitted to support the commencement of a new programme of work to implement a new system. The timeline for delivery shall then be determined by the project portfolio capacity, the data cleansing and the procurement process.</p> <p><i>Leanne Hanson, Chief Asset Officer</i></p>	30 November 2025

Joint Asset Management 24-25 (Cont.)

We have also raised three Low priority recommendation as part of this audit:

- The Force and the Service should ensure that policy and procedural documents for Asset Management are updated and shared with the staff members, including the Service's Asset Management Guidance document.
- The Force should ensure that equipment testing is carried out where appropriate, and include guidance for officers within procedural documents, as well as keeping an audit trail of this.
- Once the Service has transitioned to TranMan system, it should implement a programme of training on how to utilise the TranMan system for operational asset management staff.

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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.

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**Northamptonshire Commissioner
Fire & Rescue Authority
Completion Report for Those
Charged with Governance
Year ended 31 March 2023
Report issued - 22 November 2024**



Joint Independent Audit Committee
Northamptonshire Commissioner Fire & Rescue Authority
Darby House, Darby Close,
Park Farm Industrial Estate, Wellingborough

22 November 2024

Dear Joint Independent Audit Committee

Completion Report for Those Charged With Governance

Attached is our Completion Report for Those Charged With Governance. The purpose of this report is to provide the PFCC and Joint Independent Audit Committee of Northamptonshire Commissioner Fire & Rescue Authority ("the Authority") with a detailed complete report covering our approach and outcomes of the 2022/23 audit.

Given that Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) imposes a backstop date of 13 December 2024 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).

This decision is in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs (UK), to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016).4 (Ref: Para. A77&A78)

Taking the above into account, for the year ended 31 March 2023 we have determined that we cannot meet the objectives of the ISAs(UK) and we anticipate issuing a disclaimed audit report.

In completing our work for this audit year, we have taken into account Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024", Local Authority Reset and Recovery Implementation Guidance. We have also taken into account the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, against this backdrop we have also considered the Committee's service expectations.

The PFCC, supported by the Joint Independent Audit Committee, as the Authority's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Authority's wider arrangements to support the delivery of a timely and efficient audit.

We consider and report on the adequacy of the Authority's external financial reporting arrangements and the effectiveness of the Audit committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

We draw the Audit Committee members and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

This report is intended solely for the information and use of the PFCC, Joint Independent Audit Committee, and management, and 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

Enc

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06 Spare


Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website. 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 (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation and covers matters of practice and procedure which are of a recurring nature.

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



01 Executive Summary



Executive Summary – System wide context

Context for the audit – Ministry of Housing, Communities and Local Government (MHCLG) and Financial Reporting Authority (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- ▶ Lack of capacity within the local authority financial accounting professions
- ▶ Increased complexity of reporting requirements within the sector
- ▶ Lack of capacity within audit firms with public sector experience
- ▶ Increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed

The previous Department of Levelling Up, Housing and Communities, and more recently MHCLG, has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop and implement measures to clear the backlog. Statutory Instrument (2024) No. 907 - “The Accounts and Audit (Amendment) Regulations 2024” (the SI), together with the updated NAO Code of Audit Practice 2024 and the Local Authority Reset and Recovery Implementation Guidance, which have all been developed to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:

- ▶ Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024.
- ▶ Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- ▶ Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

As a result of the system wide implementation of backstop dates we anticipate issuing a disclaimed audit opinion on the Authority’s 2022/23 accounts. The proposed disclaimer of the Authority’s 2022/23 accounts impacts the audit procedures that we have planned and undertaken to gain assurance on the 2022/23 financial statements and the form of the audit report.

Local Background and Context

Northamptonshire Commissioner Fire & Rescue Authority has been in a position to present draft statements of account for audit within the regulatory timeframe in recent years and published the 2022/23 financial statements by 31 May 2023.

Due to audit resource constraints, we were unable to schedule the 2021/22 audit in order to meet the reporting timeline of 30 September 2022, and instead completed the audit in June 2023. We then did not have the audit resource necessary to perform the 2022/23 audit for the Authority before the back stop date.

Executive Summary – Report structure and work completed

Report structure and work completed

This report covers the work we have completed to meet the requirements of the International Standards on Auditing (UK&I), (ISAs) and the Local Audit Reset and Recovery Implementation Guidance (LARRIGs) along with the National Audit Office Value for Money Code (NAO VFM Code). It has been split into the following sections.

Section 1 - Executive Summary - this section setting out the national and local context and the structure of our report.

Section 2 - Work Plan - We have completed the following planning tasks:

- ▶ Required independence procedures.
- ▶ Set a level of materiality.
- ▶ Issued letters of inquiry to Management, Those Charged with Governance, the Head of Internal Audit and the Monitoring Officer.
- ▶ Updated our understanding of the business, including through review of responses to inquiry letters, minute review and in discussion in our internal planning meeting,
- ▶ Identified significant, inherent and other areas of higher risk or focus.
- ▶ Considered any other matters that may require reporting to regulators or which may result in a modification to the audit report e.g. non-compliance with laws and regulations, objections, significant weaknesses in arrangements for value for money, any matters that may result in the use of the auditor's powers.

Section 3 - Results and findings - Work completed to issue the disclaimer, findings and results:

- ▶ Review of the financial statements.
- ▶ Consideration of any matters that came to light during our planning and review procedures in relation to laws and regulations, fraud, related parties, litigation and claims, significant changes to contracts and systems, service organisations, which we report as appropriate.
- ▶ Reporting on any other matters that may require the use of the auditor's powers, formal reporting or a modification to the auditor's report e.g. non-compliance with laws and regulations, objections, significant weaknesses in arrangements for value for money, any matters that may result in the use of the auditor's powers.

Section 4 - Value for money reporting

- ▶ The value for money report covering the year to 31 March 2023.

Section 5 - Appendices



BOARDROOM



02 Work Plan

Work Plan – Audit Scope

Audit scope

This Completion report covers the work that we performed in relation to:

- ▶ Our audit opinion on whether the financial statements of the Authority give a true and fair view of the financial position as at 31 March 2023 and of the income and expenditure for the year then ended; and
- ▶ Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 04.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

Given that Accounts and Audit (amendment) Regulations 2024 the UK Statutory Instrument 2024 no. 907 set a backstop date of 13 December 2024 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).

This decision is in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs (UK), to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016).4 (Ref: Para. A77&A78)

Taking the above into account, for the years ended 31 March 2023 we have determined that we cannot meet the objectives of the ISAs(UK) and we anticipate issuing a disclaimed audit report.

Work Plan - Materiality

Materiality

Planning materiality

£864k

Materiality for y/e 31 March 2023 has been set at £864k which represents 2% of 2023 gross expenditure on provision of services.

Performance materiality

£648k

Performance materiality for y/e 31 March 2023 has been set at £648k, which represents 75% of planning materiality.

Audit differences

£43.2k

We will report all uncorrected misstatements relating to the primary statements greater than £43.2k for y/e 31 March 2023. Other misstatements identified will be communicated to the extent that they merit the attention of the Audit Committee.

In order to ascertain the significance of issues in the draft financial statements we have set materiality based on the published draft financial statements for 2022/23.

Work Plan – Significant, inherent and other risk areas

The following 'dashboard' summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year

Audit risks and areas of focus

Risk/area of focus	Applicable year	Risk identified	Change from PY	Details
Misstatement due to fraud or error	2022/23	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Pension liability valuation	2022/23	Inherent risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding the Fire Fighters Pension Scheme and the Local Government Pension Scheme (LGPS).</p> <p>The Authority's deficits under both schemes are disclosed on a combined basis on the Authority's balance sheet. The total value was £334.4 million as at 31 March 2022 and represents a material and sensitive balance.</p> <p>The information disclosed is based on the IAS 19 reports issued to the Authority by the Actuaries for both schemes. Accounting for these schemes involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a inherent risk.</p>
Valuation of other land and buildings	2022/23	Inherent risk	No change in risk or focus	<p>Property, Plant and Equipment (PPE) represents a significant balance in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges.</p> <p>Material judgemental inputs and estimation techniques are required to calculate the year-end PPE balances held in the balance sheet. As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, small changes in assumptions when valuing these assets can have material impact on the financial statements and therefore the balances are susceptible to misstatement. There are no significant changes to the valuer's methodology, capital spend or use of the assets. We involved our real estate specialist in 2018/19 to do an extensive review of which no significant matters were identified.</p>

Work Plan – Significant, inherent and other risk areas

The following ‘dashboard’ summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year.

Audit risks and areas of focus

Risk/area of focus	Applicable year	Risk identified	Change from PY	Details
Inappropriate capitalisation of revenue expenditure	2022/23	Fraud risk	Increased Risk from 2021/22	As identified in ISA 240, management is in a unique position to perpetrate fraud through the override of controls. We have identified the inappropriate capitalisation of revenue expenditure on property, plant and equipment as an area of risk. Revenue recognition risk was not included as the additions in 2021/22 were immaterial and small capital programme. However, due to the increasing size of the capital programme this risk has been increased for 2022/23.

Work Plan - Independence

The FRC Ethical Standard 2019 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- ▶ The overall assessment of threats and safeguards;
- ▶ Information about the general policies and process within EY to maintain objectivity and independence

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Work Plan - Independence

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However, we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Elizabeth Jackson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in your company. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

At the time of writing, there are no non-audit fees.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4. There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.



03 Results and findings



Results and findings

Status of the audit

The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- ▶ Completion of subsequent events procedures;
- ▶ Receipt of a signed management representation letter

Given that the audit process is still ongoing, we will continue to consider existing and new information which could influence our final audit opinion.

Value for Money

Our value for money (VFM) work is complete and reported in Section 04 of this report. We had identified no risks of significant weaknesses in arrangements. Having updated and completed the planned procedures in these areas we did not identify a significant weakness.

Audit differences

We identified no differences that we need to bring to your attention.

The Authority should ensure that in approving the Statement of Accounts, all prior year comparatives agree to the final set of prior year Statement of Accounts, or explanations for prior year adjustments have been set out by the Chief Finance Officer.

Other Reporting Issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

The Comptroller and Auditor General has confirmed that he plans to issue his opinion and certificate on the 2022-23 Whole of Government Accounts on 22 November 2024. Given we expect to issue our 2022/23 audit report after that date but before the statutory backstop of 13 December 2024, we therefore expect to be able to certify completion of the audit as part of our final 2022/23 audit report.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.



Results and findings

Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of Northamptonshire Commissioner Fire & Rescue Authority. We concluded we would disclaim the audit and therefore have not completed detailed audit testing on these areas but instead have reported any matters that came to light from the work we did complete.

We request that you review these and other matters set out in this report to ensure:

- ▶ There are no further considerations or matters that could impact these issues
- ▶ You concur with the resolution of the issue
- ▶ There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Joint Independent Audit Committee.

Control observations

During the audit, we identified no significant deficiencies in internal control.

Independence

Further to our review of independence in section 02 of this report we have not identified any issues to bring to your attention.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- ▶ Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- ▶ Any significant difficulties encountered during the audit;
- ▶ Any significant matters arising from the audit that were discussed with management;
- ▶ Written representations we have requested;
- ▶ Expected modifications to the audit report;
- ▶ Any other matters significant to overseeing the financial reporting process;
- ▶ Related parties;
- ▶ External confirmations;
- ▶ Going concern; and
- ▶ Consideration of laws and regulations.

We have no other matters to report.

Results and findings - Audit Report

DRAFT

Draft audit report

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY

Disclaimer of opinion

We were engaged to audit the financial statements and the firefighters' pension fund financial statements of Northamptonshire Commissioner Fire and Rescue Authority ('the Authority') for the year ended 31 March 2023. The financial statements comprise the:

- Comprehensive Income and Expenditure Statement,
- Movement in Reserves Statement,
- Authority Balance Sheet,
- Authority Cash Flow Statement,
- the related notes 1 to 27 including a summary of significant accounting policies,
- and include the Firefighters' Pension Fund Accounts comprising the Fund Account, the Net Assets Statement, and the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

We do not express an opinion on the accompanying financial statements of the [Authority]. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 requires the accountability statements for this financial year to be approved not later than 13 December 2024.

We completed the audit of the 2021/22 financial statements and issued our audit opinion on 1 June 2023.

The backstop date and the wider requirements of the local audit system reset meant we did not have the required resources available to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the 2022/23 financial statements.

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements, performed subject to the pervasive limitation described above, we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority.

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)

Results and findings - Audit Report (cont'd)

DRAFT

Our opinion on the financial statements

- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects.

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities set out on page 15, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or has no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024, as to whether Northamptonshire Commissioner Fire and Rescue Authority had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Northamptonshire Commissioner Fire and Rescue Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Results and findings - Audit Report (cont'd)

DRAFT

Our opinion on the financial statements

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Northamptonshire Commissioner Fire and Rescue Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of Northamptonshire Commissioner Fire and Rescue Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Northamptonshire Commissioner Fire and Rescue Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Jackson (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Luton
Xx December 2024

The following footnote does not form part of our Auditor's Report.

Additional information related to the disclaimer of opinion is set out in our Completion Report for Those Charged with Governance dated 21 November 2024, available on the Authority's website, which includes further explanations about the implementation of the statutory instrument which led to the disclaimer of our opinion on the financial statements.



04 Value for Money



VFM - Executive Summary

Purpose

Auditors are required to be satisfied that Northamptonshire Commissioner Fire & Rescue Authority has made proper arrangements for securing economy, efficiency and effectiveness in their 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, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report to comply with the requirements of the 2024 Code of Audit Practice (issued in November 2024) and Auditor Guidance Note 3 (AGN 03). For 2022/23, the annual commentary is included in this report.

The 2024 Code has reduced the scope of the VFM reporting up to and including the 2022/23 financial year. However, in the February 2024 consultation on the new Code, the NAO stated 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 paragraph 13 of Schedule 3 of the 2024 Code. EY 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.

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 committee reports;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with the CFO's and the finance team.

VFM - Executive Summary (continued)

Reporting

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

The detailed arrangements and processes underpinning the reporting criteria as reported in our 2021/22 Auditor's Annual Report were updated for 2022/23 and reported in our Interim VFM Report that was presented to the Joint Independent Audit Committee on 17 July 2024.

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 weakness identified
Governance: How the Fire 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 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

Value for Money Commentary

Financial Sustainability: How the Fire 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 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 Authority 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 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 Authority 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 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.



05 Appendices

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young

This letter of representations is provided connection with your audit of the [consolidated and parent] Authority financial statements of [name of entity] (“the [Group and] authority”) for the year ended [balance sheet date]. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and parent Authority financial statements give a true and fair view of (or ‘present fairly, in all material respects,’) the [Group and] authority financial position of [name of entity] as of [balance sheet date] and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the [Group and] the Authority, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 20xx/xx (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

We understand that the purpose of your audit of our [consolidated and parent] Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist. Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the [Group and the parent] Authority, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 20xx/xx (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
2. We acknowledge, as members of management of the [Group and] authority, our responsibility for the fair presentation of the consolidated and parent Authority financial statements. We believe the [consolidated and parent] Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the [Group and parent] Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 20xx/xx (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)), and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the [Group and] authority financial statements are appropriately described in the [Group and] authority financial statements.
4. As members of management of the [Group and] authority, we believe that the [Group and] authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with [applicable financial reporting framework] for the Group and [applicable financial reporting framework] for the Authority that are free from material misstatement, whether due to fraud or error.

