Agenda Item 6b

Northamptonshire Commissioner Fire & Rescue Authority
Joint Independent Audit Committee
Draft Internal Audit Annual Report 2025/26

Prepared by: Forvis Mazars
Date: May 2026

forvis mazars

Contents

01 Introduction

Forvis Mazars LLP are the appointed internal auditors to Northamptonshire Commissioner Fire & Rescue Authority (NCFRA). This report summarises the internal audit work undertaken by Forvis Mazars in 2025/26, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

During the year, the NCFRA retained a full scope internal audit service for 2025/26 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Conclusion on the NCFRA arrangements for risk management, control and governance.

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

Scope and purpose of internal audit

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

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

Responsibility for a sound system of internal control rests with the Board and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

The report summarises the internal audit activity and, therefore, does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to the JIAC during the course of the year.

Performance against the Internal Audit Plan

The Plan for 2025/26 was considered by the JIAC on 19 March 2025. In total the Plan was for 97 days, including 10 days of Audit Management and 5 days of Contingency.

As noted in the 2025/26 Internal Audit Plan, the approach is a flexible one and, where risks emerge, change or are effectively mitigated, the internal audit plan is reviewed and changes therefore may occur during the year.

The audit findings in respect of each of our finalised reviews, together with our recommendations for action and the management response, were set out in our detailed reports, which have been presented to the JIAC over the course of the year. In addition, we have presented a summary of our reports and progress against the Plan within our Progress Reports to each JIAC.

A summary of the reports we have issued is included in Section 03, additionally Appendix A1 describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

01 Introduction (Cont.)

Acknowledgements

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

Sampling Methodology

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

02 Audit Conclusion

Our conclusion

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

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

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

A 'Substantial' assurance conclusion was provided for the Project Management internal audit.

Scope of Conclusion

In giving our internal audit conclusion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the NCFRA is a reasonable assurance that there are no major weaknesses in risk management and internal control processes.

The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at our conclusion, we have taken the following matters into account:

- The results of all audits undertaken as part of the plan;
- Whether or not any 'High'' or 'Medium' recommendations raised have not been accepted by Management and the consequent risks;
- The extent to which recommendations raised previously, and accepted, have been implemented;
- The effects of any material changes in NCFRA's objectives or activities;
- Matters arising from previous reports to NCFRA;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of NCFRA; and
- The proportion of NCFRA's internal audit needs have been covered to date.

Further detail on the definitions of our conclusions raised in our reports can be found in Appendix A1.

Reliance Placed on Third Parties

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

02 Audit Conclusion (Cont.)

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

Corporate Governance

Governance is a consideration within all our audit engagements, and Audit did not find any significant issues with respect to governance controls across the audit plan.

Risk Management

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

During the course of delivering the 2025/26 audit programme, a key element of each audit scope was to evaluate the control environment and, in particular, how key risks were being managed. As summarised in the 'Internal Control' section below, we were able to place reliance on the systems of internal control and the manner in which risks were being managed by the NCFRA.

Internal Control

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

We have made a total of 31 new recommendations during the year at the NCFRA, with two recommendations categorised as 'High', 13 categorised as 'Medium' and 16 categorised as 'Low'.

The number and priority of recommendations raised across the audit plan supports the overall assessment that some improvements are required to the framework of governance, risk management and control. The recommendations raised were done so to improve the existing frameworks or highlight areas of non-compliance within the current control environments.

03 Internal Audit Work Undertaken in 2025/26

The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports.

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

Ref	Audit area	Assurance level	Recommendations				Accepted	Not accepted
			High (Priority 1)	Medium (Priority 2)	Low (Priority 3)	Total		
	Project Management	Substantial	-	-	4	4	4	-
	Data Quality & Management Information	Moderate	-	2	2	4	4	-
	Prevention	Moderate	-	2	2	4	4	-
	Disciplinary Process & Management – draft	Moderate	-	1	2	3	-	-
	Workforce Plan – draft	Moderate	-	2	-	2	-	
	Joint Fleet Management	Moderate	-	2	2	4	4	-
	Joint Core Financial	Moderate	-	3	3	6	6	-
	Joint IT Audit Cybersecurity – draft	Limited	2	1	1	4	-	-
	Total		**2**	**13**	**16**	**31**	**22**	**-**

