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

JOINT INDEPENDENT AUDIT COMMITTEE

27th July 2022 10.00am to 1.00pm

Microsoft Teams virtual meeting

If you should have any queries in respect of this agenda, or would like to join the meeting please contact Kate Osborne 03000 111 222
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
	Public meeting of the Joint Audit Committee			
	There will be a private meeting of the committee members with the auditors without officers or the public present before the start of the formal meeting.			10-10.15
	Public meeting of the Joint Audit Committee			
1	Welcome and Apologies for non- attendance			10:15
2	Declarations of Interests			10:20
3 (pg5)	Meetings and Action log 9th March 2022	HK/KO	Reports	10.25
4 (pg14)	JIAC annual report	AB	Verbal/ Report	10.35
5a (pg32) 5b (pg57)	Internal Auditor Progress Reports PCC & CC NCFRA	Mazars JF	Reports	10.45
6a (pg65) 6b (pg81)	Year End reports PCC & CC NCFRA	Mazars JF	Reports	11:00
7 (pg 95)	Audit implementation update NFRS	JO	Reports	11:15
8a 8b (pg136)	External Audit update 2020/2021 PFCC & CC NCFRA	EY	Verbal Report	11.25
9	Systems Implementations	PB	Verbal	11.45
10 (pg162)	Agenda Plan	KO	Report	12.05
11	AOB	Chair	Verbal	
12	Confidential items – any	Chair	Verbal	
	Resolution to exclude the public	Chair	Verbal	
	Items for which the public be excluded from the meeting: 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: *"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".*			
13 (pg165)	HMICFRS update – NFRS	RP	Reports	12.20

14 (pg167)	Benefits realisation	PB	Report	
15	Future Meetings held in public: - 27th July 2022 - 5th October 2022 - 14th December 2022 - 15th March 2023 Future Workshops not held in public: - 14th September workshop – Police Accounts - 1st November Workshop – Fire Accounts			12.30

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

1 vacancies for JIAC members

* * * * *

Agenda Item : 3

Joint Independent Audit Committee (JIAC) ACTION LOG –9th March 2022

Attendees: Members: Ann Battom (AB), John Holman (JH), Edith Watson (EW), Alicia Bruce (ABR)

Helen King (HK), Kate Osborne (KO), Vaughan Ashcroft (VA), Julie Oliver NCFRA Officer (JO), Jacinta Fru (JF), Megan Roberts (MR), Neil Harris, EY (NH), Simon Nickless (SN), Nick Alexander (NA), Duncan Wilkinson (DW), Mick Stamper (MS), Sarah Johnson (SJ); Alexander Campbell (AC); David Hoose (DH); Robin Porter (RP); Julie Kriek - EY (JK); Hussain Ghulam - EY (HG)

Agenda	Issue	Actions	Comments/ actions
1	Welcome and apologies		Nicci Marzec (NM), Mark Lunn (ML)
2	Declarations of Interests		None
3	Meeting Log and Actions – 15th December 2021		1. JH – suggested adding reference numbers to Actions 2. Value for money audit – fire YES complete – Police live in progress as is part of the statement of accounts
4	JIAC self assessment	i. AB – propose plan of action that can be presented to PFCC along with timeframe to improve satisfaction ii. AB to decide how best to report feedback to JIAC and HK to facilitate	1. 3 negative responses, 14 partly satisfied 2. Since AB appointment as chair, change of membership, recruited new member, AB reviewed skills matrix and keen to utilise and target the expertise of members. Looking to recruit a further member 3. AB aims to become more cohesive and use member knowledge 4. AB – plans to plan of action that can present to PFCC along with timeframe to improve satisfaction 5. How to share with JIAC? – HK happy to facilitate any approach the chair thinks would be useful and once AB has a view will liase with VA, PFCC, CC and CFO to do so.
5	Internal Auditor Progress Reports PCC & CC	i. DCC/ PB to confirm timescales in relation to completion dates	1. Mazars – DH – pg 14 – sets out where we are and two finalised since last JIAC – satisfactory assurances 2. The business change has been finalised and issued. 3. 14 – minor tweaks of some audits based on discussions with management to ensure best value.

| | | ii. VA - feedback required on disaster recovery process once future systems are established | 4. IT audits – IT auditors have met with management to plan and schedule.
5. AB – will this be completed by end of March ? **DCC/PB to confirm timescales**
6. AB – why delays – resource challenges and availability of management
7. Workforce planning – priority 3 recommendations included. These are included for completeness
8. Core financials – moved to performance dashboard. So you can see where positive assurance is given and issues arriving are clear. Including the MFSS project end.
9. JH – have delays now been address (the reasons) so these delays will not be experienced in the future. DH – comfortable they are – difficulties with vetting of new staffing members
10. AB - Correct purchase order is noted on invoice itself – basic? VA yes this is done, but there was some examples of this not happening which is being addressed.
11. AB – recommendation 3 priority 2 – April 2022 – data checks as part of future systems – these checks are being considered? VA - Until we know full functionality of system we don't know what these controls are but they will be sufficient.
12. JH – pg 24 – do we operate a commitment accounting system so we know what invoices we are expecting? – VA - yes – new set up will allow good overview – receipted and unreceipted. |
| | NCFRA | i. JF - follow up on limited assurance reports to provide assurance on their progress | 13. DW – similar to Mazars – standard update for Fire Authority.
14. Highlighting and forecasting for completion
15. Overlap has been agreed (should there be any)
16. All audits are completed or well in progress
17. Current report summary
18. DW – two reports limited assurance – neither are surprises to NCFRA, management are aware of. Audit committee are reminded that management target audits at areas where they have uncertainty or need to understand risks or have concerns – therefore - limited assurance audits give good information to enable management to improve controls. Management have agreed recommendations and will follow up to assure completed/ implemented.
19. Disaster recovery – not a good place to be, but a good amount of pace is being provided.
20. EW – item 2:2 – seems to be a feel of carrying over audits is culturally acceptable. Are we sure we can get back to timetables being kept to? Combination of audit resource, timing and client needs. Standard mechanism within internal audit that consider service pressures. EW – reassuring to know there is a buffer of this. is it planned to take place in best order? Q4 – financial audits usually due to external audit requirements. Operational flexibility . HK – 1.) yes - all services would like timetables kept to – want them kept to |

			the internal audit management opinions but its important to be flexible – with changing and unknown external audit dates finance teams can only service so many auditors at any one time and we prioritise the external audits and move internal audits if needed. 21. JF – report produced end of Jan/ Feb – there has been significant progress since the writing of report. 22. ABR – when is follow up audit and are management satisfied with follow up/ sufficient progress? – DW – apply an efficient process to follow up – they are batched and follow up as a group. There may be an interim follow up required. Latest would be 6 months. Essential recommendations would be followed up sooner than 6 months. Beginning of April plan to follow up on recommendations. Mid April should have assurance about implementations. And update presented at following JIAC 23. HK – wanted to acknowledge that DW last meeting with JIAC and he has been fundamental in setting up the fire internal audit plans and activities post governance – thanks given by the JIAC
6a	Internal Audit plans PCC & CC	i. Mazars and JF to provide assurance around firming up the dates on audit plans. Can these be emailed to JIAC members prior to July meeting	1. Mazars – DH – based on mazars details from risk registers. Meeting with various meeting to generate the plan 2. Pg 46 – balanced plan, also areas of new concern included. 3. Good mix across force and OPFCC 4. Good new and emerging risks included. 5. Will be kept under review should there be emerging risks as the year goes forward 6. 46 – IT – amended NOT cyber security – IT disaster recover 7. Internal audit charter – confirmation of roles and responsibilities across organisations 8. AB – cyber security – high risk currently – suggestion to bring forward. EW – critical at the moment. Cyber security is forming part of 2021/22 plan 9. SN – can't afford to wait for audit to assess. Work with national monitoring centre, looking constantly at firewalls and threats. Prompted a tabletop of systems and recovery. Constantly looking at log 4 jam – given good sense of depth of penetration. A lot of demand for Pen testing. Issue with liabilities at the moment. SN – reassured JIAC it is a high priority for force currently. Focus on prevention at the moment. 10. ABR – how many days audit will cyber be – likely 10 11. JH – how can we firm up on dates in plan to avoid chasing plan – DH – communication with clients/ teams is vital for this. 12. Mazars in house have specialist IT audit teams