Appendix A – Management representation letter

Management representation letter

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Management Rep Letter

5. *[When there are unadjusted audit differences in the current year]* We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and parent Authority financial statements taken as a whole. We have not corrected these differences because *[specify reasons for not correcting misstatement]*.
6. *[When the comparative figures have been restated]* The comparative amounts have been restated to reflect the below matter(s) and appropriate note disclosure of this (these) restatement(s) has (have) also been included in the current year's consolidated and parent Authority financial statements. *[Add a paragraph providing a brief description of each matter giving rise to a restatement and the amount(s) concerned.]* There have been no significant errors or misstatements, or changes in accounting policies, other than the matters described above, that would require a restatement of the comparative amounts in the current year's consolidated and parent Authority financial statements. Other differences in the amounts shown as comparative amounts from the amounts in the consolidated and parent Authority financial statements for the year ended *[date]* are solely the result of reclassifications for comparative purposes.
7. We confirm the *[Group and]* authority does not have securities (debt or equity) listed on a recognized exchange.
8. We have confirmed to you any changes in service organizations within the *[Group and]* authority since the last audited financial year.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the *[Group and]* authority's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the *[consolidated and parent]* Authority financial statements may be materially misstated as a result of fraud.
4. *[When management is aware of the occurrence of non-compliance with laws or regulations, or has received allegations of non-compliance with laws and regulations.]* We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with laws and regulations, including fraud, known to us that may have affected the *[Group or]* Authority (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the *[consolidated and parent]* Authority financial statements
 - Related to laws or regulations that have an indirect effect on amounts and disclosures in the *[consolidated and parent]* Authority financial statements, but compliance with which may be fundamental to the operations of the *[Group and]* authority's business, its ability to continue in business, or to avoid material penalties

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

- Involving management, or employees who have significant roles in internal control, or others
- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the [consolidated and parent] Authority financial statements.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the [period] to the most recent meeting on the following date: [list date].

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the [Group and] authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the [period] end. These transactions have been appropriately accounted for and disclosed in the [consolidated and parent] Authority financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with [applicable financial reporting framework].
6. We have disclosed to you, and the [Group and] authority has complied with, all aspects of contractual agreements that could have a material effect on the [consolidated and parent] Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the [consolidated and parent] Authority financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

8. We have disclosed to you, and provided you full access to information and any internal investigations relating to, unauthorized access to our information technology systems that has a material effect on the [consolidated and parent] Authority financial statements, including disclosures.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the [consolidated and parent] Authority financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note [X] to the consolidated and parent Authority financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note [X] to the consolidated and parent Authority financial statements discloses all the matters of which we are aware that are relevant to the Group and authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than the events described in Note [X] to the [consolidated and parent] Authority financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the consolidated and parent Authority financial statements or notes thereto.

G. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst parent Authority, subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the information contained within the Narrative Statement and also the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and the [Group and] authority have reflected these in the consolidated and parent financial statements.

Yours faithfully,

(Chief Financial Officer/Finance Director)

(Chairman of the Audit Committee)

Appendix B – Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The original fees for these years were based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Authority; and
- ▶ The Authority has an effective control environment
- ▶ The Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Authority should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

Due to the reset, the above clearly will not be achieved and we will be liaising with PSAA Ltd to discuss and agree fees.

4	Current Year	Scale fee	Prior Year
	£	£	£
Total Fee - Code Work	TBC (Note 1)	31,612	47,843
Total audit	0	0	0
Other non-audit services	0	0	0
Total other non-audit services	0	0	0
Total fees	TBC	31,612	47,843

All fees exclude VAT

Note 1 - PSAA Ltd, in line with the joint statement issued DLUHC (as at that date) and the FRC is responsible for the determination of the final audit fee in respect of 2022/23.

In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.

Appendix C – Required communications with the Audit Committee

We have detailed the communications that we must provide to the audit committee.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▶ The planned scope and timing of the audit ▶ Any limitations on the planned work to be undertaken ▶ The planned use of internal audit ▶ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team</p>	This Completion report for Those Charged with Governance
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process ▶ Findings and issues regarding the opening balance on initial audits (delete if not an initial audit) 	This Completion report for Those Charged with Governance

Appendix C – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including: <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	This Completion report for Those Charged with Governance
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	This Completion report for Those Charged with Governance
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Matters, if any, to communicate regarding management’s process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▶ Any other matters related to fraud, relevant to Audit Committee responsibility 	This Completion report for Those Charged with Governance

Appendix C – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	This Completion report for Those Charged with Governance
Independence	<p>Communication of all significant facts and matters that bear on EY’s, and all individuals involved in the audit, integrity, objectivity and independence</p> <ul style="list-style-type: none"> ▶ Communication of key elements of the audit engagement partner’s consideration of independence and objectivity such as: <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p> <ul style="list-style-type: none"> ▶ A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit ▶ Details of any inconsistencies between the Ethical Standard and Group’s policy for the provision of non-audit services, and any apparent breach of that policy ▶ Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ▶ The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	This Completion report for Those Charged with Governance

Appendix C – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	This Completion report for Those Charged with Governance
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	This Completion report for Those Charged with Governance
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	This Completion report for Those Charged with Governance
Representations	Written representations we are requesting from management and/or those charged with governance	This Completion report for Those Charged with Governance
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	This Completion report for Those Charged with Governance
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	This Completion report for Those Charged with Governance
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	This Completion report for Those Charged with Governance

Appendix D - Non-Compliance with Laws and Regulations (NOCLAR)

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the company), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

ISA 250A, para 3

"The directors' report must contain a statement to the effect that... so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

"Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations ..."

Audit Engagement Letter

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

[The International Ethics Standard Board of Accountants' International Code of Ethics \(IESBA Code\)](#) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter

- ▶ Suspected or known fraud or bribery
- ▶ Health and Safety incident
- ▶ Payment of an unlawful dividend
- ▶ Loss of personal data
- ▶ Allegation of discrimination in dismissal
- ▶ HMRC or other regulatory investigation
- ▶ Deliberate journal mis-posting or allegations of financial impropriety
- ▶ Transacting business with sanctioned individuals


Implication

- ▶ Potential fraud/breach of anti-bribery legislation
- ▶ Potential breach of section 2 of the Health and Safety at Work Act 1974
- ▶ Potential breach of Companies Act 2006
- ▶ Potential GDPR breach
- ▶ Potential non-compliance with employment laws
- ▶ Suspicion of non-compliance with laws/regulations
- ▶ Potential fraud / breach of Companies Act 2006
- ▶ Potential breach of sanctions regulations

Appendix D - Non-Compliance with Laws and Regulations (NOCLAR) (cont'd)

What are the implications of NOCLAR matters arising?
 Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.
 This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years



Management response:

- Timely communication of the matter to auditors (within a couple of days)
- Determine who will carry out any investigation into the matter - in-house or external specialists or mix of both
- Scope the investigation, in discussion with the auditors
- Evaluate findings and agree next steps
- Determine effect on financial statements including disclosures
- Prepare a paper, summarising the outcome of the investigation and management's conclusions
- Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.

- Key Reminders:**
- ▶ Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements
 - ▶ Communicate with us as your auditors on a timely basis - do not wait for scheduled audit catch-ups
 - ▶ Engage external specialists where needed
 - ▶ Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.
 - ▶ Plan upfront and consider any impact on overall accounts preparation and audit timeline - discuss the implications with us as your auditor

Audit response:

- Initial assessment of the NOCLAR matter and its potential impact
- Initial consultation with risk team to determine responsive procedures and the involvement of specialists
- Understand and agree scope of management's investigation with support from specialists as needed
- Evaluate findings and undertake appropriate audit procedures
- Determine audit related impact including accounting and disclosure and audit opinion implications
- Document and consult on the outcome of our procedures
- Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

Appendix E – PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. In particular the Authority should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- › prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;*
- › ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.*
- › assign responsibilities clearly to staff with the appropriate expertise and experience;*
- › provide necessary resources to enable delivery of the plan;*
- › maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;*
- › ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;*
- › ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and*
- › during the course of the audit provide responses to auditor queries on a timely basis.*

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

Appendix F – Other Communications

EY Transparency Report 2024

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 period ended 30 June 2024 and can be found here: [EY UK 2024 Transparency Report | EY – UK](#).

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Ernst & Young LLP

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ED None

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The Joint Audit Findings for Northamptonshire Police, Fire and Crime Commissioner and Northamptonshire Chief Constable

Year ended 31 March 2024

22 November 2024





Private and Confidential

Northamptonshire Police, Fire and Crime Commissioner and Northamptonshire Chief Constable
Darby House
Darby Close
Park Farm Industrial Estate
Wellingborough
NN8 6GS

November 2024

Dear Joint Independent Audit Committee Members,

Grant Thornton UK LLP

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Audit Findings for Northamptonshire Police, Fire and Crime Commissioner and Northamptonshire Chief Constable for the year ended 31 March 2024

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (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 for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. 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.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to drive audit quality by reference to the Audit Quality Framework. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2023.pdf](#) (grantthornton.co.uk).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Laurelin Griffiths

Director
For Grant Thornton UK LLP

Chartered Accountants

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This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management, and will be discussed with the PFCC and Chief Constable as those charged with governance, and the Joint Independent Audit Committee.

Laurelin Griffiths
For Grant Thornton UK LLP
20 November 2024

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 PCC 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.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Northamptonshire Police, Fire and Crime Commissioner ('the PFCC') and Northamptonshire Chief Constable and the preparation of the PFCC's and Chief Constable's financial statements for the year ended 31 March 2024 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion the financial statements:

- give a true and fair view of the financial positions of the PFCC and Chief Constable and of their income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with each set of audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work has been completed during the period October to December 2024. Our findings are summarised on pages 9 to 21. We have identified a number of adjustments to the financial statements of the Group, PFCC, and Chief Constable. These audit adjustments are detailed in Appendix C.

We have also raised recommendations for management as a result of our audit work. These are set out in Appendix B.

Unfortunately, owing to the challenges of undertaking an audit where the previous audits are expected to be disclaimed due to the local authority backstop, this year we have been unable to regain full assurance and it has not been possible for us to undertake sufficient work to support an unmodified audit opinion in advance of the proposed backstop date of 28 February 2025. The limitations imposed by not having assurance on opening balances mean that we need to modify our opinion on the financial statements.

Our work on the other information to be published with the financial statements, is ongoing.

Our work on the PFCC's and Chief Constable's value for money (VFM) arrangements is nearing completion. The outcome of our VFM work will be reported in our commentary on the PFCC's and Chief Constable's arrangements in our Auditor's Annual Report (AAR).

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether in our opinion, both entities have put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

Our work on the PFCC and Chief Constable's value for money (VFM) arrangements will be reported in our commentary on the group's arrangements in our Auditor's Annual Report (AAR).

We did not identify any risks of significant weakness within our Audit Plan. Our work to date in this area has not highlighted any new risks of significant weakness.

Our VFM work is ongoing at the time of writing this report, and will be reported in our Auditor's Annual Report (AAR) at the December JIAC meeting.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

Although we have completed the majority of work on the 2023/24 financial year under the Code, we do not expect to be able to certify the completion of the audits when we give our audit opinions due to changes in the NAO's procedures for the WGA.

Significant matters

Aside from the expected disclaimers on prior year audits, we did not encounter any significant difficulties or identify any significant matters arising during our audit.

1. Headlines

National context – audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 12% of local government bodies had received audit opinions in time to publish their 2021/22 accounts by the extended deadline of 30 November. There has not been a significant improvement over this last year, and the situation remains challenging. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions. By the end of May 2024, Grant Thornton had signed 65% of our 2022/23 audits. This compared with 7% for other firms. We are on course to sign 80% before the local authority backstop is introduced for 2022/23. We have also made good progress with our 2023/24 audits and are pleased to present this report to you on a timely basis.

Over the course of the last year, Grant Thornton has been working constructively with MHCLG, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated.

Government proposals around the backstop

On 30 July 2024, the Minister of State for Local Government and English Devolution, Jim McMahon, provided the following written statement to Parliament [Written statements - Written questions, answers and statements - UK Parliament](#). This confirmed the government's intention to introduce a backstop date for English local authority audits up to 2022/23 of 13 December 2024. As a consequence of this, the authority's accounts for 2021/22 and 2022/23 are expected to be backstopped and a disclaimer of opinion is expected to be issued by 13 December 2024. The previous audits are expected to be backstopped by Ernst & Young. We are pleased to confirm that we anticipate concluding your audit in advance of the backstop date for 2023/24. Our intention is that over time we will re-build assurance in respect of prior years across all backstopped audits, taking account of guidance from the National Audit Office and the Financial Reporting Council.

New National Audit Office Code

As part of ongoing reforms to local audit, the National Audit Office has also laid a new Code before Parliament. One of the objectives is the new Code is to ensure more timely reporting of audit work, including Value for Money. The Code requires that from 2025, auditors will issue their Annual Auditor's Report by November each year. We have already put resource plans in place to ensure we achieve this deadline across all audited bodies.

National context – level of borrowing

All PFCCs and Chief Constables continue to operate in an increasingly challenging financial context. With inflationary pressures placing increasing demands on budgets, there are concerns as PFCCs and Chief Constables look to alternative ways to generate income. We have not identified any issues with the level of borrowing undertaken by the PFCC during our audit work or during our VFM work so far.

2. Financial Statements

Overview of the scope of our audit

This Joint Audit Findings Report presents the observations arising from the audits that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management, the PFCC and Chief Constable as those charged with governance, and the Joint Independent Audit Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, 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 for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the PFCC and Chief Constable's business and is risk based, and in particular included:

- an evaluation of the PFCC's and Chief Constable's internal controls environment, including their IT systems and controls; and
- substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff.

Conclusion

The circumstances resulting in the application of the local authority backstop to prior year audits are clearly extremely unusual. The government has signalled its intent that where backstops have been applied, local authorities and their auditors work together to recover the position over subsequent years. We will follow relevant guidance including from the NAO and the FRC to work with you, as we seek to rebuild audit assurance.

We have substantially completed our audit of your financial statements and, subject to outstanding queries being resolved, we anticipate issuing an audit opinion on the financial statements of both the PFCC and the Chief Constable following the Joint Independent Audit Committee meeting on 4 December 2024. The form of this opinion is still to be confirmed.

Outstanding items include:

- receipt of and review of IAS 19 assurance letter from Pension Fund auditors;
- clearing of final sample queries;
- consistency reviews of both the EFA and MiRS;
- completion of quality reviews by both the Audit Manager and Engagement Lead;
- receipt of management representation letters; and
- review of the final sets of financial statements.

2. Financial Statements



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.

Materiality levels remain the same as reported in our audit plan.

We set out in this table our determination of materiality for the PFCC, Chief Constable and group.

	Group (£)	PFCC (£)	Chief Constable (£)	Qualitative factors considered
Materiality for the financial statements	4,600,000	3,000,000	4,100,000	We determined that total expenditure in year was the most appropriate benchmark. Our risk assessment led us to set materiality at approximately 1.8% of prior year gross expenditure.
Performance materiality	2,990,000	1,950,000	2,665,000	Based on the internal control environment at the Authority we determined that 65% of headline materiality would be an appropriate benchmark.
Trivial matters	230,000	150,000	205,000	We decided that matters below 5% of materiality were trivial.
Materiality for senior officer remuneration	30,000	30,000	30,000	We identified senior officer remuneration as a sensitive item and set a lower materiality of £30,000 for testing these items which is approximately 1.8% of expenditure in this area.

We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PFCC and the Chief Constable for the financial year. For our audit testing purposes we apply the lowest of these materialities, which is £3,000,000, which equates to 1.8% of the PFCC's prior year gross expenditure for the year.

2. Financial Statements: Significant risks

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.

This section provides commentary on the significant audit risks communicated in the Joint Audit Plan.