04 Internal Audit Plan 2024/25 vs Budget

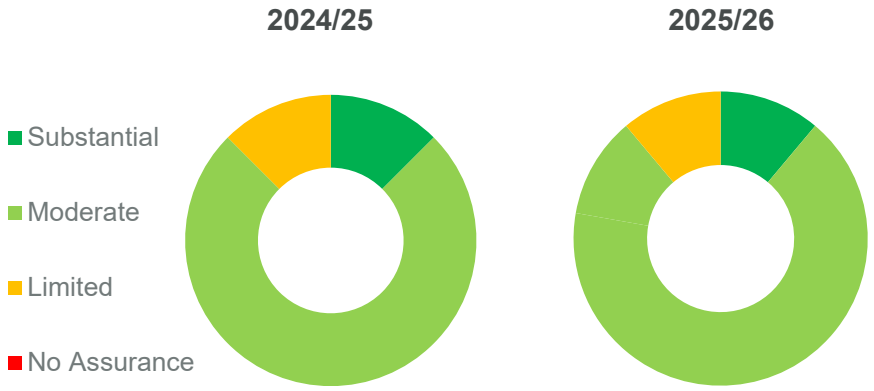
The Internal Audit Plan for 2024/25 was for a total of 97 days.

Audit area	Planned days	Actual Days	Difference	Status
Joint Core Financials	15	13	-2	Final Report
Joint Fleet Management	7	7	-	Final Report
Grievance Policy – replaced with Disciplinary Process & Management	10	10	-	Draft Report
Data Quality	10	10	-	Final Report
Workforce Plan	10	10	-	Draft Report
Prevention	10	10	-	Final Report
Your Future Service – replaced with Project Management	10	10	-	Final Report
Joint IT Audit – Cyber Security	10	10	-	Draft Report
Contingency	5	-	-5	
Management	10	10	-	
Total	**97**	**90**	**-7**	

05 Benchmarking

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

Comparison of Assurance Levels

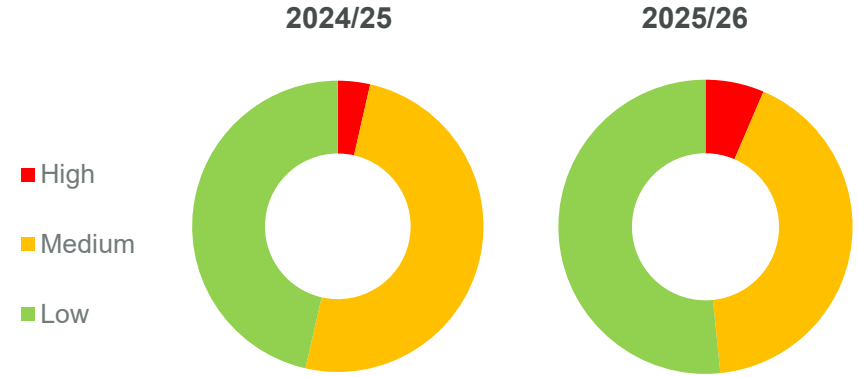


In 2024/25, there were eight strategic audits completed. One received 'Substantial' assurance, six received 'Moderate' assurance and one received 'Limited' assurance.

In 2025/26, there were eight strategic audits completed. One received 'Substantial' assurance, six received ' Moderate' assurance and one received a 'Limited' conclusion.

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

Comparison of Recommendation Gradings



The total number of recommendations made in 2025/26 was 31, which was a slight increase in recommendations from 2024/25 where 28 recommendations were raised. There has been two High priority recommendation raised this year

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

06 Performance of Internal Audit

We have provided some details below outlining our scorecard approach to our internal performance measures, which supports our overall annual conclusion.

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of NCFRA at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

In fulfilling our role, we abide by the professional standard for internal audit which is governed by the International Professional Practices Framework (IPPF) which includes the Global Internal Audit Standards (GIAS) established by the Institute of Internal Auditors (IIA), alongside the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the JIAC. We have reported all KPI data in our JIAC progress reports.