6b	NCFRA	ii. HK and AB to discuss outside of meeting the assurance that would be useful for JIAC members without presenting ToR	13. JF – similar to process at mazars – similar exercise – section2 and 3 – details work involved in generating plan. Very collaborative with fire management 14. Pg62 summary provided. 15. Have tried to reflect the plan against the risk register. 16. AB – annex B – nothing scheduled for Q1 – and then light Q2 and heavier for Q3 and Q4 – Q1 light because there was anticipation of previous CF 17. JF – considering bringing some back to Q1 18. IT – more firmed up on where we are with things. JF – currently flexible if others need moving forward to Q1 **19.** AB – would like PB to provide assurance around firming up of dates – can these be emailed to members prior to July meeting **– Action Mazars and JF to circulate.** 20. EW – programme management governance – what were key elements for audit – JF – fire involved in big projects (integrating with police) and going to look at overarching governance on these projects. EW – would prefer overall structure and then individual elements. HK advised that every audit has a ToR about what each of the areas will cover which is agreed by management that it covers the areas they wish to be reviewed effectively **21.** HK and AB – happy to discuss outside of the meeting what AB assurance would be helpful for members without presenting ToR to the Committee,
7	Audit implementation update PFCC & CC	i. DCC - health and safety audit aim to be completed by end of March 2022 – update required	1. SN – hope the report is self explanatory – updates from governance and force assurance boards feed into report 2. Progress in a number of areas. 3. Fleet – pleased with significant progress 4. One area that is overdue – and will be addressed – is Health and Safety policy. 5. SN – health check areas – risks are either accepted or progress is accepted. 6. Windows and updates – there is a replacement schedule. Higher risk ones taken first. 7. It is reviewed regularly 8. JH – on pg 87- health and safety Feb 2021(date is WRONG) –SN - meeting has taken place. It is on final draft – prepared to sign off outside of board to ensure progress. Aim to be by end of March 2022
8 A	External Auditor Report PFCC & CC	i. NH – to have discussions and present more realistic timescales at AB request. ii. NH – to keep JIAC members informed of any	1. Introduce team at JIAC meeting 2. We think backstop position will be end of May, and if this can be moved forward this will happen 3. 1.) EY – awaiting feedback from EY estate team to look at valuation assumptions – expected early April. 2.)2-3 week resource need to support team to conclude assessments. 3.) would like to agree how committee receives audit reports.

B	NCFRA	slippage to deadlines/ timescales	4. GH – once done with field work. So far no adjustment to highlight at this point in time. 5. AB – what was the original date set for conclusion – NH – end of March – rescheduled group of audits but because of constraints at end of 2021 – NH does feel field work will largely be concluded at end of march. Because of nature of MFSS system it means it can be difficult to get data analytics/ mapping of data from the system. 6. AB - Real estate team delays? – more feedback from regulatory reviews regarding setting asset regulation strategies. These have taken longer than anticipated. Also estates are juggling audits from multiple sources. Turnaround time is longer than anticipated. 7. AB – delay concerns – HK – realistically involving Easter and new finance systems and felt best to report with pragmatic date., therefore, given impact on workloads with new systems implementation on top of year end, internal audits, BAU, and outstanding EYRE info, NH, VA and HK have agreed that end May is a more achievable timescale. 8. PB – end of May – more realistic timeline. 9. AB – when are the dates going to be issues 21/22 – NH – agreeing principles about scheduling. May – more fuller discussion about realistic discussions about timeframes. 10. JH – please keep JIAC members informed about any slippage. 11. NCFRA has been issued – thanks given to teams which ensured they were completed by end of February. 12. Concluded audit (unqualified) no significant weakness recorded 13. Certify closure is delayed due to government accounts process announcement, next item will be annual audit report. Will set out public facing summary. Also commentary on value for money arrangements and proposed position on fees subject to PSAA. 14. HK – thank you to NH and team and VA, NA and the finance team – a lot of work and much appreciated.
9	Treasury Management Strategy and mid-year update to Q3 PCC & CC		1. This is now joint across police and fire and OPFCC 2. Substance largely what has been presented before 3. Reports have been seen by commissioner 4. 1st part highlights purpose and links to legislation 5. Links with police and crime panel 6. P 126 capital finance 7. P128 – highlight cashflow – cash injection July 8. Borrowing strategy same? 9. Table p 131 – expecting to have invested and forecast interest rates (advised by treasury management consultants) 10. Treasury management reporting details – 132

| | NCFRA | | | 11. Questions:
12. AB – how do we know the position won't change or what is the process for agreeing those? – VA – cash is looked at daily, then reported on Monthly basis and then HK and VA quarterly updates. Also scheduled in points of need for borrowing raised? Any variations outside of normal business are provided in writing
13. AB – wanted to ensure changes are documented
14. EW – important to be aware of decisions and reasons for decisions are documented. Perhaps ride log could assist with this? – HK assured members there was a clear audit trail for this.

15. Mid year update 2021-22 strategy
16. 149 – describing of 10 year load – for Darby House. Significantly increased external debt. All included in 2021/22 strategy.
17. Continually revise assumptions about interest received.
18. Credit ratings – reviewed regularly. No changes to mention
19. Authorised limits (152) well below authorised limit and boundary.
20. Maturity structure of debt – £1.3M was a long term debt, other borrowing impacts this indicator so this has been revised and revised limited issued (breaches section)
21. JH – investments – the ethical side of borrowing strategy and where we invest our money from? NA – under strategy we don't have ethical strand but clear requirements do not allow heavy investment in money market those have been institute based. Don't invest in 3rd party investment. What is being invested in is considered. This would also be covered within the corporate governance framework.
22. AB – mentioned about treasury management training – has this happened? – VA more about CPD – we do use treasury management consultant for awareness day (minimum once per year).
23. NA expecting update on alternative methods of financing in near future
24. VA – general training – update training from CIPFA and annual meetings with EY – workshop to go through accounting regulations. And use VAT consultant who provide hours per year on training.
25. How long have we used the link group? – a while – 4/5 years
26. Key differences – NA
27. 160 – similarly with police, fire also receives its top up grant in July. Consistent within both years – we are expecting next year this will change due to increase of capital payments.
28. We expect 163 – 11:3 – fire expected average balance is expected to pick up (interests rates) |

			29. Section 15 – similarly to first table – shows minimum revenue provisions. As you would expect the capital program costs to increase as more activity happens. Within the boundaries. Forecast within the medium term. 30. AB – all included in medium term finance plan – and is this achievable and deliverable – NA YES 31. There are challenges but these have been forecast in capital programme.
10	Enabling Services Update		1. PB updated on changes – now completed TUPE of employees. They are all 'police' employed across all departments. This is helping to address of cultural change from both previous organisations. 2. Police employed but NOT police providing service this is a SHARED service. 3. FINANCE - 1.)in the final throes of exiting MFSS – system and service change as of 1st April for Police and Fir ethe year after. Going well. On track. Will not be finished product but will work and will build upon and change going forward. 2.) vast amount of work ongoing in unwinding MINT 4. ESTATES AND FACILITIES – joint department. Reviewing the last 18months – have things been set up the right way. 5. DIGITAL TECH – massive recruitment – challenge. Digital strategy has been received and this will be joint. 6. HR – police uplift. Bringing together and working more agile team are more of one team than silos 7. TRANSPORT and LOGISTICS – new systems, Tranman, telematics, garage on horizon (2023), what does the structure look like as it becomes one. 8. AB – sceptical about positivity 9. EW – portfolio approach background of management – PB – programme manager for future systems, pre that comes from commercial sector. Bringing structure to DT portfolio. New portfolio tool – PB nearly at point of pressing go for procurement, need to now do it. Links nicely with Microsoft world 10. EW – concern – only going to work with good project management how handling – PB – looking at getting the right people involved. Training programmes across departments considered. Any pilot stuff? No, aiming to iterate and how we can best use the tools. 11. JH – report for discussion not just to note. If we going to be able to ask reasonable questions – can we have milestones against objectives. Level above operational. What does the change of culture look like and how are we moving towards achieving. Strategic level of asking the right questions. PB – yes this can be incorporated in next report 12. AB – culture – 13. ABR – what's overall governance structure? – PB – day to day – PB has two bosses – both chiefs (constable and fire) and also reports to PFCC for OPFCC – so governed

			through usual governance within police or fire. There is an enabling services board with the two chiefs. 14. ABR – how tracking benefits realisation? - at enabling services board these are tracked here. -
11	JIAC workshop – Estates feedback		1. JH – really good meeting, informative JIAC to understand pressures team are under and time horizon of planning and how small estates element compare to other budget demands. 2. Timeframe for planning seemed to be very short and it was the JIAC recommendation that this was being addressed by officers to extend this planning horizon – 20years. Would be welcome. 3. Also looking at potential conflicts in the future will be benefitted through a longer plan. 4. AB – hugely informative and good discussions
12	JIAC recruitment update		1. ABR in post – vetting approved to follow with contract 2. JH – remote accessing for future 3. Waiting 6 months to go out for recruit again
13 (pg193)	Agenda Plan	i. KO - dates for accounts workshop TBC ii. HK – confirmation of statutory date of publish	1. AB – any nearer to date for accounts workshop? 2. Statutory date for publish is end of July 3. We could pencil something in- Sept Police, Oct/ Nov for Fire? 4. Kate to build into diaries to pencil in dates pending audit confirmation of dates
	AOB		
14	Confidential items – any		
16 (pg196)	HMICFRS update – CC		1. SJ – superintendent for corporate services 2. Progress of PEEL inspection and roadmap forward for areas of improvements and how they are being progressed within force. 3. Number of benchmarking exercises taken place.