Risks identified in our Audit Plan	Relates to	Commentary
Presumed risk of fraud in revenue recognition ISA (UK) 240	N/A	<p>Having considered the risk factors set out in ISA (UK) 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 PFCC and Chief Constable, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we did not consider this to be a significant risk for the Chief Constable, PFCC or Group.</p> <p>There were no changes to our assessment as reported in the audit plan that we need to bring to your attention.</p> <p>Whilst not a significant risk, as part of our audit work, we have undertaken work on material revenue items. Our work has not identified any matters that would indicate our rebuttal was incorrect.</p>
Risk of fraud related to expenditure recognition PAF Practice Note 10	N/A	<p>Having considered the risk factors set out in Practice Note 10 and the nature of the expenditure streams of each of the PFCC and the Chief Constable, we determined that there is not a risk of fraud within expenditure recognition, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate expenditure recognition; • opportunities to manipulate expenditure recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including the PFCC and Chief Constable, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we did not consider this to be a significant risk for the Chief Constable, PFCC or Group.</p> <p>There were no changes to our assessment as reported in the audit plan that we need to bring to your attention.</p> <p>Whilst not a significant risk, as part of our audit work, we have undertaken testing on material expenditure items. Our work has not identified any matters that would indicate our assessment was incorrect, however, we did identify a small number of errors within our testing of payments made and invoices received after year end. The extent of the error identified was trivial and we are therefore satisfied from our testing that this is not indicative of a material error within the financial statements. We have made a related recommendation within Appendix B.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Management over-ride of controls</p> <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 controls, and in particular journals, management estimates, and transactions outside the normal course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Chief Constable, PFCC & Group</p>	<p>We have:</p> <ul style="list-style-type: none"> • evaluated the design and implementation of management controls over journals • analysed the journals listing and determined the criteria for selecting high risk unusual journals • identified and tested unusual journals made during the year and after the draft accounts production stage for appropriateness and corroboration • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness with regard to corroborative evidence • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>We did not identify any issues with the journals selected for testing. However, our work identified a recommendation for the Group to implement around journal authorisation processes and controls. This is detailed within Appendix B.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Valuation of land and buildings</p> <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 (£84 million as at 31 March 2024) 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>PFCC & Group</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuer, and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; challenged the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; tested, 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 tested revaluations made during the year to see if they had been input correctly into the asset register. <p>Our audit work has not identified any issues in respect of valuation of land and buildings. Further detail is included in the key judgements and estimates on page 13.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Relates to	Commentary
<p>Closing Valuation of pension fund net liability</p> <p>The PFCC's and Chief Constable's 's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and is made up of the Local Government Pension Scheme (LGPS) and Police Pension Scheme (PPS).</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£1,055m in the PFCC's and Chief Constable's balance sheet) and the sensitivity of the estimate to changes in 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>The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation. However, for the first time since IFRS have been adopted the Authority has had to consider the potential impact of IFRIC 14 - IAS 19 - the limit on a defined benefit asset on the LGPS. Because of this we have assessed the recognition and valuation of the pension asset as a significant risk.</p> <p>The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.</p> <p>The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary.</p> <p>A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.</p>	<p>Chief Constable, PFCC & Group</p>	<p>We have:</p> <ul style="list-style-type: none"> • updated 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; • evaluated 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; • assessed the competence, capabilities and objectivity of the actuaries who carried out the pension fund valuations; • assessed the accuracy and completeness of the information provided by the Authority to the actuaries to estimate the liabilities; • tested 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; • undertaken 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 • obtained 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. <p>The Authority had considered the potential impact of IFRIC 14 before audit challenge, and our work in response to this is ongoing.</p> <p>We are awaiting IAS19 assurances from the auditor of the Northamptonshire Pension Fund. We cannot conclude our audit until we have received and considered the IAS19 letter from the Pension Fund auditor.</p> <p>Our audit work in this area remains in progress but we have not identified any issues in respect of valuation of the pension fund liability to date. Further detail is included in the key judgements and estimates on pages 14 and 15.</p>

2. Financial Statements: key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £84.289m	PFCC & Group	<p>Other land and buildings comprises of operational buildings such as police stations, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end.</p> <p>The PFCC has engaged Wilks Head & Eve LLP to complete the valuation of properties as at 31 March 2024. All of the assets were revalued during 2023/24.</p> <p>In reporting a valuation for land and buildings, the valuer has considered a range of relevant sources of information. Management maintain regular dialogue with the valuer and review the valuation certificates provided and challenge where required.</p> <p>The total year end valuation of land and buildings was £84.289m, a net decrease of £4.082m from 2022/23 (£80.207m).</p>	<p>We have:</p> <ul style="list-style-type: none"> assessed the competence, capabilities and objectivity of the valuation expert used by management; documented and are satisfied with our understanding of the Authority's processes and controls over property valuations; determined the completeness and accuracy of the underlying information used to determine the estimate; considered the appropriateness of any alternative site assumptions; and considered the movements in valuations of individual assets and their consistency with market data. <p>Amendments identified from our work our outlined in Appendix C.</p>	Work in this area is in progress

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment																							
<p>LGPS Net pension asset / liability – £Nil</p> <p>IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the balance sheet and whether any additional liabilities are required in respect of onerous funding commitments.</p> <p>IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.</p>	Group, PFCC and Chief Constable	<p>The PFCC and Chief Constable's Local Government Pension Scheme net pension asset / liability at 31 March 2024 is £Nil (PY £1.325m asset) comprising the Northamptonshire Local Government Scheme obligations.</p> <p>The PFCC and Chief Constable use Hymans Robertson to provide actuarial valuations of the PFCC and Chief Constable's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £1.325m net actuarial loss during 2023/24.</p>	<ul style="list-style-type: none"> We are satisfied that management's expert is competent, capable and objective. We have documented and are satisfied with our understanding of the Authority's processes and controls over pension valuations. We have considered the completeness and accuracy of the underlying information used to determine the estimate. We have analysed the method, data and assumptions used by management and their expert to derive the estimate, including using PwC as our auditors expert – the table below compares the actuary's assumptions with our expectations: <table border="1"> <thead> <tr> <th>Assumptions</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>4.85%</td> <td>4.80% - 4.85%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>2.75%</td> <td>2.75% - 2.80%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.25%</td> <td>3.1% - 5.1%</td> <td>●</td> </tr> <tr> <td>Life expectancy – Males currently aged 45/65</td> <td>PFCC – 23.1 years / 21.3 years CC – 21.7 years / 20.9 years</td> <td rowspan="2">The potential difference in range can be around 8-10 years at the extremes of individual employer level life expectancies.</td> <td>●</td> </tr> <tr> <td>Life expectancy – Females currently aged 45/65</td> <td>PFCC – 25.7 years / 24.0 years CC – 25.5 years / 23.7 years</td> <td>●</td> </tr> </tbody> </table> <ul style="list-style-type: none"> We are awaiting a response to our letter to the West Northamptonshire Pension Fund auditor and need to conclude on our work around IFRIC 14. 	Assumptions	Actuary Value	PwC range	Assessment	Discount rate	4.85%	4.80% - 4.85%	●	Pension increase rate	2.75%	2.75% - 2.80%	●	Salary growth	3.25%	3.1% - 5.1%	●	Life expectancy – Males currently aged 45/65	PFCC – 23.1 years / 21.3 years CC – 21.7 years / 20.9 years	The potential difference in range can be around 8-10 years at the extremes of individual employer level life expectancies.	●	Life expectancy – Females currently aged 45/65	PFCC – 25.7 years / 24.0 years CC – 25.5 years / 23.7 years	●	Work in this area is in progress
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2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Relates to	Summary of management's approach	Audit Comments	Assessment																								
Police Pension Scheme net liability - £1,055m	Group & Chief Constable	<p>The Chief Constable's Police Pension Scheme liability at 31 March 2024 is £1,055m (PY £1,020m). The Chief Constable operates three pension schemes for police officers, these are the 1987, 2006 and 2015 Police Pension Schemes.</p> <p>The Chief Constable uses GAD to provide actuarial valuations of their Police Pension Scheme liabilities. A full actuarial valuation is required every four years.</p> <p>Whilst the last full actuarial valuation was completed in 2020, the estimate of the pension liability at 31 March 2024 is based on up-to-date membership data and assumptions. Delays in the finalisation of the 2020 full quadrennial valuation have no impact on the amounts disclosed in the financial statements (teams to confirm with actuary).</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £35m net actuarial loss during 2023/24.</p>	<ul style="list-style-type: none"> We are satisfied that management's expert is competent, capable and objective. We have documented and are satisfied with our understanding of the Authority's processes and controls over pension valuations. We have considered the completeness and accuracy of the underlying information used to determine the estimate. We have analysed the method, data and assumptions used by management and their expert to derive the estimate, including using PwC as our auditors expert – the table below compares the actuary's assumptions with our expectations: <table border="1"> <thead> <tr> <th>Assumptions</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>4.75%</td> <td>4.75%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>2.60%</td> <td>2.60%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.85%</td> <td>3.10% - 5.10%</td> <td>●</td> </tr> <tr> <td>Life expectancy – Males currently aged 45/65</td> <td>23.6 years / 21.9 years</td> <td>21.3 – 21.9 years / 22.9 – 23.6 years</td> <td>●</td> </tr> <tr> <td>Life expectancy – Females currently aged 45/65</td> <td>25.1 years / 23.6 years</td> <td>21.3 – 23.6 years / 22.9 – 25.1 years</td> <td>●</td> </tr> </tbody> </table> <ul style="list-style-type: none"> We are awaiting a response to our final queries in this area. 	Assumptions	Actuary Value	PwC range	Assessment	Discount rate	4.75%	4.75%	●	Pension increase rate	2.60%	2.60%	●	Salary growth	3.85%	3.10% - 5.10%	●	Life expectancy – Males currently aged 45/65	23.6 years / 21.9 years	21.3 – 21.9 years / 22.9 – 23.6 years	●	Life expectancy – Females currently aged 45/65	25.1 years / 23.6 years	21.3 – 23.6 years / 22.9 – 25.1 years	●	Work in this area is in progress
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2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Unit 4 Agresso	ITGC assessment (design and implementation effectiveness only)	● [green]	● [green]	● [green]	● [green]	Management override of controls

Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing

2. Financial Statements: matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary
Significant events or transactions that occurred during the year.	From our work during the audit of the financial statements and from discussions with management and those charged with governance, we are not aware of any significant events or transactions that occurred during the period.
Conditions affecting the PFCC, Chief Constable, and Group and business plans and strategies that may affect the risks of material misstatement.	From our work during the audit of the financial statements and from discussions with management and those charged with governance, we are not aware of any business conditions that would significantly affect the PFCC, Chief Constable or Group.
Concerns about management's consultations with other accountants on accounting or auditing matters	From our work during the audit of the financial statements and from discussions with management and those charged with governance, we are not aware that the PFCC or Chief Constable has consulted with any other accountants.
Significant matters on which there was disagreement with management, except for initial differences of opinion because of incomplete facts or preliminary information that are later resolved by the auditor obtaining additional relevant facts or information	We have not identified any such disagreements.
Prior year adjustments identified	No prior year adjustments have been identified.
Other matters that are significant to the oversight of the financial reporting process.	We have not identified any other such matters.

2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Joint Independent Audit Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation will be requested from both the PFCC and Chief Constable upon completion of our work.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the banks where the PFCC holds accounts. This permission was granted and the requests were sent. All of these requests were returned with positive confirmation.
Accounting practices	We have evaluated the appropriateness of the PFCC, Chief Constable and Group's accounting policies, accounting estimates and financial statement disclosures. A number of minor amendments were made to the accounting policies to enhance transparency of the disclosures within the accounts, which are documented within Appendix C.
Audit evidence and explanations/ significant difficulties	No significant difficulties have been noted.

2. Financial Statements: other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the PFCC's and Chief Constable's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the PFCC and Chief Constable meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the PFCC and Chief Constable and the environment in which they operate the PFCC's and Chief Constable's financial reporting framework the PFCC's and Chief Constable's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>This work remains ongoing at the time of writing this report.</p>

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statements and Narrative Reports, are materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>This work remains ongoing at the time of drafting this report.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statements does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported any number of significant weaknesses. <p>We have nothing to report on these matters at this stage.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA audit instructions.</p> <p>Detailed work is not required as the PFCC, Chief Constable and Group do not exceed the threshold. We note that the NAO has changed its approach to WGA for 2023/24.</p>
Certification of the closure of the audit	<p>Although we have completed the majority of work on the 2023/24 financial year under the Code, we do not expect to be able to certify the completion of the audits when we give our audit opinions due to changes in the NAO's procedures for the WGA.</p>

3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2023/24

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3–5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

Our VFM work is ongoing at this stage. As part of our work, we have considered whether there are any risks of significant weakness in the PFCC or Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources. So far, we have not identified any areas of particular risk for this work, and we have not identified any significant weaknesses.

Our detailed commentary will be set out in a separate Auditor's Annual Report, which is expected to be presented to the December 2024 JIAC meeting.

4. Independence and ethics

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 and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of 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.

Details of fees charged are in Appendix D.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

4. Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Group or investments in the Group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff that would exceed the threshold set in the Ethical Standard.

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 and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Audit Adjustments
- D. Fees and non-audit services
- E. Auditing developments

A. Communication of audit matters to 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	•	
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	•	•
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		•
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 involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

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 Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

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.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan– Audit of Financial Statements

We have identified two recommendations for the group as a result of issues identified during the course of our audit. We have agreed our recommendations with management. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Effect on control system	<p>Approval process for journals not working correctly</p> <p>Journals require two separate individuals to approve. However, we identified an instance of a journal not requiring a second approval. We also identified instances of a senior officer approving journals. As a second approval is required, this is not a deficiency, however it could become one if a journal can be posted without a second approval as in the instance identified.</p>	<p>We recommend that the Group identify why the journal was able to avoid the usual approval processes and whether this has happened elsewhere.</p> <p>Management response</p> <p>Senior managers are included as journal authorisers for resilience purposes and would only be asked to action workflow tasks if others were unavailable. A quarterly journal review is undertaken (by a member of staff not involved in journal entry or authorisation) which would highlight any journals authorised by senior management and backing documentation would be checked for assurance. We recognise a risk in this approach but are content there are controls in place to mitigate the risks.</p>
Effect on control system	<p>Understatement of accrual</p> <p>Within our payments made after year end testing, we identified a number of payments related to 2023/24 which were not accrued for correctly. This resulted in the understatement of accruals at 31 March 2024 and understatement of expenditure for the year ended 31 March 2024. We also identified that finance team members were not aware of there being a de minimis level policy.</p>	<p>We recommend that the Group improve their closedown processes to ensure all expenditure items related to the financial statements year are identified and correctly accounted for. Finance officers responsible for accruals should be reminded of their responsibilities in this area. We also recommend that finance staff are reminded of the de minimis policy for accruals.</p> <p>Management response</p> <p>Noted. Action will be taken with finance personnel for clarity on procedures, training needs and enhanced check at closedown in the future.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Audit Adjustments – Chief Constable

We have not identified any non-trivial misstatements in the Chief Constable's CIES or Balance Sheet.



Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Issue or omission	Adjusted?
Accounting Policies	We requested for a small number of policies to be updated to provide clarification or to be removed on the basis of materiality.	✓
Note 4 Officers' Remuneration	We identified an understatement of £4k in the employer pension contributions for one individual.	✓
Various	A number of other minor changes have been made to disclosure notes and accounting policies throughout the financial statements to improve accuracy, clarity and user understanding.	✓

C. Audit Adjustments – PFCC

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2024.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £' 000	Impact on total net expenditure £'000	Impact on general fund £'000
Our review of account code mappings identified a number of errors in these mappings.	Dr Other services expenses 1,565 Cr Employee expenditure 1,472 Cr Depreciation and impairment 93			
We identified that half of the Uplift Grant has been misclassified as taxation and non-specific grant income, but should have been within cost of services.	Dr Taxation and non-specific grant income 1,312 Cr Cost of services 1,312			
Overall impact	Nil	Nil	Nil	Nil

Impact of unadjusted misstatements

No unadjusted misstatements have been identified.

C. Audit Adjustments - PFCC (continued)



Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements. The items listed above for the Chief Constable's accounts will also impact on the group accounts.

Disclosure	Issue or omission	Adjusted?
Accounting Policies	We requested that policies around borrowings, receivables, useful economic lives of assets and depreciation be added to the accounts. We requested for a small number of policies to be updated to provide clarification or to be removed on the basis of materiality.	✓
Note 4 Officers' Remuneration	We identified an overstatement of £1k in the employer pension contributions for one individual. We also identified an understatement of £23k in total remuneration for one individual and are still concluding our work on this at the time of writing this report.	✓
Note 4 Officers' Remuneration	OPFCC Staff were not included in Group figures for the employees exceeding £50,000 table. The total employees column has now increased by 12, which is the OPFCC staff. We also identified one individual who was included within the incorrect banding.	✓
Note 9 Note 14	Related to the unadjusted misstatement for the Uplift Grant, grant income has been overstated in both note 9 and note 14, resulting in these notes not reconciling to the primary statements. This amount of £1,312k has been removed from these notes to show the correct amounts.	✓
Note 23 Property, Plant and Equipment	A number of formulae within the note were incorrect.	✓
Note 36 Termination Benefits	Our review of the GL identified an amount on the termination benefits code that was not included within Note 36. The note has been amended to include this figure of £12k.	✓
Note 39 Financial Instruments	Our review of the financial instruments identified that the disclosures were not fully compliant with the Code. All required amendments have been made.	✓
Various	A number of other minor changes have been made to disclosure notes and accounting policies throughout the financial statements to improve accuracy, clarity and user understanding.	✓

D. Fees and non-audit services

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	PFCC	Chief Constable	Total
Scale fee	£102,418	£47,542	£149,960
ISA 315	£4,710	£4,710	£9,420
Total audit fees (excluding VAT)	£107,128	£52,252	£159,380

The scale fee above is reflected in the audit fee within the financial statements. Additional fees have not been recognised in the accounts.

E. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of: <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Professional scepticism	The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Definition of engagement team	The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor. <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.





AGENDA ITEM 7

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

JOINT INDEPENDENT AUDIT COMMITTEE

4th November 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.

2 OVERALL STATUS

- The report shows 14 actions that have not yet reached their implementation date and remain ongoing.
- 10 actions are ongoing with revised implementation dates.
- 9 actions have been completed.

3 OVERVIEW

3.1 2022/23 Audits

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

- 2 recommendations are ongoing with revised implementation dates.

3.2 2023/24 Audits

All internal Audits have been completed.

- 4 Recommendations have not yet reached their implementation date and remain ongoing.
- 8 recommendations are ongoing with revised implementation date.
- 8 Recommendations have been completed.

3.3 2024/25 Audits

2 Internal Audits have been completed.

- 10 Recommendations have not yet reached their implementation date and remain ongoing.
- 1 Recommendation has been completed.

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

3.5 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 v12.3

INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

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.

AUDIT 23/24	DATE	Assurance levels	Agreed Action plans		
			High	Medium	Low
Risk management	Jan 2024	Moderate	0	8	2
Core Financials	March 2024	Moderate	0	3	3
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

AUDIT 24/25	DATE	Assurance levels	Agreed Action plans		
			High	Medium	Low
Safeguarding	Sept 2024	Limited	1	5	1
Asset Management	Oct 2024	Moderate	0	1	3

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.

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.

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	

2022/23 AUDITS	RECOMMENDATIONS MADE	Essential	Important	Standard
Payroll	6	Closed		
AP/AR	3	Closed		
Project Management	2		2	
People Data	2	Closed		
Contract Management	7	Closed		
TOM – Performance Management	1	Closed		
ICT Network Infrastructure Security – Windows fileserver	2	Closed		
ICT Privileged Access Control	2	Closed		
Totals	37	2		

2023/24 AUDITS	RECOMMENDATIONS MADE	High	Medium	Low
Risk management	10 actions from 3 recs	0	3	1
Core Financials	6	Closed		
Grievance	1	0	0	1
Payroll	4	0	Closed	1
EDI	4	Closed		
New systems Assurance	2	Closed		
Identity Access Management	6	0	4	Closed
IT Asset Legacy Management	5	0	1	1
Totals	38	0	8	4

2024/25 AUDITS	RECOMMENDATIONS MADE	High	Medium	Low
Safeguarding	7	1	4	1
Asset Management (Joint)	4	0	1	3
Totals		1	5	4

			level 1 and level 2 projects are maintained.		<p>1.11.24 Awaiting update from Dan to confirm completion</p> <p>18/11/2024 D Retter update - Project process in place for all level 1 projects. The following still needs to be finalised:</p> <ul style="list-style-type: none"> - The assessment process that ascertains whether a project is level 1 or 2. - Level 2 project methodology, including running and reporting. <p>This will be started in January 2025 – the CRPM has been prioritised and this bit of work has been pushed back.</p>	30 th Sept 2024	
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Project Management – May 2023

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	<p>Weakness</p> <p>The document approval section of the Project Closure/Evaluation Report has not been completed.</p> <p>Risk</p> <p>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</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> <p>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</p> <p>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.</p>	<p>31st May 2023</p> <p>New date 31st Mar 2024</p> <p>New date 30th Sept 2024</p>	

	outcomes are not robust and cannot be relied on to support effective costs and benefits to the service.				<p>1.11.24 Awaiting update from Dan to confirm completion.</p> <p>18/11/2024 D Retter update - SLT have approved the paper. The paper does not cover level 2 projects. This will be started in January 2025 – the CRPM has been prioritised and this bit of work has been pushed back.</p> <p>2. 3AM Operational Support.</p> <p>Completed</p>	<p>30th Sept 2023</p> <p>New date 31st Mar 25</p>	
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2023/24

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (c)	<p>Risk and Impact</p> <p>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.</p> <p>3.6.24 LJ update – Assurance & Performance policy direction needs discussion with new Chief Fire Officer.</p> <p>31.10.24 RC update – A30 updated. Out for consultation in Nov. New forums will capture Internal Audit.</p>	<p>Assurance Manager</p> <p>31st Mar 2024</p> <p>Updated date 30th Sept 2024</p> <p>New date. 31st Jan 25</p>	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1 (d)	<p>Risk and Impact</p> <p>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.</p> <p>3.6.24 LJ update – Both ToR’s can be reviewed once Assurance & Performance policy agreed with CFO.</p> <p>31.10.24 SAB & QAR ToR to be reviewed once A30 agreed.</p> <p>New date 31st Jan 25</p>	<p>Assurance Manager 31st Mar 2024</p> <p>New date 30th Sept 2024</p> <p>31st Jan 25</p>	

Risk Management Internal Audit – January 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2(b)	<p>Risk and Impact</p> <p>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.</p>	<p>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.</p> <p>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.</p>	Medium	<p>Continuous Professional Training to be written and delivery by 30 June 2024 included in the management training programme to Middle and senior managers on the principles of risk management.</p> <p>3.6.24 – RC update. Delay due to HMICFRS inspection. New date 31.08.24 for everyone to complete.</p> <p>2.9.24 JO update – discussed with RC, need to consider a joint Police, Fire & OPFCC training requirement.</p> <p>31.10.24 RC update – Claire chambers and Lisa Jackson are to meet to discuss a possible different approach to risk management.</p>	<p>Assurance Manager 30th June 2024</p> <p>New date 31st August 24</p> <p>New date 30th April 25</p>	

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. 2.9.24 JO update. Awaiting direction from A30 assurance & performance review & ToR's for identification of where Risk is to be reviewed & monitored. 31.10.24 A30 drafted, awaiting ToR to confirm which forums will assure Risk to complete procedures. New date 31 st Jan 25	Assurance Manager 31st May 2024 New due date 31 st Aug 2024 New date 31 st October 31 st Jan 25	

Grievance Internal Audit – March 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1	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. 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.	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.	Low	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 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.	Suzanne McMin 1 st April 2025	

<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>21.11.24 HR update. On track Being progressed through People & culture board. BIO meetings include track of grievances raised and lessons learned within the service.</p>	
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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>	<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> <p>Completed</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>			<p>9.9.24 SMcM update – Policy out for consultation by mid Sept. New due date assuming 28 days consultation. 30.10.24 Policy published. Completed</p>	
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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 – 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	<p>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.</p> <p>NA Update 22.10.24. Communications from the FSR implementation were sent on this and there were also workshops. The implementation of FSR has also now resolved the other issue re the identified claims.</p> <p>6 monthly comms from the team are booked in to remind responsibilities. Recommendation closed.</p>	<p>Rob Porter – System Nick Alexander – Comms</p> <p>Due date 30th Sept 2024</p> <p>Completed</p>	

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"> 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 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. 	Low	<p>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 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> <p>9.9.24 SMcM update – Policy being updated. New due date assuming 28 days consultation.</p> <p>13.9.24 CB update – Pay policy has been reviewed Jan 2024. HR to discuss with TU reps regarding need for annual review. Pay & Allowance policy review ongoing. New due date TBA by 20th Sept. Draft policy</p> <p>30.10.24 Policy out for 28 day consultation, new due date 31.12.24</p>	<p>Nick Alexander/Suzanne McMinn</p> <p>Due date 31st July 2024</p> <p>New due date 31st Dec 24</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</p>	<ul style="list-style-type: none"> As planned, NCFRA should continue as planned to carry out an EQIA for 	Medium	<p>Policy updates are continually being reviewed. The EQIA process is part of that review.</p> <p>LJ update – 22.10.24</p>	<p>Lisa Jackson & Leo Holmes</p> <p>Due date 30th Sept 2024</p>	

<p>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>	<p>the remaining 24 outstanding policies.</p> <ul style="list-style-type: none"> • NCFRA should update all policies that have missed their review date. 		<p>EqIA’s are being monitored within the People and Culture Board & are being weaved into all projects, procedures, policies etc. 35 policies/EqIAs are out of date (29%). There are 2 policy/Plans that currently do not have an EqIAs. All of the owners have been reminded/chased. Closed</p>	<p>Completed</p>	
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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</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</p>	<p>Nick Alexander & Suzanne McMinn (policies only)</p> <p>Due date 30 Sept 2024</p> <p>Completed</p>	

<p>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. 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>joint processes and guides where possible to ensure uniformity and accuracy in processing and checking.</p> <p>26.06.24System 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</p> <p>Nick Alexander & Suzanne McMinn will discuss the Policies across pay to ensure appropriate updates.</p> <p>22.11.24 NA update - All processes have been reviewed; they are now available to all payroll staff within a centralised folder with one only being available. The have been diarised into the annual refresh plan and will be due for the annual review in the summer of 2025</p>		
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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</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 	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</p>	<p>Michael Montgomery</p> <p>Due date 30 Sept 2024</p> <p>Completed</p>	

<p>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>	<p>clarification added as to whether line manager approval for expense claims is required or not.</p>		<p>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>9.9.24 SMcM update – Policy out for consultation by mid Sept. New due date assuming 28 days consultation</p> <p>30.10.24 Policy published. Completed</p>		
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Identity Access Management (Joint) – June 2024 (Limited compliance)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1.	<p>Lack of Periodic User Access Reviews 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. A regular regimen of access reviews has not been established to determine the</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. As the Force is implementing SailPoint across its employees,</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>Trina Kightley-Jones, Head of Information Assurance</p> <p>31st Dec 2025</p>	

<p>suitability of access privileges for Windows AD accounts. Risk and Impact: Failure to implement regular access reviews can lead to individuals retaining unnecessary access to Windows AD and related systems, creating additional points of access to external attackers.</p>	<p>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>		<p>06/09/24: PB update. The process is currently conducted in conjunction with the Information Assurance and Systems admin teams and due to resource constraints is limited to ad hoc reviews at this time. However the new structure will facilitate the coordination of the ROPA, the underlying access required and then the audits will be planned and executed by the new information audit team. 14.10.24 YH update Consultation and recruitment underway, on track for completion by 31.12.2025. 7.11.24 YH Update – on track. Consultation now complete and largescale recruitment underway. DDaT are working with the comms department to facilitate an effective and targeted recruitment campaign to ensure these roles are filled.</p>		
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Identity Access Management (Joint) – June 2024 (Limited compliance)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2.	<p>Multifactor Authentication for Fire AD Accounts 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. Accounts within the Police Service Windows AD domain have MFA configured, however, the</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. 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>Roy Cowper, Enterprise Architect 30th Sept 2024</p>	

<p>process to enable this for Fire Service AD accounts is still ongoing.</p> <p>Risk and Impact: Should the passwords for Fire Service user accounts be determined in a security attack, such as through the use of malware, these accounts could be accessed resulting a severe security breach that could be used to access data across the network.</p>			<p>06/09/24: PB update MFA - Currently in 28 day consultation with Fire, Lisa Jackson to advise of consultation outcome.</p> <p>14.10.24 YH update. Lisa Jackson in Fire has confirmed that this consultation has been agreed in Fire. However following initiation of this work and further investigation by DDaT, a paper is being developed by the Digital Security Architect to consider the wider security considerations in relation to MFA and the holistic cyber security implications. This work should not be completed in isolation and there must be precursor work regarding security keys ect prior to the switching on of MFA in fire.</p> <p>7.11.24 YH update. New due date confirmed as 31.12.25</p>	<p>New due date 31st Jan 2025</p>	
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Identity Access Management (Joint) – June 2024 (Limited compliance)

	Observation / Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
3.	<p>Privileged Access</p> <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. 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</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. 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</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</p>	<p>Roy Cowper, Enterprise Architect</p> <p>30th Sept 2024</p> <p>Completed</p>	

	<p>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>Risk and Impact: Privileges assigned to accounts on a permanent basis may be used to apply unapproved changes without management oversight.</p>	<p>temporary basis to apply specific authorised changes.</p>		<p>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>6.9.24 PB update. On track</p> <p>14.10.24 YH update.</p> <p>Completed. PB confirmed completed in October JIAC. Privileged access management completed have seen the documentation this morning and so essentially achieved the timelines that were set out in the report.</p>		
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Identity Access Management (Joint) – June 2024 (Limited compliance)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
4.	<p>Password Management Tool Implementation</p> <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. 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>Risk and Impact: Passwords may be documented in insecure locations such that access to relevant accounts may be achieved the event of a security breach.</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>7.11.24 YH update, On track - Currently in the commercial process for signing by the commissioner.</p>	<p>Andrew Jones, Head of Transformation and Change</p> <p>31 Mar 2025</p>	

Identity Access Management (Joint) – June 2024 (Limited compliance)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
5.	<p>Completion of Access Changes 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>Risk and Impact: User accounts may be created or disabled without proper justification.</p>	<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>6.9.24 PB update. Due to procurement activity and delayed ITSM implementation can these dates move to March 25?</p> <p>7.11.24 YH update, On track - The procurement for the tool is progressing well. The revised project stage gates remain accurate.</p>	<p>Dan Cooper, Head of Technical Support</p> <p>01 July 2024</p> <p>New due date 31st Mar 25</p>	

Identity Access Management (Joint) – June 2024 (Limited compliance)

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
6.	<p>Monitoring and Logging Policy A specific IT policy should set out the organisational requirements for monitoring and logging, this should be used to guide the operations of the IT team as well as to inform regular users of any responsibilities regarding the monitoring and logging process. A specific monitoring and logging policy detailing requirements and procedures for access monitoring and information logging has not been developed. Some</p>	<p>Each organisation should devise a monitoring and logging policy, including necessary ownership, version control and review sections. Once approved it should be</p>	Low	<p>We agree with the audit action and recognise the importance of having a clear and updated policy for monitoring and logging. We will allocate a task to develop a draft policy that defines the objectives, scope, roles and responsibilities, frequency, and procedures for monitoring and logging.</p> <p>06/09/24: PB update</p>	<p>Roy Cowper, Enterprise Architect</p> <p>30 Sept 2024</p>	

<p>requirements, such as the logging of multiple failed password attempts, have been added to the information security / access control policies, however no unified monitoring and logging policy / section has been implemented.</p> <p>Risk and Impact: Inconsistencies in employees' understanding of their roles and responsibilities in regard to monitoring and logging as well as a failure to perform their required tasks. Failure to perform these tasks may reduce the detection rates of security incidents which could lead to reputational damage.</p>	<p>communicated to those individuals that perform security monitoring and configure security logs.</p>		<p>On track, this policy is in development and is being written by Simon Creasey (Digital Security Architect), draft to be shared by the end of the month.</p> <p>YH update – internal DDaT policy.</p> <p>PB update within October JIAC monitoring & logging recommendation compete – have seen the documentation this morning and so essentially achieved the timelines that were set out in the report.</p>	<p>Completed</p>	
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IT Asset Legacy Management (Joint) – 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 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</p>	<p>Continue with the planned implementation of a new ITSM tool that includes device scanning to identify discrepancies with the IT Asset Register.</p> <p>Once implemented the software should also consume feeds from the management software for each class of device.</p> <p>IT asset register discrepancies identified by automated scanning or following receipt of information from device management software should be investigated</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. 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. 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</p>	<p>Dan Cooper, Head of Technical Support - DDaT</p> <p>31 Dec 2025</p>	

