



Northamptonshire Commissioner Fire & Rescue Authority

**Joint Independent Audit Committee– 19 March 2025**

Internal Audit Strategy Update – DRAFT Operational Plan 2025/26 and Charter

Date Prepared: February 2025

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## Disclaimer

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

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

# 01

Section 01

Introduction

# Introduction

The Internal Audit Strategy (the Strategy) is used to direct Internal Audit resources to those aspects of the organisation that are assessed as generating the greatest risk to the achievement of its objectives. This is subject to review and update on at least an annual basis to ensure it meets the needs of the Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) , including taking account of any areas of new and emerging risk within the Risk Register. The purpose of this document is to provide the Joint Independent Audit Committee with a further update of the Strategy and the proposed 2025/26 Internal Audit Plan (the Plan) for consideration.

In considering the document, the Joint Independent Audit Committee is asked to consider:

- whether the balance is right in terms of coverage and focus;
- whether key areas have been captured that would be expected; and
- whether there are any significant gaps.

We have set out how the 2025/26 Plan was prepared in **Section 02**. This section also sets out the proposed Plan along with a proposed high-level scope for each review.

The updated Internal Audit Strategy for 2025/26 to 2027/28 is set out in **Section 03**.

From September 2023, we harmonised the gradings across our Public and Social Sector clients to allow for better benchmarking within the sector. **Section 04** includes the definition for the new assurance levels and recommendation gradings.

In addition, we are also asking for consideration from the Joint Independent Audit Committee for the Internal Audit Charter in **Section 05**, which we request on an annual basis.

# Scope and Purpose of Internal Audit



## IA's Role

The purpose of internal audit is to provide the Police, Fire & Crime Commissioner and Chief Fire Officer, through the Joint Independent Audit Committee, and management, with an independent and objective conclusion on risk management, control and governance and their effectiveness in achieving the NCFRA's agreed objectives.



## IA Plan

Completion of the internal audits proposed in the 2025/26 Plan should be used to help inform the NCFRA's statement on the effectiveness of internal control within its annual report and accounts



## Objective

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



## Charter

We have included our Internal Audit Charter in **Section 05**. The Charter sets out terms of reference and serves as a basis for the governance of the NCFRA's IA function, establishing our purpose, authority, responsibility, independence and scope, in accordance with the Chartered Institute of Internal Auditor's (IIA) standards.

# 02

## Section 02

### Internal Audit Operational Plan 2025/26

## Preparing the Strategy Update and Operational Plan for 2025/26

As part of our approach, it is important we consider the strategic priorities of the Northamptonshire Commissioner Fire & Rescue Authority (NCFRA), as well as the key strategic risks identified, as we seek to align our risk-based approach accordingly. In preparing the Strategy update, the following activities have been undertaken:

A review of the outcomes of 2024/25 internal audit work

Consideration of the latest assessment of risks facing the NCFRA, as detailed in the Strategic and Departmental Risk Registers

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

Consideration of the results of internal audit across our wider client base

A meeting between Forvis Mazars, OPFCC Chief Finance Officer, Risk & Business Planning Manager and Joint Assistant Chief Officer for Enabling Services (Police and Fire) on 05 December 2024 to discuss the draft plan.

This section includes the proposed 2025/26 Plan. This also includes a proposed high-level scope for each review which will be revisited as part of the detailed planning for each review. Fieldwork dates for each of the audits, including presentation of finalised reports at future dates for Joint Independent Audit Committee meetings have been proposed for discussion and approval with the NCFRA's management.

The Plan will be reassessed on a continual basis in light of emerging risks (including issues identified by Internal Audit). Should this result in a need for significant revisions, the plan will be revised and presented for re-approval to the Joint Independent Audit Committee.

Our professional judgement has been applied in assessing the level of resource required to carry out the audits identified in the strategic cycle. This includes consideration of the complexity of the system, volume and frequency of transactions, sources of assurance and the audit approach to the area under review.

Recommendations made as part of our work will be subject to on-going review as part of our Follow up Audit approach.

# Internal Audit Operation Plan 2025/26

An overview of the Internal Audit Operational Plan 2025/26 is set out below.