			4. New PEEL processes. Introduced another grading (good split into good and adequate). 5. Pg 3 – roadmap – proposed and also started to implement. Some areas of improvement are assessed as complete as work has continued since inspection and publication of PEEL report 6. AB – on target for Q1 – on 4 and 5 where it says on progress are there timescales for this? this would be very difficult as there are some differences, but ultimately there will be milestones set next to these.
17 (pg202)	Risk Register Update NCFRA		1. Previously presented in July 2021 2. New risk relates to the MINT delivery of procurement service to Fire which has been reduced down due to plans in place. 3. No increasing risks 4. Closed a few risks down. 5. 3 risks decreased in severity
18	Internal and External Audit Procurement - Update	i. HK - update JIAC as year progresses	1. Helpful to let members know 2. Internal – contract due to end in March (policing), regional contract. Was discussed regionally and have accepted a extension with Mazars so that we can procure as 5 from 1st April 2023 3. HK will update as year progresses. Derbyshire to lead the procurement 4. External – current external contract all three organisations had signed up to the public sector appointments scheme. All in 5 years contract due to finish 22/23 5. Frustrations around PSAA. Discussed with contacts regionally 6. Identified limited pool for procurement, only effective way forward would be a collective procurement. So we have opted into the PSAA arrangements.

NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION, NORTHAMPTONSHIRE FIRE AND RESCUE AUTHORITY and NORTHAMPTONSHIRE POLICE

JOINT INDEPENDENT AUDIT COMMITTEE

TO THE POLICE FIRE AND CRIME COMMISSIONER OF NORTHAMPTONSHIRE AND THE CHIEF CONSTABLE OF NORTHAMPTONSHIRE POLICE

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 OF THE JOINT INDEPENDENT AUDIT COMMITTEE

1. Introduction

The Joint Independent Audit Committee (JIAC) provides independent assurance that adequate corporate and strategic risk management arrangements are in place for the Police and Crime Commissioner for Northamptonshire (PFCC – acting as PFCC and NCFRA) and the Chief Constable (CC). It jointly advises the PFCC and the CC on governance matters as well as good practices.

The Chartered Institute of Public Finance and Accounting (CIPFA) guidance, recommends that the JIAC report annually on how they have discharged their duties and responsibilities.

This report provides the PFCC and CC with a summary of the Committee's activities in the financial year 2021/22. It also seeks to provide assurance that the Committee has fulfilled its terms of reference, and added value to the overall governance arrangements that were in place for both the PFCC and the CC.

Like the previous year, 2021/22 has continued to be been adversely affected by COVID-19, which has exercised the full resources of the Counties Police Force, the NHS and all Emergency services.

The Committee wishes to record its gratitude to the Chief Officers from Police and Fire for their constant support and to the staff of all three organisations who have attended JIAC meetings and who ensure that it has been able to carry out its

business efficiently during periods of enforced lockdown. To this list I would like to add Internal Audit and External Audit who have assisted the Committee to fulfil its role.

I pay tribute to colleagues John Beckerleg and Gill Scoular, our outgoing JIAC Chair and Member respectively, who retired earlier this year, having extended their tenure in order to alleviate the pressures caused by COVID-19 pandemic.

I would like to record my thanks to them and my fellow JIAC members for their wise advice and invaluable efforts throughout this year. Steps are being taken to appoint a new member to bring the JIAC to full compliment

2. Role of the Committee

The current purpose of the Committee is:

'To support the Police Fire and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments and the integrity of financial statements and reporting.'
The Police, Fire and Crime Commissioner as corporation soles for both PFCC and NCFRA.

This is the ninth Annual Report of the JIAC and it sets out how the Committee fulfilled its purpose and responsibilities in 2021/22.

> The JIAC seeks to provide independent assurance to the three organisations through a review of:
>
> Corporate Governance
>
> Internal Control Environment
>
> Corporate Risk Management
>
> Regulatory Framework
>
> Internal Audit
>
> External Audit
>
> External Financial Reporting
>
> Updates on Inspections and Reviews (HMICFRS)
>
> Counter Fraud

It will seek assurance on the effective and timely implementation of recommendations and action plans.

The JIAC provides the independent assurance function to the PFCC and should discharge the responsibilities of the PFCC (acting as PFCC and NCFR) and the CC in independent assurance. The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the function and operation of Police Audit Committees and sets criteria for assessing the effectiveness of the JIAC, which forms an integral part of this report:

Additionally, this report provides the PFCC and CC with a summary of the areas of work considered by the JIAC during the year ended 31 March 2022. This is in line with the CIPFA guidance that recommends that Audit Committees should report annually on how they have discharged their responsibilities.

The full responsibilities of the JIAC are contained in its terms of reference in Appendix 1.

3. Committee Membership

Membership of the Committee during the financial year was:

Name	Appointment	Qualifications
John Beckerleg (Chair)*	Appointed 1 October 2014*	MA, CIPFA, MBA
Ann Battom	Appointed December 2018	CIPFA, MSc
John Holman	Appointed 23 September 2019	TA MA MRICS
Gill Scoular**	Appointed 1 December 2014*	CIPFA
Edith Watson	Appointed 23 September 2019	MBA

Due to the retirement of 2 members during the year a recruitment process was undertaken to bring the Committee back to its full complement of 5. Consideration was given to the skills required to ensure that the committee is well represented in all areas. Following recruitment Ann Battom was appointed as Chair and Alicia Bruce was successfully appointed as a JIAC member and will commence the role on 1 May 2022. Unfortunately, other candidates were not successful and a further recruitment campaign will start in late 2022.

4. Meetings

The Committee met on 4 occasions during the financial year with the meeting in July 2021 scheduled to review financial, audit and governance performance for 2019/20. Meetings are open to the public with minutes being published on the PFCC website.

Due to COVID-19 restrictions this year we have been unable to meet in person with the PFCC and CC, however on line meetings with them, along with Internal and External Auditors have worked very well, enabling our full programme of work to be concluded safely.

5. Terms of Reference

The JIAC Terms of Reference follow CIPFA guidance and the formal annual review forms part of this report. Details of the current Terms of Reference can be found on the PFCC website and in Appendix 1.

The JIAC covers three organisations: the Police, Fire and Crime Commissioner (PFCC), the Force and the Northamptonshire Fire and Rescue Authority (NFRA). The Northamptonshire Fire and Rescue Service (FRS) is provided by NFRA.

The Committee believes it met the requirements of the Terms of Reference, both in terms of relevant agenda items and the effectiveness of its review.

The committee's work and scope is now well established, the Terms of Reference were reviewed as part of the recruitment process for both the new JIAC chair, and additional JIAC members in 2021. The updated terms of reference are attached and reflect the annual review for 2021/22.

6. How the Committee discharges its responsibilities

The JIAC meets at least 4 times a year and has a schedule of matters to be considered at each meeting. Internal and external audit activity reviewed at every meeting.

The attendance of JIAC Committee members at meetings was as follows:

Name	Attendance / Possible attendance
John Beckerleg (Chair)	2/2 (attended December to say goodbye)
Ann Battom	4/4
John Holman	4/4
Gill Scoular	3/3
Edith Watson	4/4

The Committee's meetings have been well supported by officers from the Force, OPFCC and the FRS. The improved quality and timeliness of reports has been maintained. In addition, the Committee has appreciated the open and transparent approach of officers.