<p>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>before their application to the IT asset register.</p>		<p>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>6.9.24 PB update. Due to procurement activity and delayed ITSM implementation request move to March 25.</p> <p>7.11.25 YH Update - Request to move dates due to procurement accepted. New due date 31.03.25</p>	<p>New due date 31st Mar 2025</p>	
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IT Asset Legacy Management (Joint) – 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 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</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 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> <p>5.10.24 YH update - organisations and the requirement to update particular technology areas. The risks that this roadmap looked to</p>	<p>Roy Cowper, Enterprise Architect – DDaT</p> <p>31 Dec 2024</p> <p>Completed</p>	

<p>unidentified risks that threaten the availability and security of IT systems.</p>			<p>mitigate have now been identified and put forward to the CDO board and as a result here multiple pieces of work now exist in the portfolio tool and these will address the risks. These risk are highlight as originated from EA risks but are managed within the wider DDaT technical debt / aging system risk. The roadmap is a signed off working document. Completed.</p>	
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IT Asset Legacy Management (Joint) – 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. An IT asset management policy is necessary for appropriate governance of IT assets acquired and managed by the Force. 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. 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>	Low	<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. The draft IT Asset Management policy is currently under review by the senior management team. 06/09/24: PB update Approval in Fire needed. This will go to CDO board in Sept, then it will go to Fire for consultation process. Fire have a specific format. 7.11.24 YH update - Draft policy has been agreed By CDO. DC had been in discussion with Fire re formatting which has now been agreed. Policy to be formally submitted to fire W/C 11/11 to go through consultation. New due date 31.12.25.</p>	<p>Dan Cooper, Head of Technical Support - DDaT 30th Jun 2024 New due date 31st Dec 2024</p>	

2024/25**Safeguarding – September 2024**

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
1	<p>The Service does not have oversight of whether all staff have been subject to a DBS check.</p> <p>Section 2 of the Rehabilitation of Offenders Act 1974 allows fire and rescue services to perform a minimum of a standard DBS check for all representatives. The Service’s Disclosure and Barring Policy outlines that a minimum of a standard DBS check is required for all staff and volunteers. Operational employees, who through the course of incident responses or targeted prevention / protection activities, carry out work with vulnerable individuals require an Enhanced DBS check. Rechecks are required every three years. The HR Projects Advisor maintains the Active Master DBS spreadsheet to record DBS data for employees, including certificate issue date, expected re-check date and any disclosures or bars on an individual. We conducted data analysis on the Active Master DBS spreadsheet in order to confirm whether all employees possessed an in date DBS. We noted the following:</p> <ul style="list-style-type: none"> • For 156 employees no DBS data was listed, including 61 firefighter personnel. • Eight employees were recorded as having up to date DBS checks however, there was no record to indicate whether they had disclosures or bars. • Three employees were recorded as having DBS checks without a re-check being performed. <p>The HR Projects Advisor informed us that when the HR Data Hub Team inherited the responsibility for managing DBS checks from West Northamptonshire Council (WNC) in April 2024, WNC did not provide the team with DBS information for a number of employees. Due to this, the Service implemented two phases of DBS applications to obtain DBS checks for those</p>	<p>The Service should ensure it prioritises the completion of DBS checks for the 61 firefighter personnel at the earliest opportunity. Following this, the Service should obtain DBS checks for the remaining 95 employees.</p>	High	<p>Final checks with WNC for those outstanding DBS checks to ensure no records held, prior to undertaking new DBS checks, to take place at the beginning of September. Outstanding DBS checks to commence as soon as possible.</p> <p>20.11.24 HR update – On track for completion by 31st March 2025</p>	<p>June Withey</p> <p>31st Mar 25</p>	

<p>employees for whom it did not possess DBS information. The HR Data Hub Team is currently in the process of phase 2 and expects to have received DBS information from WNC for the outstanding 156 employees by the end of July 2024.</p> <p>Risk and Impact: The Service is unable to confirm whether all staff have received a DBS check, potentially leading to individuals with undisclosed issues working in roles they may not be suitable for.</p>					
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Safeguarding – September 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>Irregularities in employee information between the ERP system and DBS monitoring spreadsheet.</p> <p>The HR Projects Advisor is responsible for maintaining the Active Master DBS spreadsheet (master spreadsheet), which is used to monitor the DBS status of the Service’s workforce. Upon receiving confirmation of an employee’s DBS, the master spreadsheet is updated to record the date of issue and expected re-check date. The HR Projects Advisor receives weekly bulletins from the Service Information Team detailing starters and leavers. The bulletins are reconciled to the master spreadsheet to ensure that the master spreadsheet is up to date and includes all of the Service’s employees. We conducted a reconciliation between a report of all employees extracted from Unit 4 (enterprise resource planning system) and the master spreadsheet using employee brigade numbers to determine whether the master spreadsheet included all of the Service’s employees at the time of audit. We noted that 20 employees were included on the Unit 4 report but not listed within the master spreadsheet. We queried these discrepancies with the HR Projects Advisor and were informed of the following:</p> <ul style="list-style-type: none"> 14 were due to employee brigade numbers being incorrectly stated within the master spreadsheet. 	<p>The Service should ensure that reconciliations are conducted between the master spreadsheet and an independent report of employees on a frequent basis (i.e. monthly) in order to identify data discrepancies and employees missing from the spreadsheet.</p>	Medium	<p>Mechanism implemented to ensure monthly checks of active employees against outstanding DBS checks. To commence with August end of month reporting and be embedded in the coming months.</p> <p>20.11.24 HR update – On track for completion by 1st Dec 2024. Report due to be pulled on this at the end of this month and will check it against those remaining on the DBS monitoring spreadsheet.</p>	<p>June Withey</p> <p>1st Dec 2024</p>	

<ul style="list-style-type: none"> • One employee was initially a non-starter but later joined the Service which caused a delay in the HR Advisor being notified. • Two employees had been removed from the master spreadsheet as leavers however, had in fact only left their dual contract. • Three employees were external members of staff who did not require a DBS. <p>Risk and Impact: If the master spreadsheet is not kept up to date it will not accurately reflect the Service’s current workforce. Due to this, employees who require DBS checks may be missed leading to non-compliance with the Service’s procedures.</p>				
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Safeguarding – September 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3	<p>Inaccurate recording of DBS data. Service possesses a NFRS Employee For Checks spreadsheet which is used to monitor in progress DBS applications. Within the spreadsheet, HR Business Support Advisors record the date the DBS application was made and verified, as well as the result. Comments are added to outline any reasons for delays in processing the DBS, such as the employee failing to provide ID. Once the DBS check is complete, the issue date and certificate number is added to the NFRS Employee For Checks spreadsheet. The HR Projects Advisor then transfers the issue date and certificate number to the Active Master DBS spreadsheet, which is used to monitor DBS compliance across the entire workforce. We compared the most recent DBS disclosure received from WNC to the Active Master DBS spreadsheet for a sample of twenty employees, in order to determine whether the issue date, expected re-check date and content status2 had been accurately recorded within the spreadsheet. We noted the following:</p>	<p>In the interim period before Unit 4 becomes live, the Service should:</p> <ol style="list-style-type: none"> 1. Implement data validation checks to ensure that data has been accurately transferred from the DBS disclosure email to the spreadsheets. This could include conducting data analysis on the spreadsheets to identify missing or erroneous fields. Spot checks could also be conducted on a sample of DBS checks each month to verify the accuracy of data transferred to the spreadsheets. 2. Consider whether the current process of transferring data to two separate spreadsheets is the most efficient and effective 	Medium	<p>Access to GCON4 has been granted and expires at the end of October, so bulk uploads are to be completed before this date. This has been prioritised after the findings of this audit. 20.11.24 HR update – This is completed.</p>	<p>June Withey 1st Nov 2024 Completed</p>	

<ul style="list-style-type: none"> • One employee possessed no content as per the DBS disclosure email from WNC however, the employees content status was not recorded within the master spreadsheet. • One employees DBS was recorded within the master spreadsheet as having been issued 177 days after the actual issue date. This meant that the DBS would not appear to be due for recheck until 177 days later than required by the policy. <p>The HR Projects Advisor informed us that these discrepancies were due to errors made by staff members when manually updating DBS data. The Service’s current process is to transfer data from the DBS disclosure email to two separate spreadsheets which poses an inherent risk of human error. The Service procured Unit 4 (Enterprise resource planning system) in April 2024 and plans to conduct a bulk upload of DBS data by August 2024. The Service anticipates that the use of this system will increase productivity by automating manual tasks and also reduce the risk of human error.</p> <p>Risk and Impact: The Service’s current process is labour-intensive and prone to human error. This not only increases the risk of mistakes but also may lead to inefficiencies in HR operations. The recording of inaccurate data may lead to incorrect assumptions about an employee’s DBS status, potentially allowing individuals with unsuitable backgrounds to work in sensitive roles.</p>	<p>approach, or if there are alternatives that could reduce the risk of error.</p> <p>Following the implementation of Unit 4, the Service should ensure that the system is set up to automate tasks where possible to reduce manual input and includes robust data validation checks.</p>			
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Safeguarding – September 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
4	<p>A robust process is not in place to ensure that DBS re-checks are conducted in a timely manner.</p> <p>We reviewed the DBS Policy in order to confirm whether it adequately outlined a process for ensuring DBS re-checks are conducted every three years in line with the Service’s policy requirement.</p> <p>The policy includes high level stages such as that HR must inform the individual’s Line Manager when a re-check is required and escalate concerns to the Line Manager if the individual fails to comply. If an individual continues to refuse, HR’s disciplinary investigation route must then be followed.</p> <p>Whilst a re-check process is in place, timescales have not been assigned to govern when each stage of the process should be conducted. For instance, the guidance does not specify the timeframe within which initial contact should be made with the Line Manager. Timeframes for when additional escalation steps should be initiated are also not stated. By setting clear deadlines, the Service can ensure that those involved in the process are aware of their responsibilities and when tasks should be completed. This can aid in preventing delays and maximising the probability that re-checks are conducted prior to the Service’s three-year deadline. This observation was supported by our sample testing, where we noted inconsistent practices for three of our five re-check samples, which we have listed below:</p> <ul style="list-style-type: none"> • For three samples, initial contact was not made with the Line Manager until between 79 and 122 days after the end of the three-year period. • For two of these samples, an additional chaser email was sent 8 and 43 days after initial contact was made. A chaser email was not sent for the remaining sample. 	<p>The Service should:</p> <ol style="list-style-type: none"> 1. Establish clear timeframes for each stage of the DBS re-check process, including when initial contact should be made, when reminders should be sent and when escalation steps should be initiated. 2. Consider implementing an automated system that sends reminders when a DBS re-check is due following the implementation of Unit 4. This could help in reducing delays and ensuring timely compliance. 3. Ensure that all individuals involved in the process are aware of their responsibilities and the importance of timely DBS rechecks. 	Medium	<p>Once Bulk uploads are completed as part of recommendation 3, we will be implementing the notification of expiring DBS Checks to the HR Transactional team.</p> <p>20.11.24 HR update - In place, notifications are set to go out prior to expiry date. Action can be closed once the next scheduled notifications due on 26th Nov are sent.</p>	<p>June Withey</p> <p>31st Dec 2024</p>	

<p>Although the Service was not provided with the DBS data for these employees by WNC until after the end of the three-year period, the additional stages of the re-check process were applied inconsistently once notification was received.</p> <p>Risk and Impact: Employees are not appropriately chased to ensure DBS re-checks occur in a timely manner. Due to this, the Service may not identify employees who are no longer suitable to work vulnerable individuals, placing those individuals at risk.</p>					
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Safeguarding – September 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
5	<p>Completion rates of safeguarding training are not adequately monitored. The Service requires its employees to complete National Chief Fire Council (NFCC) safeguarding training. The level of training required is determined by the likelihood that an employee will come into contact with a vulnerable individual, based on their role. As per the Service’s Safeguarding Adults / Children and Young People Policies, NFCC level one training should be provided to all staff and volunteers who come into contact with vulnerable individuals. Supervisory managers across the Service should complete NFCC level two. Designated leads should complete NFCC level four. Staff are required to recomplete the training at a two year frequency. We sought to confirm how oversight is maintained of the number of employees who are compliant with the Service’s training requirements. We observed that completion rates for NFCC level one training are monitored for all employees by the Competency Framework Team through Red Kite (Personal Development System).</p>	<p>The Service should:</p> <ol style="list-style-type: none"> 1. Prioritise building new modules into Red Kite which facilitate centralised tracking and monitoring of all NFCC training levels. 2. Consider establishing an interim process for centrally recording and monitoring the completion of additional NFCC training modules. For example, through obtaining employee training records from Line Managers and recording employee completion rates within a spreadsheet. 3. Conduct regular audits to ensure that all employees have 	Medium	<p>The competency framework for NFRS staff has now been agreed and can be mapped into RedKite to improve recording of competency and the alignment of specific training modules to different competency levels. This will include those training modules provided internally, from NFCC and from the Local Safeguarding Boards for Adults and Children. These will be provided by the Safeguarding Leads within the Prevention team.</p> <p>This work will be added to action plans for the Training Department and will be undertaken by the Competency Framework Manager and</p>	<p>Neil Sadler</p> <p>31st Dec 2024</p>	

<p>Despite this, we were informed by the Prevention Team Leader that Red Kite does not currently possess the functionality to create a central log of all employees who have completed the additional NFCC training modules (levels two and four). Completion of these modules is instead currently recorded in an individual's personal development record, which is only visible to the Line Manager. The Prevention Team Leader informed us that the Service intends to build new modules into Red Kite to allow the additional NFCC modules to be recorded within an individual's safeguarding competency profile. This should then allow the Service to monitor completion rates of the NFCC additional modules across the workforce.</p> <p>Risk and Impact: Employees may not complete the appropriate level of safeguarding training pertinent to their role and may not have the necessary skills or knowledge to appropriately deal with safeguarding matters.</p>	<p>completed the required level of training.</p>		<p>Competency Systems Coordinator. 18.11.24 NS update - The workstream is on track, work is ongoing with Training and Prevention to cross map the competencies</p>		
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Safeguarding – September 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
6	<p>Staff members are not appropriately chased to ensure mandatory safeguarding training is completed in a timely manner. The Service requires all staff and volunteers who come into contact with vulnerable people to complete the NFCC level one safeguarding training module which is accessible via the Moodle portal. Staff are required to retake the module at a two year frequency. Completion rates for the module are monitored by the Competency Framework Team through Red Kite (Personal Development System). A reminder email is generated automatically based on the training</p>	<p>The Service should:</p> <ol style="list-style-type: none"> 1. Investigate whether the Red Kite system could be enhanced to automate follow-up reminder emails at regular intervals until the training is completed. 2. Adjust the process so that the training renewal date is set within the first few months of employment for new 	<p>Medium</p>	<p>This work will cut across Training and Workforce Development and so will be allocated to the two teams to work together. This will ensure that processes for induction training, initial and renewed competency sign off are working effectively. 18.11.24 NS update – The workstream is on track, work is ongoing with Training and</p>	<p>Neil Sadler 31st Dec 2024</p>	