Proposed Summary Operational Plan					
Audit Area	Estimated Days	Strategic Objective	Strategic Risk	Target Start Date	Target JIAC
Joint Core Financials	15	Making the Best of our Resources OPFCC – Modern Services that are Fit for the Future	OPF0001	Q2	October 2025
Joint Fleet Management	7	Making the Best of our Resources OPFCC – Modern Services that are Fit for the Future		Q1	July 2025
Grievance Policy	10	Keeping our Staff Safe and Well	OPF0003	Q3	December 2025
Data Quality	10	Making the Best of our Resources	SR34	Q1	July 2025
Workforce Plan	10	Keeping our Staff Safe and Well	SR16 SR37	Q2	October 2025
Prevention	10	Keeping our Communities Safe and Well	SR26	Q3	December 2025
Your Future Service	10	Making the Best of our Resources		Q4	March 2026
Joint IT Audit – Cyber Security	10	Making the Best of our Resources OPFCC – Modern Services that are Fit for the Future	SR35	Q4	March 2026

# Internal Audit Operation Plan 2025/26

An overview of the Internal Audit Operational Plan 2025/26 is set out below.

Proposed Summary Operational Plan					
Audit Area	Estimated Days	Strategic Objective	Strategic Risk	Target Start Date	Target JIAC
<b>Management and Reporting Activities</b>					
Contingency	5			TBC	TBC
Management	10			Ongoing	N/A
<b>Total</b>	<b>97</b>				



# Internal Audit Operation Plan 2025/26

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2025/26 is detailed below, alongside an indicative high-level scope. Please note that the detailed scope of each review will be discussed and agreed with the relevant NCFRA sponsor prior to the commencement of fieldwork.

## Joint Core Financials (15 Days)

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

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

## Joint Fleet Management (7 Days)

To provide assurance with regards to the controls framework in place following the implementation of a joint team and workshop for fleet management and maintenance.

## Grievance Policy (10 Days)

Following a follow-up visit from HMICFRS for the thematic review, the scope will be agreed with management to provide assurance over the work being done to implement recommendations and to identify any further recommendations.

## Data Quality (10 days)

To provide assurance with regards to the governance and controls framework in place following a high uptake of teams utilising PowerBI, teams collecting/using data and with a new standard in place for Fire Authorities/Services.

## Workforce Plan (10 days)

To provide assurance with regards to workforce planning, talent development and succession planning following large numbers of recruitment and changes to pensions altering the workforce profile.

# Internal Audit Operation Plan 2025/26

## Prevention (10 Days)

Whilst the exact scope of review will be agreed with management, the focus will be on providing assurance regarding the management of community risks and vulnerable persons.

## Your Future Service (10 Days)

Whilst the exact scope of review will be agreed with management, the focus will be on providing assurance regarding the change project implemented across the Service.

## Joint IT Audit – Cyber Security (10 Days)

Whilst the exact scope of review will be agreed with management, the focus will be on providing assurance regarding the control framework in place regarding cyber security.

## Management (10 Days)

Resources for client and external audit liaison.  
For example, preparation and attendance at JIAC, strategic and operational planning, meetings with NCFRA Chief Officer Team/Chair of JIAC, preparation of the Internal Audit Annual Conclusion, Annual Internal Audit Plan and other reports to the JIAC, etc

# 03

## Section 03

**Updated Internal Audit Strategy 2025/26 – 2027/28**

# Updated Internal Audit Strategy 2025/26 – 2027/28

The rationale behind the inclusion of each of the areas identified within the Internal Audit Operational Plan 2025/26 is detailed below, alongside an indicative high-level scope. Please note that the detailed scope of each review will be discussed and agreed with the relevant NCFRA sponsor prior to the commencement of fieldwork.

Strategic Risks	Auditable Area	Previous audits		Strategy		
		2023/24	2024/25	2025/26	Indicative 2026/27	Indicative 2027/28
<b>NCFRA Risks</b>						
SR16 – Loss of Staff	Workforce Planning			10		✓
SR37 – Loss of staff due to Industrial Action (includes Action short of strike)						
SR34 – Ability to report on data effectively	Data Quality		TBC	10		
SR26 – Failure to adequately safeguard children and “adults at risk”	Safeguarding		Limited	10		
SR30 – Inability to change culture to embed EDI effectively	EDI Plan	Moderate	TBC			✓
SR35 – Cyber security & ageing systems	IT Audits	Limited	TBC	10		
<b>OPFCC Risks</b>						
OPF0001 – Long term sustainability of Northamptonshire Fire and Rescue Service budget	Medium Term Financial Planning				✓	
OPF0002 – Fire pension detriment						
OPF0003 – Cultural risks in Fire and Rescue Service	Grievance Policies & Procedures	Substantial		10		
	EDI Plan	Moderate	TBC			✓
<b>Management and Control</b>				15	✓	✓

# 04

## Section 04

### Definitions of Assurance Opinions and Recommendations

# Definitions of Assurance Opinions and Recommendations

## Assurance Opinions

From September 2023, we harmonised the gradings across our Public and Social Sector clients to allow for better benchmarking with the sector. This was launched through our new report template.