In addition, representatives of the Internal Auditors and the External Auditor attended the meetings and the Committee took the opportunity as it felt necessary to discuss topics in private with the auditors without officers being present.

The JIAC has received regular reports on:

- the Statement of Accounts (2018/19, 2019/20 and 2020/21);
- risk management and risk registers;
- treasury management;
- internal and external audit plans, recommendations and updates on progress; and
- updates on the inspectorate (HMICFRS) reports and recommendations.

It has also received updates or sought extra assurance on areas of specific risk or concern, including:

- Transition from Multi Force Shared Services (MFSS) to the new in-house Police (and in 2023 Fire) systems;
- Enabling Services Update
- Update on MINT
- Budget and Medium Term Financial Plan update and timetable;
- Corruption and fraud controls and processes;
- Future Internal and External Audit Arrangements;
- Corporate Governance Framework Updates;
- JIAC Recruitment.

The following workshops were held:
- (February 2021 - Fire ICT;)
Furthermore, three workshops were held during the year, which considered the following areas:

- September 2021 - Fire Accounts; and
- September 2021 - Police Accounts.
- February 2022 – Estates Workshop

The two internal audit teams have successfully delivered almost a full programme of reviews.

The Committee continues to gain significant assurance from both the reports and officers. There are some areas where there are concerns which are set out below. However the members of the Committee appreciate the openness of the officers to discuss all areas of the business and willingness to respond to questions.

6. Assessment of the Audit Committee's performance against its plan and terms of reference

The Committee is keen to be effective and in particular make a positive and constructive contribution to the work of the PFCC, CC and NFRA and the achievement of their strategic priorities.

The Committee's aims and objectives for 2021/22 are set out in Appendix 2. Five of the six objectives have been completed. The final objective – a self-assessment of JIAC is due to be concluded by August 2022. The Committee continues to invite constructive criticism from officers and auditors to help it improve the contribution it makes.

Appendix 3 sets out the objectives for 2022/23. There are some key areas which the Committee will keep under review including support services and statutory accounts. The agreed work programme covers all core areas and increasingly reports now cover both Force and NCFRA in a single document. This has reduced pressure on the Agenda for meetings, which gives the Committee space to explore other governance topics; these will be discussed with officers.

7. Identification of key issues

During 2021/22 the Committee considered a range of topics and issues including:

Annual Accounts 2020/21– the deadline to complete the closure of the Annual Accounts was once again missed due to the lack of resources of external auditors Ernst Young.   All Finance staff worked hard to ensure that the proposed audit timetable was met and are understandably disappointed by the continuing delays which impact on their 2022/23 work such as budget setting.

Strong representation has been made by the JIAC to the PSAA, who manage the external audit contract but this has not proved fruitful in improving the situation. Given the delays the JIAC has called into question the usefulness and value for money of the reports when they are finally published, given the changing nature of the current environment in which the PFCC and CC operate.

Whilst Northamptonshire is not alone in this predicament it is a continuing source of concern that must improve and will be closely monitored and reported upon. JIAC reviewed the draft accounts at a workshop in September 2021. These contained the required annual governance statements, which provide the committee with assurance.

The committee expected to formally consider the Annual Accounts at its September 2022 meeting alongside the External Auditor's report as per the planned timetable, however given the continued delay in auditor availability this deadline will be missed.

Enabling Services - with the cessation of all policing partners involvement in the Multi Force Shared Service (MFSS) as at 31st March 2022 there are a number of work streams in place which will provide those services previously delivered by MFSS for policing and which in April 2023 will include Fire.

Referred to overall as 'Enabling Services' the JIAC have required and received, regular updates on progress and associated risks during the year. This has been a sensitive and critical area as work streams include payroll provision, which is now provided by police as a shared service. Whilst the establishment of Enabling Services has been challenging it has provided an opportunity in some areas to deliver joint solutions for police and fire, which is hugely beneficial in terms of systems, cultural integration and working relationships between the organisations.

The JIAC have sort assurance in terms of the use of appropriate skilled project management as well as the risk of optimism bias in the reporting of progress and have highlighted the need for a benefits realisation exercise be undertaken on completion of the implementation of new services. This will be an area that the JIAC will continue to focus on in 2022/23.

Estates programme - the Committee had an in depth workshop on Estates which covered the current position, future planning and aspirations. Discussions on the length of planning horizons and the financial considerations in relation to the capital programme were informative. It was noted that whilst Fire have made good progress in the provision of a capital budget .

Concerns were expressed by members that there was no longer term plan for investment in built assets, ideally one with a timeframe up to 20 years, which may affect the long term viability of the Estates strategy Officers shared this concern and agreed that this timeframe would be worked towards.

Risk management – The risk management processes are well established and the joint risk register is regularly monitored (including by the JIAC). The pandemic, recent major cyber security attacks in Northamptonshire and the national shortage of experienced IT staff have added new risks to the register or increased existing risks. Officers, notably the DCC have provided in depth information on how such risks are managed and mitigated if possible, from which the JIAC has gained assurance.

Capital programme – there is a comprehensive capital programme for both Police and Fire. This is supported by the Digital and Estates strategies. It also provides an important input to the Treasury Management Strategy and the Medium Term Financial Plan.

Medium term financial plan (MTFP) – during the year the JIAC received a report on the MTFP and the detailed workings, which supported the plan.

Procurement arrangements – The Committee received a report on the changes to the delivery of procurement services, which have been taken in-house jointly for Police and Fire. This results from the decision to terminate the MINT LLP taken in October 2021. The JIAC noted the shorter than expected operational life of the MINT

partnership and were assured that the risk of possible termination had been assessed and benefitsare expected to be realised as predicted.

Governance framework – The JIAC considered and supported the Internal Audit plans for the year in June 2021 and progress in delivering that plan so far, has been good, especially given the challenges the pandemic has placed on the logistics of undertaking internal audit work. Progress reports on the implementation of Internal Audit recommendations are reviewed at JIAC meetings to ensure that actions are completed in a timely fashion.

Taking all the above into account the JIAC is of the view that, although further action needs to be taken in certain areas, there is a broadly effective governance and control regime in place within the Office of the OPFCC, NCFRA and the Force.

Specifically, the JIAC believe that the current arrangements for internal audit remain constructive and effective. Significant improvements are still required in the delivery of the external audit service by Ernst Young in 2022-23 and going forward to ensure a timely completion of the external audit of the financial statements. The JIAC continues to give this matter close attention.

8. Assessment of Internal Audit

PFCC and CC

Mazars were appointed as the internal auditor for four years with effect from 1 April 2015 following a competitive tendering process involving neighbouring Counties. Chief Finance Officers across the region have extended the contract with Mazars to April 2023. The internal audit service will be re-tendered in 2022/23 by Derbyshire on behalf of the region.

The internal audit plan for 2021/22 was approved by the JIAC and the Committee recommended the Commissioner and the Chief Constable to sign off the plan. Progress against the audit plan has been good.

Where Internal Audit recommendations have been made the Force and OPFCC have accepted the recommendation unless good justifiable reasons exist for not acceptance, such instances are the exception. In the majority of instances managers have progressed the agreed actions to the agreed timescale.

The Committee receives regular update reports on the progress of agreed actions, taking specific interest in actions where implementation dates are moved out or exceeded. During 2021/22 the Committee has been pleased to see that the number of uncompleted actions has been reduced.

NFRA

The internal audit of NFRA (and NFRS) was undertaken by Milton Keynes Internal Audit Service for 2021/22.

The internal audit plan for NFRA was approved at the June 2021 JIAC meeting and the Committee recommended the Commissioner to sign off the plan. Progress against the Audit Plan has been good. The Committee has monitored progress on the audit report recommendations for the Service and has taken assurance from the progress made to date.

9. Assessment of External Audit

Paragraph seven above comments on the late conclusion of the external audit of the statutory accounts.

The Committee has received updates where the PFCC, NCFRA and CC have explored the possibility of tendering independently or with a group of similar organisations for future external audit provision. There has been no appetite from others to adopt this approach and the cons of making an individual tender are significant. With reluctance, given the recent history of performance, the PFCC, NCFRA and CC have once again joined the national consortium for the next tender process.

Locally the external audit team has been thorough and engagement has remained positive and constructive, however the delivery of the audit work including timing, structure, planning and fees have continued to be below expectations which remains a significant cause of concern to the Committee.