<p>renewal date. We reviewed an extract of the completion rates and noted that 95% of staff had completed the training. Three staff were overdue to retake the training and 24 staff were yet to complete the training. We selected a sample of two staff members who were overdue to retake the training and three who had not completed the training and requested evidence to support that they had been appropriately reminded by the Competency Framework Team. We noted the following:</p> <ul style="list-style-type: none"> • Two staff members were notified that the training was overdue one day after the two-year period ended (24/06/2024). However, after the initial notification no further reminder emails / escalations were conducted. The training was overdue by 41 days at the time of audit. • The three staff members who are yet to complete the training have not received any reminder emails / escalations. Each of them joined the Service between the 24/06/2024 and 15/07/2024. The current process is to set the training renewal date at two years from the employee’s start date. As such, these employees would not receive a reminder email until 2026 despite having never completed the training. <p>We were informed by the Competency Systems Co-ordinator that a robust process is not in place to continually chase individuals because following the initial automated Red Kite notification, any further correspondence has to be initiated manually. Due to the number of training modules staff have to complete across the Service, it is considered unachievable to continually chase individuals manually. The Competency Systems Co-ordinator was in the process of finalising a proposal paper at the time of audit to manually update the renewal dates for mandatory training so that when</p>	<p>starters. This is to ensure that where training is incomplete, employees receive the reminder email within the first few months of employment instead of the current two year frequency.</p> <p>3. Implement an escalation process where if a staff member does not complete the training after a certain number of reminders, Line Managers are notified and disciplinary procedures are carried out following repeat non-compliance.</p>		<p>Prevention to cross map the competencies</p>	
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<p>new staff are enrolled, the renewal date is set for between one to three months of the employee's start date. This is to ensure that the employee receives the first chaser notification at a much sooner date.</p> <p>Risk and Impact: Staff may not complete the mandatory NFCC level one safeguarding training on time and as such are not adequately prepared to handle situations involving vulnerable individuals. This increases the risk of harm or neglect.</p>					
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Safeguarding – September 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
7	<p>Performance reporting on DBS checks does not provide the SLT with adequate oversight. The HR Projects Advisor uses the Active Master DBS spreadsheet to calculate DBS performance information, which is reported to the Senior Leadership Team (SLT) at a monthly frequency within the Fire DBS Check Update report. We reviewed the three most recent Fire DBS Check Update reports (21/05/2024, 19/06/2024, 17/07/2024) in order to confirm whether each possessed an appropriate level of detail to allow the SLT to effectively monitor DBS Performance. We noted that each report did not include performance metrics outlining process times for DBS requests as well as tracking of DBS requests that are nearing / have reached the end of the three-year period. In order to effectively monitor DBS performance, it would be beneficial for the Fire DBS Check Update report to include these performance indicators. This would provide the SLT with a more complete picture of the DBS process and allow them to make more informed decisions.</p> <p>Risk and Impact: Incomplete performance reporting may lead to potential blind spots in the SLT's understanding of the DBS process, negatively impacting decision making and risk management.</p>	<p>The Service should ensure that there is regular reporting of performance indicators that cover processing times for DBS requests and provide an overview of DBS's close to / requiring a re-check such as the following:</p> <ul style="list-style-type: none"> • Average time taken to process a DBS check. • Number / % of DBS checks that require a re-check in less than a month. • Number / % of DBS checks requiring a re-check. 	Low	<p>Regular reporting of DBS checks by HR can be added to the Safeguarding Management Group agenda, this group has oversight of Safeguarding within NFRS and has cross departmental representation. 20.11.24 update. On track for completion by end of Dec 2024</p>	<p>Lisa Bryan</p> <p>31st Dec 2024</p>	

Asset Management (Joint) – October 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/ Responsibility	Status
1	<p>Lack of Equipment Inventory Checks.</p> <p>The Force and the Service should ensure that regular equipment inventories are taken to ensure operational readiness, to ensure that all the necessary equipment is available and in proper working conditions in preparation for an emergency. We noted that the Force does not operate a system which allows it to check the equipment that 'belongs' in a vehicle. We reviewed the 'Occupational Driving Policy' and noted that it is the police officer's responsibility to ensure that the appropriate equipment is held in the vehicle, which should be checked daily. We noted that there is no auditable trail that can be evidenced to show that equipment checks are being completed. We reviewed a sample of 10 vehicles to ensure that the appropriate equipment was in the vehicle. We used the 'Vehicle Safety Inspection and Equipment Checklist', and matched this to the relevant department to ensure that the correct equipment is carried on the vehicle. We were not able to inspect four vehicles as the vehicles were out, however for the other six we noted that three vehicles did not have the correct equipment. During our review of equipment management of the Service, we noted that barcodes for equipment are important in ensuring that the correct piece of equipment is checked out to the correct pump on the Redkite system. We identified that for five out of 57 pieces of equipment that was reviewed, there were no barcodes.</p> <p>After discussions with the firefighters, we noted that there is some difficulty in raising a defect in the redkite system if there is no barcode on the equipment. We noted that the full inventory checks of the pump should be carried out on a weekly basis, however we identified that weekly checks had not been noted on Redkite for four pumps and we could not confirm that weekly checks had been completed.</p> <p>Risk and Impact: Incorrect equipment may result in a lack of readiness in emergency situations.</p>	<p>The Force should ensure that inventory checks are carried out daily (or as suggested in the policy) and that an auditable trail is kept to evidence that inventory checks are completed.</p> <p>The Service should ensure that all equipment is barcoded where appropriate to allow for effective and efficient inventory checks.</p>	Medium	<p>The organisations will need to implement a new system to support the ongoing management of the equipment within operational fleet. A project mandate shall now be submitted to support the commencement of a new programme of work to implement a new system. The timeline for delivery shall then be determined by the project portfolio capacity, the data cleansing and the procurement process.</p> <p>22.11.24 LH update – In progress and on track.</p>	<p>Leanne Hanson</p> <p>30th Nov 2025</p>	

Asset Management (Joint) – October 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
2	<p>Lack of updated policies and procedures. An asset management policy and procedural document allows for resource optimisation, accountability, maintenance planning and ensuring equipment safety. A review of policies, process and guidance documents highlighted that the Service's Asset Management Guidance document was from March 2020 and did not appear to have been reviewed. Additionally, we were informed by the Head of Transport and Travel and the Chief Asset Officer that there were other policy and procedure documents that were currently out of date, and they are currently in the process of update and review. Risk and Impact: The OPCC, Force and Service do not achieve their objectives regarding Fleet / Asset Management and more widely across medium/long term objectives.</p>	The Force and the Service should ensure that policy and procedural documents for Asset Management are updated and shared with the staff members, including the Service's Asset Management Guidance document.	Low	The Department is currently undergoing a review and potential restructure. As part of this work is also being undertaken to establish a single Asset Strategy. This shall be aligned to the revised organisational Strategies and Plans. Linked to this will then be a full review of all Policies and Procedures to take into account the revised delivery model. 22.11.24 LH update – In progress and on track.	Leanne Hanson 30 th Sept 2025	

Asset Management (Joint) – October 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
3	<p>Force – Lack of Equipment Testing. Equipment testing across the Force and the Service allows for operational readiness to ensure that vehicles and equipment are ready for duty in case of an emergency. We noted at the Force that equipment is 'tested' if required when the police officer does the equipment checks on the car, however we noted that there was no auditable trail for equipment</p>	The Force should ensure that equipment testing is carried out where appropriate, and include guidance for officers within procedural documents, as well as keeping an audit trail of this.	Low	Police only action The organisations will need to implement a new system to support the ongoing management and testing of the equipment within operational fleet. A project mandate shall now be submitted to support the commencement of a new programme of work to implement a	Leanne Hanson 31 st Nov 2025	

	<p>checks therefore cannot confirm that the checks are happening daily as per the guidance in the 'Occupational Driving Policy'.</p> <p>Risk and Impact: Lack of safe equipment may compromise The Force's ability to respond effectively in the event of an emergency.</p>			<p>new system. The timeline for delivery shall then be determined by the project portfolio capacity, the data cleansing and the procurement process.</p> <p>22.11.24 LH update – In progress and on track.</p>		
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Asset Management (Joint) – October 2024

	Observation/Risk	Recommendation	Priority	Agreed Actions	Timescale/Responsibility	Status
4	<p>Service – Reliance on spreadsheet for the Vehicle Maintenance and Records. We noted that Fire Engines (pumps) are serviced every three months, six months and annually. While the Force uses TranMan to track maintenance and availability, the Service currently tracks this using a manual workbook tracked and updated by the Senior Fleet Administrator.</p> <p>We noted that the TranMan Management system is available for NCFRA, but it is not utilised therefore, currently there is no availability tracking system used for fire trucks. Head of Transport and Travel aims to implement the use of TranMan for fire, we noted that this may be a potential area for training.</p> <p>Additionally, we reviewed the sample of recently purchased fire fleet and noted that fire engine services were completed late for three out of eight vehicles. We noted that once the services were completed, they were dated and signed by the brigade technician and the supervising officer.</p> <p>Risk and Impact: The use of spreadsheets, leads to human error as well as extra workload for operational staff.</p>	<p>Once the Service has transitioned to TranMan system, they should implement a programme of training on how to utilise the TranMan system for operational asset management staff.</p>	Low	<p>The Department is currently undergoing a review and potential restructure. As part of this work the maintenance of the Fire Appliances is being outsourced. Linked to this will then be a full review of all Policies and Procedures to take into account the revised delivery model. And then ensure that the incumbent system is utilised to its full potential whilst work is undertaken to implement a new fleet/equipment management system.</p> <p>22.11.24 LH update – In progress and on track.</p>	<p>Leanne Hanson</p> <p>25th Feb 2025</p>	



AGENDA ITEM 8

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

JOINT INDEPENDENT AUDIT COMMITTEE

4th December 2024

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

1 Purpose of report

- 1.1 On the 18th of September 2024, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published their Round 3 Report Effectiveness, efficiency and people 2023–2025: Northamptonshire Fire and Rescue Service
- 1.2 The report sets out findings from the inspection giving recommendations for improvements and identifies notable practices.
- 1.3 This report is to update JIAC how Northamptonshire Fire and Rescue Service (NFRS) will respond to the report, including governance, reporting mechanisms and assurance.

2 Relevant Fire Plan/ IRMP strategic objective/ priority

2.1 This report contributes to the Police Fire and Crime Plan Priorities of:

- *Protect and support those who are vulnerable*
- *Effective justice*
- *Modern Services that are fit for purpose*

2.2 This report contributes to the strategic current CRMP objectives of:

- *Keeping our staff safe and well*

3 Background

3.1 On the 18th of September 2024, HMICFRS published their Round 3 Report Effectiveness, efficiency and people 2023–2025: Northamptonshire Fire and Rescue Service

3.2 The report was conducted in March 2024, following the published methodology of examining 11 areas, to give a rounded assessment of NFRS, including an assessment of:

- The operational service provided to the public (including prevention, protection and response)
- The efficiency of the service (how well it provides value for money, allocates resources to match risk, and collaborates with other emergency services); and
- How well the service looks after its people (how well it promotes its values and culture, trains its staff and ensures they have the necessary skills, ensures fairness and diversity for the workforce and develops leadership and service capability).

3.3 Each of the 11 areas were then graded as outstanding, good, adequate, requires improvement, or inadequate.

3.4 During the inspection HMICFRS reviewed relevant policies and processes, examined and interviewed and held focus groups with staff in a variety of roles and at all levels of seniority.

3.5 HMICFRS also analysed data provided by NFRS.

4 Key Findings and recommendations

4.1 NFRS were judged to graded;

- Good in 3 areas
- Adequate in 5 areas
- Requires Improvement in 3 areas

4.2 16 Areas for Improvement (AFI) were identified in the following areas.

Area	AFI
Understanding the risk of fire and other emergencies	Senior leaders should take accountability for community risk management plan priorities. They should lead and influence cross-organisational activity, so staff understand how they contribute to the objectives.
	The service should make sure that consultation with the public is meaningful in influencing its future plans and informing its risk profile.
Preventing fires and other risks	The service should make sure it trains its staff, so that they understand how to target risk effectively and can competently carry out home fire safety visits.
	The service should make sure it allocates enough resources to meet its prevention strategy to support cross-functional collaborative working and shared intelligence.
	The service should make sure it quality assures its prevention activity, so staff carry out home fire safety visits to an appropriate standard
	The service should make sure its supporting systems provide an accurate picture of community risk, so that staff can prioritise the most vulnerable.
Responding to fires and other emergencies	The service should make sure its response strategy provides the most appropriate response and wholtime and on-call availability, in line with its community risk management plan.
	The service should make sure it has an effective system in place to learn from operational incidents and exercises.
Making best use of resources	The service should have effective measures in place to assure itself that its workforce is productive and that their time is used as efficiently and effectively as possible to meet the priorities in its community risk management plan.
Making the FRS affordable now and in the future	The service needs to assure itself that it is maximising opportunities to improve workforce productivity and develop future capacity through use of innovation, including the use of technology.
Promoting the right values and culture	The service should assure itself that senior and middle managers are visible and inclusive, and demonstrate the Core Code of Ethics through their behaviours.
	The service should formally monitor overtime, secondary contracts and secondary employment to make sure working hours aren't exceeded.
Getting the right people with the right skills	The service should assure itself that managers are appropriately trained for their role, including those involved in grievance, discipline and welfare processes.
	The service should make sure it has effective arrangements in place to manage its workforce plan, supported by the appropriate departments and roles. It should take full account of the skills and capabilities it needs to implement its community risk management plan.
Managing performance and developing leaders	The service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders
	The service should make sure its selection, development and promotion of staff are open and fair, and it should do more to make sure staff have confidence in promotion and selection processes.

4.3 The Cause for concern, first identified in the HMICFRS Round 2 report 2021/22, has remained. The Cause for concern was divided into 4 recommendations, which have now been divided further to 5.

HMICFRS recognise the hard work and progress that has been made in improving service hasn't made enough progress since the last inspection to improve equality, diversity and inclusion, but there is still more work to do for the benefits to be realised.

Recommendations for ensuring fairness and promoting diversity

The service should improve equality, diversity and inclusion (EDI) by:

- working with staff to develop clear EDI objectives and training to increase awareness of EDI and its importance across the organisation;
- developing effective ways to show how it monitors and evaluates EDI objectives, including understanding and addressing the effect positive action has on staff;
- making sure it has robust processes in place to do [equality impact assessments](#) and reviewing any actions agreed as a result;
- making improvements to the way it collects equality data to better understand its workforce demographics and needs; and
- supporting staff and managers to confidently challenge and manage inappropriate behaviour.

4.4 HMICFRS Identified 3 areas of Innovative and Promising Practice;

Area	Innovative and Promising Practice
Responding to major and multi-agency incidents	The service's joint operations team responds effectively to high-threat, high harm incidents
Making best use of resources	The service's procurement arrangements improve value for money
Making the FRS affordable now and in the future	The service is designing its IT infrastructure so it can adapt to future change

5 Overall Outcomes

5.1 HM Inspector Roy Wilsher' summary contained the following statements:

I am pleased with some aspects of the performance of Northamptonshire Fire and Rescue Service in keeping people safe and secure from fire and other risks, but it needs to improve in some areas to provide a consistently good service. At the time of the inspection, I recognise that the service had experienced several changes in chief fire officers' posts and other senior leadership roles. I don't underestimate the significance of the constant change in leadership roles and its effect on the performance, culture and efficiency of a fire and rescue service.

Overall, there is a clear commitment from staff and senior leaders to improve. It has established some good processes and has sound financial planning. But it is important the service now progresses these improvements further.

6 Chief Fire Officers Comments

The Chief Fire Officer is pleased with the progress Northamptonshire Fire and Rescue Service has made, both in the way it keeps people safe and in the way it supports firefighters and staff. Plans are in place to tackle the areas highlighted by HMICFRS that need to be better.

However, it is recognised that there is still work needed to ensure firefighters and staff across the Service do more to prevent fires and other risks. There are still improvements needed in people and culture, making sure that leaders and staff do all they can to promote the right values and to improve diversity. Cultural change is a long journey, and I and my Chief Fire Officer Team will provide the leadership this Service needs to carry on with our improvement plans.

7 NFRS Approach to the report

- 7.1 The Performance and Assurance policy, A30, has been reviewed and changed to reflect the new Fire Standard, Internal Governance and Assurance.
- 7.2 The Cause of Concern and AFI's in the report that fall within the People Pillar, will continue to be managed through the People and Culture Board, chaired by The Chief Fire Officer. All actions from the Round 2 Report and, Serving with Pride are being reviewed to ensure that the findings in this latest report are captured and addressed.
- 7.3 AFI's that represent Efficiency and Effectiveness will be reviewed within the new Internal Governance meetings of Continuous Improvement Board, Project Management Board and Service Assurance Board.
- 7.4 Each AFI is being assessed and identified if it fits within current work streams or if a new work stream is commissioned with a Senior Responsible Officer.
- 7.5 These work streams will be Monitored through Quarterly Assurance Reviews and a centralised tracking.

8 Progress to Date

- 8.1 As of the date of this report the Chief Fire Officer has published an action plan to address the Cause of Concern. See appendix A
- 8.2 It is anticipated that HMICFRS Inspection team will return to review the Cause of Concern in Spring/Early Summer 2025.

9 Financial Implications and Risks

- 9.1 At this stage there are no additional financial implications to report.
- 9.2 As progress is made through the gap analysis and recommendations it is likely there will be some finance implications. These will be raised through existing structures and processes.
- 9.3 Risks associated with non-compliance would see the adverse comments within the report moved to AFI's, and potentially AFI's moved to Causes of Concern in the Round 4 Inspection
- 9.4 If sufficient progress is not made in the Cause of Concern, during the 2025 Revisit, the Service could enter Monitoring.