Regular discussions on progress against the Audit Plan have taken place with the OPFCC Chief Finance Officer.

Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Internal Audit Quality Assurance

In order to ensure the quality of the work we perform; we have a programme of quality measures which includes:

- Supervision of staff conducting audit work;
- Review of files of working papers and reports by Managers and Partners;
- Annual appraisal of audit staff and the development of personal development and training plans;
- Sector specific training for staff involved in the sector;
- Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and
- The maintenance of the firm's Internal Audit Manual.

07 Internal Audit Quality Assurance

Our commitment on quality and compliance with the IIA's standards
Forvis Mazars is committed to ensuring our work is delivered at the highest quality and compliant with the Global Institute of Internal Auditors' International Professional Practices Framework (IPPF), which includes the International Standards for the Professional Practice of Internal Auditing (Standards). Our public sector work also conforms with the Global Internal Audit Standards (GIAS) and the CIFPA Application Note: Global Internal Audit Standards in the UK Public Sector.

Our quality assurance and quality control requirements are consistent with the GIAS. These requirements are set out within our internal audit manual covering internal audit assurance and advisory work and which is structured to ensure our approach/methodology is compliant.

All internal audit staff conduct an annual declaration confirming awareness and compliance with the IPPF and GIAS.

All work undertaken must have met the requirements of our manual before it can be signed out and issued to a client.

Our work is structured so that on-site auditors are supervised and are briefed on specifics relating to the client and internal audit work. Each review is overseen by a management team member, responsible for undertaking first-line quality reviews on working papers and reports and ensuring quality service provision by our team.
All reports must be reviewed and signed out by the engagement Partner, in line with the specific requirements set out within our delegated authorities. Evidence of this sign out is retained.

We have a formal system of quality control that our Advisory and Consulting Quality Board leads. There is a specific Forvis Mazars methodology for quality review of internal audit work. This is structured to cover the work of all engagement managers, directors, and partners during each year.
Our quality process takes a two-fold approach:
1. In-depth qualitative reviews assess specific audit engagements against all auditable elements of the Standards and many specific Forvis Mazars policies.
2. We also undertake quarterly compliance reviews of the work of all engagement managers, directors, and partners, which ensure that critical elements of compliance (such as evidence of report reviews and sign-outs) are present.

The results of our compliance reviews are discussed with the firm's Executive Board, which demonstrates the importance that the firm's partners attach to this exercise. The results of an individual partner's work review are considered in the reward system for equity partners.

Our Internal Annual Assessment of Conformance with the Global Internal Audit Standards in the UK Public Sector resulted in 'generally conforms' with minor deviations in the areas of the 2025-26 internal audit strategy and co-ordination with external assurance providers other than External Audit, The 2026-27 internal audit strategy was updated to correct this deviation, and we have reflected in the Internal Audit Charter that co-ordination with external assurance providers is not always possible.

External quality assessment (EQA)
As noted above, we can confirm that our internal audit work is undertaken in line with the IPPF and GIAS. Under this there is a requirement for internal audit services to be subject to an independent EQA every five years. Our last assessment took place during December 2024. The review concluded that Forvis Mazars – Digital and Risk Consulting – Public and Social sector service "generally conforms to the requirements of the International Professional Practices Framework for Internal Audit and the Public Sector Internal Audit Standards". This rating is the highest rating that can be achieved.

Appendices

A

- A1 – Definitions of Assurance

A1 Definitions of Assurance

Assurance Gradings

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

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

Recommendation Gradings

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

Priority	Description
High (Priority 1)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.
Medium (Priority 2)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Low (Priority 3)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Annual conclusion

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

Opinion	Definition
Substantial	The framework of governance, risk management and control are adequate and effective.
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Contact

Forvis Mazars

David Hoose
Director
Tel: +4 7552 007 708
david.hoose@mazars.co.uk

Sarah Knowles
Internal Audit Manager
Tel: +44 7917 084 604
sarah.knowles@mazars.co.uk

We take responsibility to the Office of the Police, Fire & Crime Commissioner (OPFCC) for Northamptonshire and Northamptonshire Commissioner Fire & Rescue Authority (NCFRA) for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an conclusion 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.

forvis mazars