10. Looking forward

Appendix 3 sets out the draft Aims and Priorities for the Committee for 2022/23

These reflect:

- • Any outstanding recommendations from 2021/22
- • Known areas of concern / high risk; and
- • Emerging areas or change programmes likely to be related to the control framework.

12. Conclusion

The Committee has an effective work programme based on robust governance frameworks across the three organisations.

The Committee is grateful to officers who have provided honest and objective assurance about the arrangements which exist, and especially to the Finance teams

including the statutory officers all of whom have been put under additional pressure throughout the last year because of the protracted audit timetable.

The JIAC will continue to undertake the responsibilities assigned to it in the agreed terms of reference and seek to ensure that it makes a constructive contribution to achieving the agreed priorities. It is important that the JIAC adds value to the organisations in discharging its responsibilities and so will continue to assess its own effectiveness.

A Battom
Chair of Joint
Independent Audit Committee

**NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,
NORTHAMPTONSHIRE CHIEF CONSTABLE AND
NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY**

JOINT INDEPENDENT AUDIT COMMITTEE

TERMS OF REFERENCE

1   Purpose

To support the Police Fire and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments and the integrity of financial statements and reporting.

2   Membership

a) The Commissioner, Chief Constable and the Chief Fire Officer (acting on behalf of NCFRA) jointly will appoint the Committee.
b) The Committee shall consist of no fewer than five members.
c) A quorum shall be two members.
d) At least one member shall be a CCAB qualified accountant with recent and relevant financial experience
e) The Commissioner, Chief Constable and the Chief Fire Officer jointly will appoint the Chair of the Committee, following discussion with the members of the Committee.
f) The Chair shall normally be a CCAB qualified accountant, with recent and relevant financial experience.
g) Members shall normally be appointed for a period of up to four years, extendable by no more than one additional three-year period, so long as members continue to be independent.
h) In the absence of the Chair at any meeting of the Committee, the members attending the meeting will elect a Chair for the meeting.

3   Secretary of the Committee

The Monitoring Officer of the Commission will nominate an officer from the Commissioner's Office to act as Secretary to the Committee.

4   Frequency of Meetings

a) Meetings shall be held at least four times each year, timed to align with the financial reporting cycle.
b) Extra-ordinary meetings can be held for specific purposes at the discretion of the Chair.
c) External or internal auditors may request the Chair to call a meeting if they consider one is necessary.

5   Protocols for Meetings

a) Agenda and supporting papers will be circulated to members at least five working days prior to any meeting.
b) Where possible, minutes/actions shall be prepared and distributed to members of the Committee, regular attendees and the Commissioner, Chief Constable and Chief Fire Officer in draft, unapproved format within 10 working days of the meeting.

c) All papers/minutes should be read prior to the meeting and the meeting will be conducted on this basis with papers being introduced concisely

d) It is expected that all actions are reviewed prior to the meeting and updates provided even if individuals cannot attend the meeting.

e) The Chair of the Committee shall draw to the attention of the Commissioner, Chief Constable and Chief Fire Officer any issues that require disclosure or require executive action

f) QUESTIONS AND ADDRESSES BY THE PUBLIC

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. Order of questions and address
(a) Questions will be asked and addresses given in the order notice of them was received, except that the Chair of the Committee may group together similar questions or addresses.

(b) A list of questions and addresses of which notice has been given shall be circulated to members of the Committee at or before the meeting.

iii. 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. 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.

iv. 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.

v. 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.

6   Attendance at Meetings

a) The Committee may invite any person to attend its meetings.
b) The Commissioner, Chief Constable and Chief Fire Officer shall be represented at each meeting of the Committee.
c) The Commissioner's representation will normally comprise the statutory officers and/or appropriate deputies;
d) The Chief Constable shall normally be represented by the Deputy Chief Constable of the Force, and / or deputies;
e) The Chief Fire Officer shall normally be represented by an Assistant Chief Fire Officer;
f) Internal and External auditors will normally attend each meeting of the Committee.
g) There should be at least one meeting each year where the Committee meets the external and internal auditors without the Commissioner's, Chief Fire Officer's and Chief Constable's officers being present. This need not be the same meeting; and such meetings would usually take place before or after the normal Committee meeting has concluded.

7   Authority

a) The Committee is authorised by the Commissioner, Chief Constable and Chief Fire Officer to:

   o investigate any activity within its terms of reference;
   o seek any information it requires from any employee;
   o obtain outside legal or other independent professional advice;
   o secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
   o undertake training of its new members as required.

b) All employees are directed to co-operate with any request made by the Committee.

c) The Committee may only make decisions within the remit set out in these Terms of Reference. The Committee has no authority to reverse decisions made by the Commissioner, NCFRA or Chief Constable. It has no authority to incur expenditure.

8   Duties

The Committee's scope encompasses:

- the Office of the Police, Fire and Crime Commissioner (including the Fire and Rescue Authority after the transfer of governance on 1 January 2019);
- the interface between the OPFCC and associated bodies and directly controlled / associated companies but not the bodies themselves;
- the Northamptonshire Police Force;
- the Northamptonshire Fire and Rescue Service (NFRS) and
- Any collaborative / partnership arrangements involving the OPFCC, Force or NFRS.

The duties of the Committee shall be:

**A   Corporate Governance, Risk Management, Internal Control
       and the Regulatory Framework**

To support the PCC, Chief Constable, Chief Fire Officer and statutory officers in ensuring effective governance arrangements are in place and are functioning efficiently and effectively, across the whole of the Commission's, Force's and Service's activities, making any recommendations for improvement, to support the achievement of the organisations' objectives.

Specific annual activities of the Committee will include:

a) Review of corporate governance arrangements against the 'Good Governance framework';
b) Consideration of the framework of assurances to assess if it adequately reflects the Commission's, Force's and Service's priorities and risks;
c) Consideration of the processes for assurances in relation to collaborations, partnerships and outsourced activities.
d) Consideration of the processes for assurances that support the Annual Governance Statement;
e) Consideration of VFM arrangements and review of assurances;
f) To review any issue referred to it by the statutory officers of the Commission, the Chief Constable and the Chief Fire Officer and to make recommendations as appropriate;
g) To monitor the effective development and operation of risk management and to make recommendations as appropriate;
h) To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies
i) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

B   External Financial Reporting

To scrutinise the draft statements of accounts and annual governance statements prior to approval by the Commissioner, Chief Constable and NCFRA and publication. The Committee will challenge where necessary the actions and judgments of management, and make any recommendations as appropriate, to ensure the integrity of the statements.

Particular attention should be paid to the following:

o Critical accounting policies and practices, and any changes in them;
o Decisions requiring a significant element of judgment;
o The extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
o The clarity of disclosures;
o Significant adjustments resulting from the audit;
o Compliance with accounting standards;
o Compliance with other legal requirements

C   Internal Audit

The Committee shall monitor and review the internal audit function to ensure that it meets mandatory Internal Audit Standards and Public Sector Internal Standards and provides appropriate independent assurance to the JIAC, Monitoring Officer of the Commission, the Commissioner, Chief Fire Officer and Chief Constable.

This will be achieved by:

a) Overseeing the appointment of the internal auditors and making recommendations to the Commissioner and Chief Constable, who will make the respective appointments;
b) Consideration of the internal audit strategy and annual plan, and making recommendations as appropriate;
c) Consideration of the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate;
d) Consideration of summaries of internal audit reports, and managers' responses, and make recommendations as appropriate;
e) Consideration of the management and performance of internal audit, and its cost, capacity and capability, in the context of the overall governance and risk management arrangements, and to make recommendations as appropriate;
f) Consideration of a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate;
g) Consideration of the effectiveness of the co-ordination between Internal and External Audit, to optimise the use of audit resources;
h) Consideration of any issues of resignation or dismissal from the Internal Audit function.

D   External Audit

The Committee shall review and monitor External Audit's independence and objectivity and the effectiveness of the audit process.

This will be achieved by consideration of:

a) the Commission's, Force's and Service's relationships with the external auditor;
b) proposals made by officers and Public Sector Audit Appointments (PSAA) regarding the appointment, re-appointment and removal of the external auditor;
c) the qualifications, expertise and resources, effectiveness and independence of the external auditor annually;
d) the external auditor's annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate;
e) the draft Management Representation letters before authorisation by the Commissioner, Chief Fire Officer and Chief Constable, giving particular consideration to non-standard issues;
f) the effectiveness of the audit process;
g) the effectiveness of relationships between internal and external audit other inspection agencies or relevant bodies;
h) the Commissioner's and Chief Constable's policies on the engagement of the External Auditors to supply non-audit services, taking into account relevant guidance.