Appendix A: Cause of Concern Action Plan

<p>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>	
HMICFRS Statement	Actions
<p>Service has limited representation from staff groups that can help support effective decision making.</p>	<p>Continue work on setting up staff networks using police networks to assist.</p> <ul style="list-style-type: none"> • Draft and publish the staff network group policy • Set up networks with clear Terms of Reference and invite to actively influence Projects, Policies and decisions. • Join police networks where we note its unlikely that fire are able to set up our own networks due to lack of numbers or people wating to lead them. • To establish an EDI working group (by July 2024) (subgroup of PACB) consisting of representatives across departments, unions and staff networks to identify issues/progress activity and to be a conduit to the wider organisation.

<p>Staff told us that middle managers are a barrier to driving positive action</p>	<p>Work with Middle Managers so they understand what the service is currently doing and what we expect of them.</p> <ul style="list-style-type: none"> • Service to fully understand what positive action is actually taking place and bringing this information to People and Culture Board (PACB) to assess • Based on above, Service to communicate to Middle Managers what we do and how they can help • As part of middle managers seminar dedicate time from input from Positive Action Team to speaking about their roles / responsibilities and what positive action is and how they can take ownership • Positive Action Team to do regular inputs into cohort days and consider if more regular meetings between Middle Managers and members of the positive action team should be diarised: to share best practice and gain support from them. • Positive Action Team to deliver an input within internal EDI training- begins autumn 2024. Ensure Positive Action Team is a topic discussed within safe space meetings beginning autumn 2024 • Middle managers to sit in as an observer on some of the recruitment panels so they can the independent nature an unbiased processes - with the aim of then advocating fairness across recruitment processes- can begin on next recruitment processes
<p>Positive action strategy, but disappointingly this is yet to be implemented</p>	<ul style="list-style-type: none"> • Via PACB the strategy owner to present an agreed implementation plan for how the strategy will be turned into actions
<p>The service knows it needs to do more to increase diversity at all levels in the workforce. There has been limited progress to improve ethnic and gender diversity</p>	<p>Continue to progress forward outcomes of Serving Pride via the PACB.</p> <ul style="list-style-type: none"> • Continue the work of the PACB board implementing SWP outcomes • Monitor outcomes and changes to inform demographics changes in the service over time • Bolster the work of Positive Action to provide coaching towards individual from diverse backgrounds to enter the service

Limited evidence to show what the service has done to address disproportionality in recruitment, retention, and promotion processes.

Set up better reporting and monitoring of data for promotion and recruitment to enable the service to analyse if there is disproportionality.

- Work with staff network groups as they are established to allow for mentoring and positive action within them
To build enough time in recruitment processes to ensure PA activity can take place.
- To provide new recruitment material to stations and giving briefings to staff so they can have a clear understanding of their role in recruitment, ensuring they are targeting those from under represented groups and have the material to support this activity. material to be produced by sept 2024
- Deliver PA plan to recruit and retain individuals from diverse backgrounds
- Set up monitoring via PACB to determine if there is indeed disproportionality in recruitment and retention / promotion. Papers to be quarterly reported to PACB noting trends in this data.
- Based on the above set up targeted interventions to break down barriers if there are areas where applicants with protected characteristics failing in the processes

Make sure it has robust processes in place to undertake equality impact assessments and review any actions agreed as a result.

HMICFRS Statement	Actions
<p>More work is needed to make equality analysis more consistent and robust: EQiAs we reviewed lacked in detail with limited use of data to form outcomes</p>	<p>Review how we sample EQiAs to ensure they are more detailed.</p> <ul style="list-style-type: none"> • Provide better links for authors of EQiAs to seek guidance to allow them to be produced as part of the policy / system / project and not a tick box after thought. • Consider sending a SEO and other key stakeholders who work within policy to NFCC EQiA training courses.
<p>HMICFRS found that although all new and renewed policies must have an EQiA, that this wasn't replicated for projects or strategies, which left gaps in understanding.</p>	<p>Ensure that EQiAs carried out for all activities across the service including for those projects being managed by DDat, commercial etc.</p> <ul style="list-style-type: none"> • Review and standardise the EQiA template across both Police and Fire to enable this be used for both services • Ensure that all projects and other strategies have EQiAs as part of standard practice • Review templates that ensure papers / decisions brought to SLT and other governance boards have an EQiA within them (or it is linked to)
<p>The service doesn't properly assess or act on the impact on each protected characteristic. There was an absence of data analysis or actions made from EQiAs</p>	<p>Carry out meta analysis of EQiAs every 12 months to determine where there have been impacts on protected characteristics and if this proportionate.</p> <ul style="list-style-type: none"> • Carry out an analysis of all data from EQiAs over a 12 month period to ensure that lessons are learned if there is any impact on protected characteristics. • Paper and data to be considered at PACB as part of standing item each year

Make improvements to the way it collects equality data to better understand its workforce demographic and needs.	
Actions	Impact/Evidence
<p>Low return from staff around protected characteristics as they were reluctant to give information due to concerns on how it would be used. The service should do more to improve the workforce’s understanding of how data is used which should help to improve trust.</p>	<p>Evidence shows that in actual fact staff returns have improved, nevertheless there is still more to be done to target these areas we believe that there is a gap in completion of PCs.</p> <ul style="list-style-type: none"> • carry out analysis of the data to provide most up to date stats on %s of the workforce completing / not completing their PCs. • Analyse data to determine if certain parts of workforce (such as On-call or particular stations) are more likely to not declare • Develop bespoke interventions (and use local managers) to engage with areas that tend not to declare to understand their concerns and give reassurances about how the data will be used. • Further push out Safe to Say through internal communications • Set up 6 monthly monitoring via a report to the PACB to look at the stats for declarations and the trends so they can be identified at early stage

Support staff and managers to confidently challenge inappropriate behaviour	
Actions	Impact/Evidence
Some staff with protected characteristics did not report bullying, harassment, or discrimination due to concerns about confidentiality or being victimised	<p>Roll out independent investigation service fully to build staff confidence in confidentiality.</p> <ul style="list-style-type: none"> • Consult with RBs around change to policy to include AAC • Roll out new investigation service • Monitor protected characteristics within formal process showing concerns raised over time through PACB • Use follow up Serving With Pride survey to examine progress made
Service has realigned its bullying and harassment policy to form part of the renewed grievance policy. We found this information to be diluted and lacks detail on bullying, harassment, victimisation and discrimination.	<p>Review the new bullying and harassment policy to make sure it contains any details that were previously within it that may have been diluted; especially around bullying, harassment, victimisation and discrimination.</p> <ul style="list-style-type: none"> • Review Policy to ensure that it is clear around references to bullying, harassment, victimisation and discrimination. • Carry out gap analysis against previous policy to ensure there are no missing sections • Ensure that Grey / Green book staff can get to sections of policy easily and simply
Most staff told us that they are unsure where to locate information on bullying, harassment, victimisation and discrimination and were unaware of the policies and procedures in place.	<p>Comms to be sent out to all staff on regular basis via Weekly Bulletin that signpost people to where the new policy is.</p> <ul style="list-style-type: none"> • Comms to be sent out to all staff on regular basis via Weekly Bulletin that signpost people to where the new policy is • Consider having dedicated section of intranet for HR issues specifically highlighting the bullying, harassment, victimisation and discrimination policy

The service does not provide sufficient training to managers to support them with grievance cases, discipline investigations or welfare support

Provide training for all managers in how to carry out investigations and discipline.

- Commission of Andrea Adams Consultancy as part of external investigations service to deliver investigation training to all investigating managers
- Commission of AAC to deliver training to manager who act as presiding managers in hearings
- Consider how roll out of training to all manager can take place (Levels of Leadership / cascade via Train the Trainer)
- Ensure that this is built into CPD / MoC training
- building training framework so that new managers are also trained in the future



Corruption and Fraud Controls and Processes

Author: Nick Alexander

Chief Officer Sponsor: Assistant Chief Officer (Enabling Services)

Date: December 2024

Version: 1

NORTHAMPTONSHIRE
POLICE
Fighting Crime. Protecting People.



1. Purpose

- 1.1. This report provides updated details of the robust processes and procedures Northamptonshire Police currently has in place to identify and mitigate the likelihood of fraud. These complement and support the national measures that exist for scrutiny of the public sector and managing integrity across Police Forces in England & Wales.

2. Recommendation

- 2.1. To note the content of the report.

3. National Standards - College of Policing: Code of Ethics

- 3.1. The *Code of Ethics* was updated and reintroduce by the College of Policing in its role as the professional body for policing in 2024. The 'Code of Ethics' is not a statutory Code of Practice, however, it is underpinned by the '[Code of Practise for Ethical Policing](#)', which relates specifically to chief officers in the discharge of their functions. In discharging any function to which this Code of Practice relates, chief officers must have regard to this Code of Practice pursuant to section 39A(7). This Code of Practice does not alter the existing legal powers or responsibilities of any Police and Crime Commissioner (PCC or PFCC's) or equivalent, chief officer of police, or other person.

It does not alter the statutory basis or provisions of the Police Reform Act 2002 and associated regulations, including – but not limited to the, Police (Conduct) Regulations 2020, & The Policing Protocol Order 2011 (section 23) and this came into effect on 6 December 2023.

- 3.2. The code applies to all Policing members, including Officers, Staff, PCSO's, Specials and Volunteers.
- 3.3. The purpose of which is to set out the actions that Chief Officers should carry out to ensure that they lead an ethical culture, where staff are supported and directed to use the ethical policing principles in decision making and to demonstrate professional behaviour. It also describes what needs to be done to proactively and positively identify – and respond to – misconduct and corruption when it occurs.
- 3.4. The *Code of Practise* begins by clearly laying out the expectations of Chief Officers in
 - **Ensuring ethical and professional behaviour**, Chief officers should lead and take action to ensure ethical and professional behaviour within their force.
 - **Challenging unprofessional behaviour**, Chief officers should take action to ensure that staff welfare is understood and managed within their force.
 - **Staff Welfare**, Chief officers should take action to ensure that unprofessional behaviour is challenged within their force.

Fig 1

- **Ensuring Openness and Candour**, Chief officers have a duty to ensure openness and candour within their force.
- **Continuing Professional Development**, Chief officers should take action to ensure CPD within their force.
- **Recognising and responding to misconduct**, Chief officers should take action to respond to misconduct within their force.

3.5. The [Code](#) is split into two sections:

1. Ethical Policing Decisions, which sets out that;

“The ethical policing principles are a series of guiding statements that should be used to help people in policing do the right things, in the right way, for the right reasons.”

These are

- **Courage** – making, communicating and being accountable for decisions and standing against anything that could bring our profession into disrepute.
- **Respect and empathy** – Encouraging, listening to and understanding the views of others, and seeking to recognise and respond to physical, mental and emotional challenges that we and other people may face.
- **Public Service** – working in the public interest, fostering public trust and confidence, and taking pride in providing an excellent service to the public.

And is summarised by the College as



2. The second section is Guidance for ethical and professional behaviour in policing, which sets out that;

“as a result of being part of the policing profession, higher expectations are placed on us compared to the general public. As policing professionals, more attention is likely to be drawn to any misuse of our position or any failure to meet the expectations of our profession.

We uphold and promote the reputation of the police service by acting lawfully and in a way that demonstrates fairness and respect, policing with integrity, trust, confidence and legitimacy (in line with the College of Policing leadership standards).“

The public interest and trust, thinking about how our actions can be interpreted, acting selflessly, act in truth, do not make false statements, do not use your position for gain and ensuring professional behaviour and language.

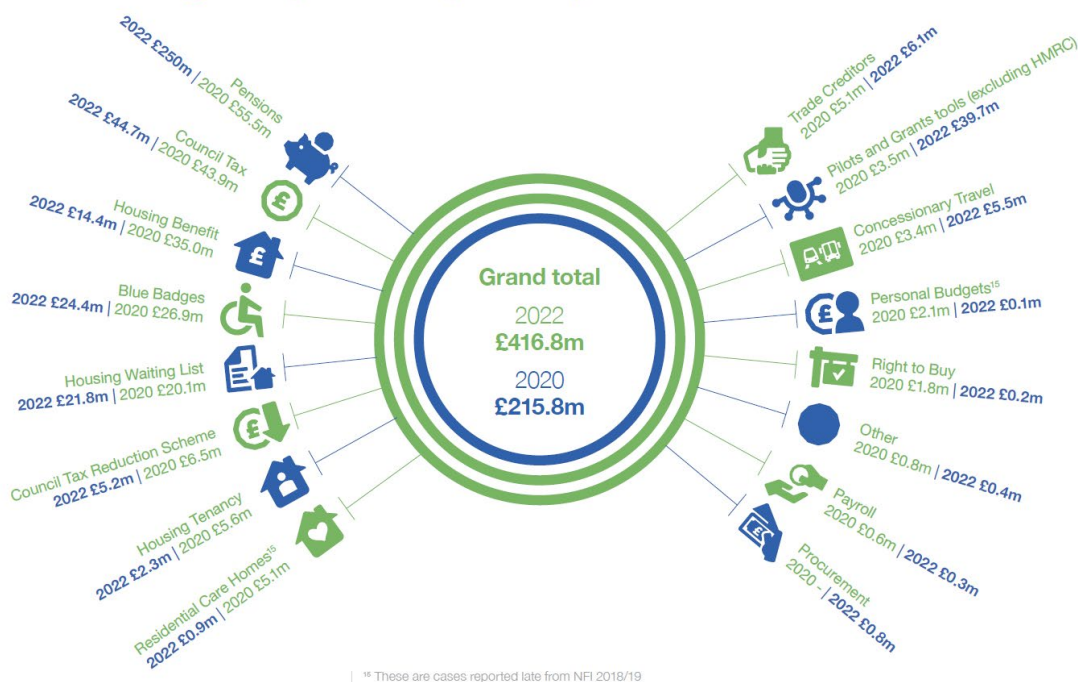
Doing our best, including acting diligently, promoting a positive professional image, being conscious of the impact of our behaviour, not fearing in conducting our professional duties and taking ownership.

4. National Fraud Initiative

- 4.1. Since 1996 the Audit Commission has run the National Fraud Initiative (NFI), an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. This includes Police Forces and OP(F)CCs, Local Probation Trusts and Community Rehabilitation Companies, Fire and Rescue authorities as well as local councils and a number of private sector bodies.
- 4.2. Fraudsters often target different organisations at the same time, using the same fraudulent details or identities. The NFI can help tackle this by comparing information held by organisations to identify potential fraud and overpayment.
- 4.3. A match does not automatically mean fraud. Often, there may be an explanation for a data match that prompts bodies to update their records and to improve their systems.
- 4.4. Although not mandatory, central government departments, agencies and arm’s length organisations are encouraged to submit datasets on payroll and trade creditors.
- 4.5. The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.
- 4.6. The main categories of fraud identified by the NFI in England relate to pensions, council tax single person discounts and housing benefit. The latest national report indicated

over £416m of detected fraud, broken down by risk area as follows. The full report is available in Appendix 2.

Outcomes in England by risk area (rounded)



- 4.7. Data matching showing little or no fraud and error can provide bodies with assurances about the effectiveness of their control arrangements. It also strengthens the evidence for the body's annual governance statement.
- 4.8. NFI data matching plays an important role in protecting the public purse against fraud. Northamptonshire Police has run the NFI exercise every two years to help detect and prevent fraud for many years.
- 4.9. The 2024/25 review is currently in progress and the following submissions have been completed and are awaiting National review and matching exercises. We expect the outcomes to be available within 2025;
- Payroll, bank details and pay
 - Suppliers and payments
 - Pension payments
- 4.10. The latest audit to be published remains the previous reported 2023 results, which highlighted 200 items for review (see Appendix 3) but following investigations, none were found to be a result of fraud. Only 2 items ultimately required action. The areas relevant to us and examples of items for review are as follows.