Definitions of New 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.

## Recommendation gradings

We introduced the following recommendation grading approach to align it with the approach utilised by the Government Internal Audit Agency and enable further benchmarking of the number of recommendations raised per audit area across our wider public and social sector client base.

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.

# 05

Section 05

**Internal Audit Charter**

# Internal Audit Charter

The Internal Audit Charter sets out the terms of reference and serves as a basis for the governance of the Internal Audit function of the Northamptonshire Commissioner Fire & Rescue Authority (NCFRA). It sets out the purpose, authority and responsibility of the function in accordance with the Global Internal Audit Standards (GIAS) of the IIA and the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector. The Charter will be reviewed and updated annually by the Head of Internal Audit.

## Nature and Purpose

The NCFRA are responsible for the development of a risk management framework, overseen by the Joint Independent Audit Committee, which includes:

- Identification of the significant risks in the operations and allocation of a risk owner to each;
- An assessment of how well the significant risks are being managed; and
- Regular reviews by the NCFRA's Chief Officer Team and the Joint Independent Audit Committee of the significant risks, including reviews of key risk indicators, governance reports and action plans, and any changes to the risk profile.

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

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

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework (IPPF) as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'

Internal Audit carries out assurance and consulting activities across all aspects of the NCFRA's business, based on a programme agreed with the Joint Independent Audit Committee, and coordinates these activities via the assurance framework. In doing so, Internal Audit works closely with risk owners, and the NCFRA's Chief Officer Team .

In addition to providing independent assurance to various stakeholders, Internal Audit helps identify areas where the NCFRA's existing processes and procedures can be developed to improve the extent with which risks in these areas are managed; and public money is safeguarded and used economically, efficiently and effectively. In carrying out its work, Internal Audit liaises closely with the NCFRA's Chief Officer Team and management in relevant departments.

The independent assurance provided by Internal Audit also assists the NCFRA to report annually on the effectiveness of the system of internal control included in the Annual Governance Statements.

## Authority and Access to Records, Assets and Personnel

Internal Audit has unrestricted right of access to all the NCFRA's records and information, both manual and computerised, and other property or assets it considers necessary to fulfil its responsibilities. Internal Audit may enter business property and has unrestricted access to all locations and officers where necessary on demand and without prior notice.

Any restriction (management or other) on the scope of Internal Audit's activities will be reported to the Joint Independent Audit Committee.

Internal Audit is accountable for the safekeeping and confidentiality of any information and assets acquired in the course of its duties and execution of its responsibilities.

Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, and which external audit would need to discharge their responsibilities.



# Internal Audit Charter (continued)

## Responsibility

The Head of Internal Audit is required to provide an annual conclusion to the NCFRA, through the Joint Independent Audit Committee, on the adequacy and the effectiveness of the NCFRA's risk management, control and governance processes.

In order to achieve this, Internal Audit will:

- Coordinate assurance activities with other assurance providers as needed (such as the external auditors) such that the assurance needs of the NCFRA, regulators and other stakeholders are met in the most effective way
- Evaluate and assess the implications of new or changing systems, products, services, operations and control processes.
- Carry out assurance and consulting activities across all aspects of the NCFRA's business based on a risk-based plan agreed with the Joint Independent Audit Committee. Provide the Police, Fire & Crime Commissioner and Chief Fire Officer with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issue periodic reports to the Joint Independent Audit Committee and the NCFRA's Chief Officer Team summarising results of assurance activities.
- Assist, when requested, in the investigation of allegations of fraud, bribery and corruption within the NCFRA and notifying management and the Joint Independent Audit Committee of the results.
- Assess the adequacy of remedial action to address significant risk and control issues reported to the Joint Independent Audit Committee. Responsibility for remedial action in response to audit findings rests with line management.

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

When carrying out its work, Internal Audit will provide line management with comments and report breakdowns, failures or weaknesses of internal control systems together with recommendations for

remedial action.

However, Internal Audit cannot absolve line management of responsibility for internal controls.

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

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

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### Statement of Responsibility

We take responsibility to the Office of the Police, Fire & Crime Commissioner for Northamptonshire and Northamptonshire Commissioner Fire & Rescue Authority 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.

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