E   Other Assurance Functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation.

F   Counter Fraud

The Committee shall satisfy itself:

a) that the Commission, Force and Service have adequate arrangements in place for detecting fraud and preventing bribery and corruption;

b) that effective complaints and whistle blowing arrangements exist and proportionate and independent investigation arrangements are in place.

9 Reporting

a) The Chairman shall be entitled to meet with the Commissioner, Chief Constable and Chief Fire Officer ideally prior to their approving the accounts each year;

b) The Committee shall annually review its Terms of Reference and its own effectiveness and recommend any necessary changes to the Commissioner and Chief Constable;

c) The Committee shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual accounts;

d) Such a report shall specifically include:

- A summary of the role of the Committee
- The names and qualifications of all members of the Committee during the period
- The number of Committee meetings and attendance by each member; and
- The way the Committee has discharged its responsibilities
- An assessment of the Committee's performance against its plan and terms of reference;
- Identification of the key issues considered by the Committee and those highlighted to the Commissioner, Chief Constable and Chief Fire Officer
- An assessment of Internal and external Audit

e) If the Commissioner and / or the Chief Constable do not accept the Committee's recommendations regarding the appointment, re-appointment or removal of the external auditor the Committee shall include a statement explaining its recommendation and the reasons why the Commissioner / Chief Constable has taken a different stance in its annual report.

10 Standing Agenda Items

The agenda for each meeting of the Committee shall normally include the following:

Procedural items:
Apologies for absence
Declaration of Interests
Minutes of the last meeting
Matters Arising Action Log
Date, time and venue of next meeting

Business items:
Progress Reports
- Internal Audit
- External Audit

Update on implementation of Audit Recommendations
Items for escalation to the Commissioner and / or Chief Constable
Agenda Plan for the next four meetings

11 Accountability

The Committee is accountable to the Commissioner and Chief Constable.

Appendix 2

The Joint Independent Audit Committee's – Aims and Objectives 2021/22

Aims and Objectives
Undertake a review of the effectiveness of JIAC (Continued from 2020/21) *A survey has been undertaken and the results will be presented to the September 2021 meeting of the JIAC. There is some useful feedback which can be considered but a common concern is the breadth of the Committee's work which is affecting the ability to consider items fully.*
Continue to place importance on the prompt production and audit of the organisations' statutory accounts
Review the implementation of the Enabling Services programme for adapting the full range of support services including, where appropriate, the integration of functions across Police and Fire services. Identify the benefits which have arisen from the closer governance arrangements.
Support the work to determine the approach to future tendering for external services
Initiate up to 3 reviews in areas of strategic importance in the governance of the organisations. [Note: possible areas – approach to climate change, estates, HR policies, workforce planning (in relation to achieving strategic objectives), post Covid changes, use of digital technology, regional working, decision making, equality and diversity, well being.

Appendix 3

The Joint Independent Audit Committee's – Draft Aims and Objectives 2022/23

Aims and Objectives
Review Organisational effectiveness across the three organisations - ie the extent to which the current management structures are fit for purpose and seeking assurance that strategic aims filter through the organisations effectively.
Continue to place importance on the prompt production and audit of the organisations' statutory account
Review action plans and recommendations that come from Governmental reviews,(eg Peel and HMICFRS) are implemented in a timely manner, having regard to organisational resources and strategic direction.
Initiate up to 3 reviews in areas of strategic importance in the governance of the organisations. [Note: possible areas – in-house procurement services, Fire Standards and the implications for Fire reform as a result of Government White paper, joint delivery services for police and fire, Digital technology, equality and diversity.
Conclude the JIAC review of effectiveness.

Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police

Internal Audit Progress Report

Presented to JIAC: 27th July 2022

mazars

Contents

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Northamptonshire Police and the Officer of the Police, Fire and Crime Commissioner (OPFCC) for Northamptonshire 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 the Northamptonshire Police and the Officer of the Police, Fire and Crime Commissioner (OPFCC) for Northamptonshire and to the fullest extent permitted by law 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 Appendix A4 of this report for further information about responsibilities, limitations and confidentiality.

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01 Summary

The purpose of this report is to update the Joint Independent Audit Committee (JIAC) as to the progress in respect of the Operational Plan for the year ending 31st March 2022, which was considered and approved by the JIAC at its meeting on 10th March 2021 & to update the committee as to the progress in respect of the Operational Plan for the year ending 31st March 2022, which was considered and approved by the JIAC at its meeting on 9th March 2022.

The Police, Fire and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police, Fire and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPFCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Responsibility for a sound system of internal control rests with the Police, Fire and Crime Commissioner and Chief Constable 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.

Our work is delivered is accordance with the Public Sector Internal Audit Standards (PSIAS).

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02   Current progress

2021/2022

Since the last meeting of JIAC we are pleased to inform the committee that the final reports for all remaining 2021/2022 audits have been issued: Data Management, Business Change, Health & Safety Follow Up, Cyber Security, GDPR Follow Up and New Finance System. Moreover, the Collaboration EMSOU Wellbeing final report has also been issued. See Appendix A3 for full details.

The final summary of all the audits within the plan are summarised below:

Ref	Audit area	Assurance level	Recommendations				Accepted	Not Accepted
			F	S	H	Total		
01.21/22	Core Financials	**Satisfactory**	-	4	1	5	5	-
02.21/22	Seized Property	**Satisfactory**	-	1	2	3	3	-
03.21/22	Released Under Investigation	**Limited**	1	3	2	6	6	-
04.21/22	Business Change	**Limited**	1	2	-	3	3	-
05.21/22	Data Management	**Satisfactory**	-	1	1	2	2	-
06.21/22	Governance	**Satisfactory**	-	1	1	2	2	-
07.21/22	Health & Safety Follow Up	**Satisfactory**	-	2	1	-	-	-
08.21/22	New Finance System	**Significant**	-	-	-	-	-	-
09.21/22	Cyber Security	**Limited**	1			-	-	-
10.21/22	GDPR Follow Up	**Significant**	-	-	-	-	-	-
	Total		**3**	**14**	**8**	**25**	**25**	**-**

<u>2022/2023</u>

The delivery of the agreed 2022/23 Internal Audit Plan has started well and we are pleased to inform the committee that the final report for MINT Closedown has been issued. In addition, we have also issued the draft report in regard to Released Under Investigation Follow Up and the fieldwork has been completed for the Complaints Management Audit, with the draft report to follow shortly. See Appendix A3 for full details.

We have also been in touch with key contacts and have agreed dates confirmed in October to deliver the Core Financials and Positive Action & Recruitment Audits.

A detailed discussion on the 2022/23 Collaboration Audit Plan was held at the regional CFO meeting with a number of proposals put forward by Internal Audit. It was agreed that the plan should include a total of six audits with the focus being to get this completed earlier in the 2022/23 year. We are pleased to update the committee that the field work in respect of EMCHRS L&D Governance, EMSOU – Business Continuity and EMSOU – Risk Management have all been completed with draft reports soon to follow. Moreover, the audits of Digital Currency and EMSOT Closedown are scheduled to take place across the next two months. See Appendix 4 for full details.

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03 Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

2021/22

Number	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	July 22
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved (Mar 22)
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 final exit meeting.	80% (8/10)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (10/10)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (10/10)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	% (-/-)

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A1   Plan overview

2021/2022

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JIAC	Comments
Released Under Investigation	Q1	Jul 21	Aug 21	Sept 21	Final Report Issued
Governance	Q2	Sept 21	Nov 21	Sept 21	Final Report Issued
Seized Property	Q2	Aug 21	Sept 21	Sept 21	Final Report Issued
Core Financials	Q3	Dec 22	Feb 22	Mar 22	Final Report Issued
Data Management	Q3	Feb 22	Mar 22	Mar 22	Final Report Issued
Business Change	Q4	Feb 22	Mar 22	Mar 22	Final Report Issued
MFSS Transfer	Q4	n/a	n/a	Mar 22	See Above
Procurement (MINT)	Q3	n/a	n/a	Mar 22	Deferred into 22/23
Follow Up Audits	Q4	n/a	n/a	Jul 22	See Above
New Finance System	Q4	May 22	Jun 22	Jul 22	Final Report Issued
Cyber Security	Q4	Apr 22	Jul 22	Jul 22	Final Report Issued
GDPR	Q4	Apr 22	Apr 22	Jul 22	Final Report Issued

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A2 Reporting Definitions

Definitions of Assurance Levels		
Assurance Level	**Adequacy of system design**	**Effectiveness of operating controls**
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance:	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Recommendation Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

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A3   Summary of Reports

Below we provide brief outlines of the work carried out, a summary of our key findings raised, and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the **2021/2022 plan.**

Business Change 21/22

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

Governance Arrangements
- Governance arrangements are adequate to ensure that clearly defined roles and responsibilities, decision making processes, risk management and performance management arrangements exist in respect of all change projects and programmes.
- There is effective oversight and reporting arrangements with relevant governance forum.