- 4.11. Creditors – it was highlighted if any were set up on more than one reference or if multiple suppliers had the same bank account details. On investigation, all were justified and appropriate.
- 4.12. Duplicated payments – examples of recurring payments were provided. Upon checking, most of these were found to be genuine. eg. Quarterly charges, bacs failures paid by other means. There were 2 genuine duplicate payments that were subsequently corrected/recovered.
- 4.13. Debtors – multiple debtors to the same address. Upon investigation, all were justified and necessary. eg. Government departments, Barristers all based at the court.
- 4.14. VAT discrepancies – all but one had already been addressed as part of the VAT return monthly checks and reconciliation. The remaining error was subsequently corrected.
- 4.15. No issues of concern were identified with pensions or payroll. In the previous NFI exercise, there was an example where it appeared that one of our officers was also being paid by another police force. This was investigated by the finance team and PSD and found to be an administrative error on the part of the Metropolitan Police. It was addressed as required and no further action was necessary.

5. Local Strategies – Policies and Procedures

- 5.1. Northamptonshire Police have re-invigorated it's policies, procedures and staffing to ensure that following the findings of the Angiolini Report and internal misconduct cases its vetting standards are now at their highest levels. Furthermore, all senior Police Staff and Officers qualifications and vetting have been revisited.
- 5.2. All staff and volunteers must pass a rigorous vetting processes, which may now include additional background and home checks before they are allowed to commence work or use data from within Northamptonshire Police.
- 5.3. Strategies, policies and procedures are in place locally to promote and enforce national standards.

These include 'Standards of Professional Behaviour'. During the year there have been campaigns to promote awareness and understanding of these, through the communication known as the 'Standards', focussed on each standard in turn. This involved pushing email briefings AND national and local training modules to all officers and staff, with a direction to encourage discussion and work through case studies in departmental and team meetings.

The subjects for the year have included;

- Upstander, which aims to equip police officers and staff with the necessary tools to become upstanders, promoting positive change within the organisation and our communities and enabling them to call out behaviours.
- A new code of Ethics 'Doing the right things, in the right way for the right reasons';
- Unconscious Bias;
- Managing Challenging Behaviours and Having Courageous Conversations

All of which are designed to equip people to be able to challenge behaviours and report conduct that falls below expected levels.

There have also been a number of direct engagement days across the Service to directly address expected standards chaired by Chief Officers.

- 5.4. The Professional Standards Dept produces a e-magazine, called "The Standard" which covers a range of topics relating to ethics and professional standards, sharing good practice and promoting reporting channels for inappropriate behaviours. (Latest edition is at Appendix 4)
- 5.5. The Professional Standards Dept (PSD) have been working with our own communications department and an external Communications Agency to identify cultural issues to tackle concerning behaviours. A new Standards Campaign designed to educate staff and officers to prevent behaviours that fall below what we expect and robustly address unacceptable conduct has been issued and a Single Points of Contact from within PSD to each of the stations across the force has continued in order to break down barriers and myths in relation to PSD to promote confidence in reporting and identifying patterns of unacceptable behaviours to ensure early intervention.
- 5.6. A number of local policies and procedures are in place which relate to managing integrity of police officers and staff in Northamptonshire to which all individuals are required to adhere. These include:
 - ACPO Guidance on Business Interests
 - Business Interest Policy
 - Confidential Reporting Policy
 - Expenses & Allowances Policy
 - Fraud Investigation Policy
 - Gifts and Hospitality Policy & Procedure
 - Misconduct Outcomes Publications
 - Notifiable Associations Procedure
 - Overtime (Police Officers) Procedure
 - Police Staff Misconduct Policy & Procedure

- Procurement Card Policy
 - Service Confidence Procedure
 - Social Media Policy
 - Substance and Alcohol Misuse Policy
 - Vetting Policy and Guidance
 - Whistleblowing Policy – supported by the Bad Apple reporting system
 - Your Personal Finances Policy
- 5.7. All policies, procedures and guidance are available to staff on the internal website and subject to regular review points.
- 5.8. The Force employs a Corruption Prevention Officer to work with internal stakeholders and external partners to improve preventative measures. This has included implementing Integrity Health Checks for all staff and officers that covers a number of areas including business interests, notifiable associations and financial status. The purpose of this is to reduce organisational vulnerability and enhance personal welfare. The Professional Standards Dept works with HR to ensure this is now included in PDRs to manage and monitor.
- 5.9. Professional Standards and Finance now also discuss matters of concern, including, pay, expenses, overtime and any cases of fraud to ensure that all patterns and concerns are identified and addressed as appropriate. During this review period and up to the issuing of this report, there were no matters of fraud relating to expenditure or income of Northamptonshire Police's finance that either party were aware of or had begun disciplinary proceedings around.
- 5.10. Furthermore, supporting the Confidential Reporting Policy is an 'Integrity' app to allow concerns, corruption, misconduct and poor behaviours to be reported.
- In the last 12 months there has been no report linked to fraud or misuse of public funds, and no corruption identified.
- The app has been used to flag varying levels of misconduct and suspected corruption, with cases being managed by both Professional Standards and HR.
- 5.11. Following the Op Admiral review (see below), the force is seeking to continually improve mechanisms for anonymised reporting and make best use of data that these systems gather.

6. Response to National events

- 6.1. The outcomes of the Baroness Louise Casey independent review into of our culture and standards of behaviour of the Metropolitan police were accepted and continue to be assessed and implemented across the Policing service as a country.

The report has given rise to reviews into

- The ways and speed in which Policing bodies are able to dismiss Staff and Officers for misconduct;
- The speed at which reviews are completed
- Patterns of behaviour
- Inconsistent use of the misconduct procedure

- 6.2. Within Northamptonshire Police Op Admiral was initiated and the first evaluation of the requirements was completed in order to ensure the right safeguarding measures are in place and the very highest professional standards are upheld by all serving officers and staff.

As a result of this review, vetting standards and staff have been raised in order to ensure that more robust challenging and standards are assessed before and following recruitment.

- 6.3. Op Admiral continues to review all conduct and crime investigations into staff and officers to ensure that patterns of behaviours are robustly and consistently identified and acted upon.

7. Governance and Controls

- 7.1. The Corporate Governance Framework clarifies the following:

“C4 PREVENTING FRAUD AND CORRUPTION

Overview and Control

The PFCC, the CFO and the CC will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside.

There is an expectation of propriety and accountability on officers, staff, volunteers and members at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The PFCC, the CFO, and the CC also expect that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act towards the PFCC with integrity and without thought or actions involving fraud or corruption.

The key controls regarding the prevention of financial irregularities are that:

Key Controls: Preventing Fraud and Corruption
There is an effective system of internal control.
The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
All officers, staff, volunteers and members will act with integrity and lead by example
Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
Whistle blowing policy and procedures are in place and operate effectively.
Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Preventing Fraud and Corruption
To ensure all staff act with integrity and lead by example.
NCFRA CFO/CC are responsible for preparing an effective anti-fraud and anti-corruption policy and maintaining a culture that will not tolerate fraud or corruption and ensuring that internal controls are such that fraud or corruption will be prevented where possible.
The organisation shall prepare a joint policy for the registering of interests and the receipt of hospitality and gifts covering officers and staff. The policy is published as appropriate on its website and the Force's and Service's website. A register of interests and a register of hospitality and gifts shall be maintained for staff in a manner to be determined by the PFCC.
The PFCC and the CC shall prepare a whistle blowing policy to provide a facility that enables staff, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious and that appropriate action is taken to address any concerns identified. The PFCC shall ensure that all staff are aware of any approved whistle blowing policy.
To implement and maintain an adequate and effective internal financial framework clearly setting out the approved financial systems to be followed.
The PFCC, the CFO and the CC shall notify the PFCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfils the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PFCC, the CC, the PFCC/NCFRA CFO and the CC CFO shall agree any further investigative process. Pending investigation and reporting, the PFCC, the CFO, and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
The PFCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

7.2. Specific controls include:

- Reliable tendering procedures including checks to ensure legitimacy and integrity of suppliers. The NFI analysis described above will highlight any relationships between employees and suppliers that may need investigation.
- Internal audits commissioned to scrutinise adherence to controls and to highlight areas of concern/improvement.
- Regular detailed scrutiny of all expenses/overtime claims and purchase card transactions.
- Regular review of purchase card holders and authorisers, with a focus on reducing the number of cards where possible and checking that purchase limits are appropriate.
- Minimal use of cash and rigid cash handling processes in place.
- Vetting of all officers/staff which is refreshed on a periodic basis.

7.3. The detailed scrutiny of expenses and purchase card transactions do on occasion identify queries for investigation but none of these have recently been found to be fraudulent. Recent examples include:

- Mileage claims where passenger mileage was claimed as well standard mileage. Claims are robustly reviewed and overpayments are reclaimed where cases are identified
- A typographical error was identified where mileage claim was identified for 200 miles instead 20 miles was picked up post payroll review. This was recovered from the individual.
- A case of personal Amazon expenses were put against a corporate purchase card. This was robustly reviewed, including a review by a s151 officer and it was concluded that this was not an instance of fraud but error and the full costs were recovered.

In all cases, where inappropriate claims are submitted corrections are made, and advice was given about attention to detail and accuracy of submissions. On occasion claims have also been referred to PSD for further review and in case of patterns in behaviours, however, no cases of such behaviours have been identified in the period to this report.

8. Internal and external audits

8.1. Internal financial audits which would highlight any potentially fraudulent activity are conducted by Forvis Mazars LLP throughout the year on a cyclical basis, looking at different thematic strands.

- 8.2. External audits which scrutinise the Force's accounting procedures and which would identify and mitigate the likelihood of fraud are conducted annually.

9. Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspections

- 9.1. The PEEL inspection is the programme in which HMICFRS draws together evidence from its annual all-force inspections. The evidence is used to assess the effectiveness, efficiency and legitimacy of the service. HMICFRS introduced these assessments so that the public will be able to judge the performance of their Force and policing as a whole. The **effectiveness** of a force is assessed in relation to how it carries out its responsibilities including cutting crime, protecting the vulnerable, tackling anti-social behaviour, and dealing with emergencies and other calls for service. Its **efficiency** is assessed in relation to how it provides value for money. Its **legitimacy** is assessed in relation to whether the force operates fairly, ethically and within the law.
- 9.2. The legitimacy inspection focused on the extent to which forces develop and maintain an ethical culture to reduce unacceptable types of behaviour among their workforces.
- 9.3. HMICFRS acknowledged that research tells us that the best way to prevent wrongdoing is to promote an ethical working environment or culture and that police leaders need to promote ethical principles and behaviour and act as role models, in line with the Code of Ethics.
- 9.4. The latest [full](#) Northamptonshire Police HMICFRS inspection took place in September/October 2023. No matters of concern in relation to fraud or corruption were highlighted as part of the review.

The report also reported;

'Senior officers instil a positive force culture. The workforce reported a strong sense of belonging and were generally proud to be members of Northamptonshire Police. Senior leaders are committed to developing first-line leaders and make support available to officers entering leadership roles for the first time.'

10. Appendix 1 – Code of Ethics

[Code of Ethics | College of Policing](#)

11. Appendix 2 – National Fraud Initiative 2022/23 Report

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1121678/2022-12-02_NFI_report_2022_12v3_-JQ.pdf



NFI_report_2022.pdf

12. Appendix 3 – Northamptonshire Police latest NFI Results – 2022/23

NATIONAL FRAUD INITIATIVE 2022/2023

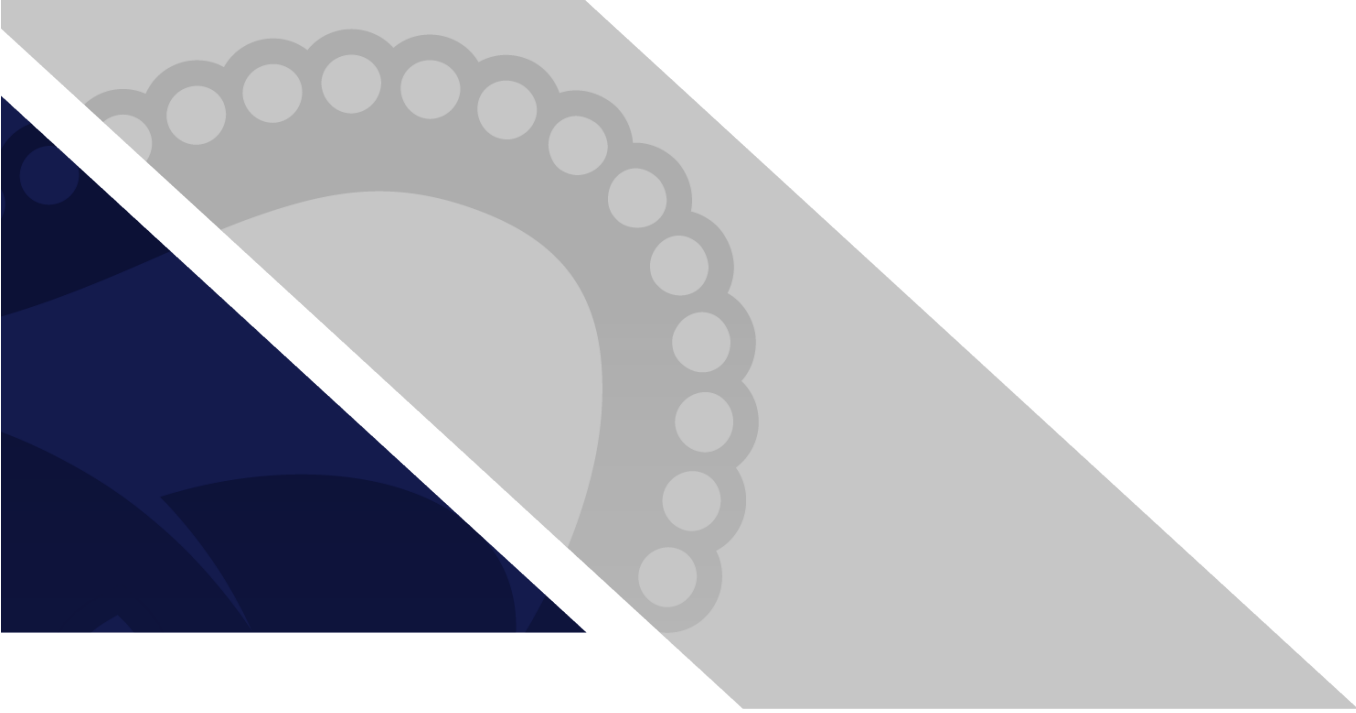
AUTHORITY SUMMARY: Chief Constable for Northamptonshire Police

No.	Report Name	Total Recommended	Total All
66 High	Payroll to Payroll, high quality, between bodies		4
67.1 High	Payroll to Payroll, same phone number, within bodies		1
68.1 High	Payroll to Payroll, same phone number, between bodies		6
78 Info	Payroll to Pensions, high quality, between bodies		6
701 High	Duplicate creditors by creditor name		26
702 High	Duplicate creditors by address detail		13
703 High	Duplicate creditors by bank account number		13
708 High	Duplicate records by invoice amount and creditor reference		105
709 High	VAT overpaid		13
710 High	Duplicate records by creditor name, supplier invoice number and invoice amount but different creditor reference		7
711 High	Duplicate records by supplier invoice number and invoice amount but different creditor reference and name		6
TOTAL			200

13. Appendix 4 – “The Standard” Professional Standards e-magazine



The Standard
Spring-Summer 2024



NORTHAMPTONSHIRE
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Joint Independent Audit Committee

4th December 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	November 2024 Workshop Statement of Accounts	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		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		twice a year for NFRS			Year End Reports 2023/24					Year End Reports 2023/24

		frequency required	13th March 2024	June 2024 Workshop governance and organisational structure	17th July 2024	2nd October 2024	November 2024 Workshop Statement of Accounts	4th December 2024	19th March 2025	9th July 2025
	Internal Audit Plan and Year End Report	and PFCC & CC			Internal Audit Plans 2024/25 NCFRA, PFCC and CC					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	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		

		frequency required	13th March 2024	June 2024 Workshop governance and organisational structure	17th July 2024	2nd October 2024	November 2024 Workshop Statement of Accounts	4th December 2024	19th March 2025	9th July 2025
	Chief Constable Recruitment Update							Chief Constable Recruitment Update		