Project/Programme Initiation
- To confirm whether effective processes are in place in respect of the identification of change projects, which is based on need. In addition, to confirm that all identified programmes have been sufficiently defined.
- To verify that all identified change projects are appropriately costed, based on realistic assumptions. To confirm that potential projects are effectively scrutinised prior to receiving formal approval and inclusion in the overall change programme.
- There is effective communication across all stakeholders who would be impacted by the projects/programmes and these are considered prior to project approval.
- Benefits realisation objectives are clearly defined, with effective targets/ performance measures quantified in line with required outcomes.

Performance Management & Reporting
- An effective and consistent approach to performance management is undertaken across all change projects.
- Regular reporting takes place across the governance structure to ensure that any issues are highlighted at an early stage and action plans are put in place.
- Benefits realisation objectives are closely monitored and reported even after the completion of change projects.

Future Plans
- The Force have appropriate and adequate action plans in place for improvements to the way it will operate all of the above listed objectives in the future.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Business Change systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. We are only able to provide an overall assessment on those aspects of the Business Change process that we have tested or reviewed.

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We have raised one priority 1 recommendation which is fundamental and two priority 2 recommendations which are significant. Full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 1)	The Force should ensure that benefits monitoring is carried out for projects through communication with project leads and encouraged use of the Benefits Realisation Plans. For larger projects, presentation of Benefits Realisation Plans to project boards and attendance of a Portfolio Office representative may also be effective.
Finding	As above, the Portfolio Office provides templates for Business Realisation Plans to be used as live documents for the identification, tracking and monitoring of benefits throughout the project lifecycle. This document also easily allows the Portfolio Office to ensure that benefits monitoring is being carried out by the project team. Audit has reviewed project documentation for three business change projects, and we were unable to confirm the monitoring of benefits throughout the entire project lifecycle to date. *Risk:* Benefits are not identified, quantified, and monitored for the entire project lifecycle. Projects fail to deliver their intended benefits.
Response	It is recognized that as an organisation, we need to be stronger at benefits realization. Where projects are being run by the Portfolio Office, we do track benefits and provide a report to the Change Oversight Group (COG). This is a standing agenda item for the meeting. Benefits realization reporting is less so for projects that are not managed by the Portfolio Office and we are looking at how we address this through learning, guidance and embedding processes. In reality though, throughout the project lifecycle, the focus is on delivery and the benefits often get left behind. The project team then disbands and the benefits realization can get left behind. To address this, we will aim to introduce checkpoint meetings post implementation to assess progress against benefits realization. We will also feed this into the efficiency programmes that we have running in force.
Responsibility / Timescale	Portfolio Office – 31st May 2022

Recommendation 2 (Priority 2)	The Force should ensure that benefits are clearly defined within project initiation documents and are transferred to Benefits Realisation Plans for monitoring, in line with implemented policies and guidance.
Finding	The Project Initiation process requires either a project mandate, project brief or business case to be developed for all proposed projects. These documents include the identification of potential benefits that may result from the project, how to quantify them and targets to be monitored against. The Portfolio Office provides templates for Business Realisation Plans to be used as live documents for the identification, tracking and monitoring of benefits throughout the project lifecycle. This document also easily allows the Portfolio Office to ensure that benefits monitoring is being carried out by the project team. Audit has reviewed project documentation for three business change projects and noted that, for two of these, the benefits had been outlined in the Business Cases

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	but had not been transferred to the Business Realisation Plan template to allow for tracking and monitoring in a live document.
	Risk: Benefits are not identified, quantified, and monitored for the entire project lifecycle.
	Projects fail to deliver their intended benefits
Response	The updated business change and change management process will ensure that all project mandates, briefs and business cases will come to the Portfolio Office for support and quality assurance before they are submitted. This is already happening to a large extent and the quality assurance includes making sure that benefits and return on investment are identified. It is recognized that we have to get better at lifting these in a plan for monitoring and this is something we have in hand.
	The highlight report summary that is submitted to Change Oversight Group does have a column that provides a benefits summary for each project or programme and a milestone plan is submitted that identifies when new capability will land.
	The Portfolio Office does have a business change manager that attends project boards that are run by our resources, but less so for those that are not managed by us, this is something we will look at.
Responsibility / Timescale	Portfolio Office – 31st May 2022

Recommendation 2 (Priority 2)	The Force should ensure that, where produced as part of the Business Case/PID, Milestone Plans are updated to monitor and track progress of the project.
Finding	The Project Initiation process requires either a project mandate, project brief or business case to be developed for all proposed projects. These documents include the identification of key project milestones that can be used to monitor the progress of the project.
	Audit has reviewed project documentation for three business change projects and noted that, for two of these, the milestones had been outlined in the Business Cases and milestone plans had been developed, however there was no evidence of these being monitored and updated as the project progressed.
	Additionally, the documentation related to the third project did not have defined milestones included and therefore the progress of the project could not be clearly monitored.
	Risk: Progress of the project completion cannot be clearly & effectively monitored.
Response	The project manager does monitor the milestone plans, but this was difficult to represent as part of the audit process as there is often only one plan which is dynamic. Monitoring is normally done through the submission of a highlight report which includes RAG status against milestones, rather than reviewing the actual plan. We will look to make this more formal by introducing a standing agenda item at project board meetings to review the milestone plan
Responsibility / Timescale	Portfolio Office – 31st May 2022

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Data Management 21/22

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:
Information Risk Management
Information Risk Management Framework
- There is an effective approach to risk management across the organisation
- The organisation has appointed a senior member of staff with overall responsibility for information risk management
- Senior staff across the organisation have been designated responsibility for the management / ownership of information assets
- Staff with specific information risk management roles (e.g. SIRO and IAOs) have been trained in the risk management process
- Staff with specific information risk management roles (e.g. SIRO and IAOs) are fulfilling the roles assigned to them in the risk management process
- Information risk management processes following data breaches have been formalised and agreed by senior management
- Information risks are identified and managed through an appropriate risk register
- There is a clear and effective organisational structure to the identification and management of information risks

Information Asset Records
- There are information audits across the organisation or within particular business areas to identify the data processed and how it flows into, through and out of the organisation (data flow mapping - GDPR).
- Information Asset Registers (IAR) are in place and identify, record, and manage all information assets

Information Asset Risk Assessment
- Procedures are in place detailing the processes involved and the responsibilities for logging and risk assessing information assets.
- Information assets are comprehensively logged and undergo periodic risk assessment
- Mitigation measures are applied to information assets based on the results of risk assessment
- The results of risk assessment of information assets are reports to senior management

Data Protection Impact Assessments (DPIA)
DPIA Considerations
- Existing policies, processes and procedures include references to DPIA requirements
- The organisation understands the types of processing that requires a DPIA and uses a screening checklist to identify the need for a DPIA, where necessary.

DPIA Governance
- The organisation has created and documented a comprehensive DPIA process / policy
- Responsibility for completion of DPIAs is appropriately assigned.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Data Management systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

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We are only able to provide an overall assessment on those aspects of the Data Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We raised one priory 2 significant recommendation. Full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 2)	The Force to consider including references to DPIA requirements, where applicable, within process, procedure and/or guidance documentation.
Finding	Data Protection Impact Assessments (DPIAs) are an integral part of UK GDPR, enabling organisations to clearly identify and minimize data protection risks within processing activities and projects on the protection of personal data.
	The Force is currently carrying out DPIAs over all new processing activities and projects, due to the perceived lack of knowledge and data maturity within the Force by the Information Unit.
	Due to the use of DPIAs for all new processing activities and projects, we would expect to see references to the DPIA process within the main Information Security Policy and any supporting documents where DPIAs may be relevant (i.e. enabling guidance relating to the Organisation of Information Security, Information Security Incident Management and/or Compliance).
	Audit reviewed all 19 existing policies, procedures and guidance notes related to information security and found that only the Force's Information Security Policy referred to the DPIA requirements, with no references in any of the supporting enabling guidance or procedure documents.
	Risk: DPIA process could be overlooked due to not being included within existing procedure documentation
Response	Info Management will begin to work to a position where DPIA's are used less frequently and applied in a blanket fashion to all new processing and projects. A screening checklist will be produced which will identify the need for a DPIA rather than it being used to fill the knowledge and data maturity gaps. The checklist will be utilized for review work initially and as risk is identified as reduced and lower than initially thought, understanding is increased and better processes generally are introduced across force the checklist will be used more generally and the DPIA used less widely for new, innovative and/ or high risk processing.
Responsibility / Timescale	Checklist and process to be created and introduced to asset owners, change teams and projects leads. Responsibility for completion is with the Data Protection Officer.
	Timescale for checklist and introduction September 2022.
	Timescale for position of reduced use of DPIA to fill gaps caused by data immaturity March 2023.

We also raised one priory 3 recommendation of a more housekeeping nature:

- Regular Review of Documentation – audit reviewed 19 policies, procedures and guidance notes and found there were some inconsistent formats and 12/19 were in various stage of review/update required.

Management confirmed the documents were in the process of review and confirmed they will be updated over the course of 12 months.

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Health & Safety – Follow Up 21/22

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

Our audit followed up on the original Health & Safety Audit completed in 2020/21 that had a limited assurance opinion with 1 fundamental recommendation, 2 significant recommendations and 1 housekeeping recommendation. Our audit considered the following risks relating to the area under review:

Roles & Responsibilities
- The roles are responsibilities are clearly defined and the individuals concerned are fully aware of these.
- Appointed officers have been assigned to support the organisation to meet its H&S responsibilities.

Polices & Procedures
- The Force has in place policies and procedures, which incorporate relevant legislative requirements and provide clear guidance to staff.
- The policies and procedures in place are comprehensive, up-to-date and available to all relevant members of staff.
- The existing policies and procedures are regularly reviewed to ensure they are up to date.

Governance
- There is an appropriate and effective governance structure in place through, which Health and Safety issues are reviewed, scrutinised and managed.
- Health and Safety is promoted across the Force to ensure awareness from both police staff and police officers.

Monitoring & Reporting
- Health and Safety information is accurately produced and regularly reported to allow for effective monitoring, decision making and reporting in line with senior management requirements.
- There is an effective system in place for recording, maintaining and reporting Health & Safety data including any incidents or near misses.
- Appropriate oversight and reporting arrangements are in place and are working effectively.

Training
- Staff are fully supported, with relevant training and guidance provided to allow compliance with health and safety requirements and responsibilities.
- The Force has a robust process in place to monitor the level of health and safety training undertaken by key staff including Chief Officer Team and those who have statutory responsibilities.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Health and Safety system with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Health and Safety process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

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We raised two priory 2 significant recommendations. Full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 2)	The Force should ensure that the review and re-signing of the Health and Safety Policy statement is effectively planned and scheduled in order to prevent delays.
	The Force should ensure that the statement planned for implementation in June 2022 is saved and made readily available to all relevant individuals.
Finding	The Force maintain a Health and Safety Policy Statement, which sets out the Force's intentions and objectives with regard to Health and Safety.
	The Health and Safety Manual states that *"The Health and Safety Policy statement will be reviewed annually"* and that it will be *"signed annually by The Police, Fire and Crime Commissioner, the Chief Constable and The Chief Fire Officer"*.
	During the previous March 2021 audit, we were provided with an unsigned December 2020 statement, and were informed by the Health and Safety Manager that this was at that time in circulation to be signed by the relevant individuals.
	At the time of this audit, it was noted that this iteration of the statement had been lost, and thus the most recent signed Health and Safety Policy Statement was that signed in November 2019.
	Through discussions with the Health and Safety Manager, audit was informed that a new statement has been drafted, for review and is due to be signed in June 2022.
	Risk: Where the Force's Health and Safety Policy statement is not regularly reviewed and updated, there is risk that the statement contradicts the current practice or strategy regarding the H&S function at the Force.
	Staff are unaware of the most current version of the statement, increasing the risk that incorrect processes are followed.
Response	The Force can confirm that the Health and Safety Policy Statement for 2022 has been reviewed, updated, generated and circulated to the 3 parties for signing. The Force can confirm that the statement has been signed by The Police, Fire and Crime Commissioner, the Chief Constable and The Chief Fire Officer and returned to the H&S manager.
	The statement has been scanned and is in the H&S files on the W drive and a hard copy is also kept centrally at Darby House in the charge of the H&S Manager.
	Copies have been circulated to all deputy facilities managers to display at all PFCC properties.
	Copies of the health and safety policy and signed statement are available on the Health and Safety web pages.
Responsibility / Timescale	Action completed by 30th June 2022.

Recommendation 2 (Priority 2)	The Force should ensure that the Health & Safety Manual is reviewed and updated. This should include referencing to the newly produced supporting procedures.
Finding	During the previous audit, it was noted that Force have a Health & Safety Manual that is the overarching guidance document.

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	However, several deficiencies were noted in the manual during the prior audit. As the manual has yet to be update the previous deficiencies remain.
	Therefore, the following observations noted in Recommendation 4.2 of the previous audit remain:
	Audit reviewed the manual, and it is noted that it does not provide sufficient guidance to staff and officers in processing key tasks, such as the reporting of an accident or an incident.
	Furthermore, there is no requirement included for a regular review and update of the manual.
	Since the previous audit, the Force have produced standalone policies including Contractor Management and Occupational Driving to support the Health & Safety manual, however these are not referenced within the manual.
	Although it was noted through discussions with the Health and Safety Manager that a new policy document is being drafted for implementation in June 2022, at the time of this audit the Force still use the same Health & Safety Manual
	Risk: Insufficient guidance is provided to staff and officers in relation to health and safety.
	The Force do not meet their health and safety objectives.
	There is non-compliance to the joint health and safety policy statement
Response	A full review of the health and safety manual has taken place in consultation with key stakeholders (including heads of department, Federation and Unison). Formal sign approval by Health and Safety Committee took place in May 2022. The committee approved the manual, and it has been and uploaded onto the Force library and published on the Health and Safety web pages.
	Referenced materials for procedures and/or guidance is available and hyperlinked from the new Health and Safety manual to support users.
Responsibility / Timescale	Action completed by 31st May 2022

We also raised one priory 3 recommendation of a more housekeeping nature:

Accident Reporting System – Audit noted an issue within the system when the investigations are not completed by the originally assigned investigator (line manager) a secondary investigator can be assigned. However, when this occurs the system bypasses the review stage. Therefore, the accident could be closed off without the H&S Team carrying out the quality review.

Management introduced an interim process so prevent his happening; however, a request had been made to the Digital & Technology Team to correct the issue within the system. Anticipated completion date December 22.

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Cyber Security 21/22

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

Our review considered the following risk areas:

- Clearly defined IT policies and/or procedures are in place and are available within the Force. The policies and procedures are reviewed and updated on a regular basis and users are appropriately trained.
- Regular Penetration testing is undertaken and issues remediated.
- Users have appropriate levels of access to IT service and are subject to review.
- Mobile devices and other secure devices are appropriately encrypted or otherwise protection through mobile device management tools.
- The impact of increased working from home has been considered and measures in place to ensure secure working
- Devices are appropriately secure from threat of virus or malware
- IT Systems and devices are subject to appropriate monitoring procedures.
- Governance procedures are in place to manage and maintain the PSN and GIRR submissions and other regulatory requirements.

The overall objective of this internal audit is to provide the Senior Management and Audit Committee with reasonable, but not absolute, assurance. We will review the adequacy and effectiveness of the current key controls relating to the IT Security within the Force. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We raised one priority 1 recommendation of a fundamental nature. Full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 1)	Vulnerabilities should be addressed or further mitigated as soon as possible to support future GIRR accreditation.
Finding	It should be noted that the GIRR is currently expired but has been submitted based on the July 2021 IT Health Check in common with similar forces. Following the July 2021 IT Health Check as of February 2022 the latest tracking figures had the following outstanding issues: • 6 Critical. • 13 High. • 81 Medium. • 10 Low. We were informed that work was ongoing to address outstanding vulnerabilities, some of which require long term resolution and they were being actively tracked and monitored, but it was acknowledged that some critical and high issues remained.

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Response	I am satisfied that this audit report broadly reflects the current position, with some of the specifics having further improved since the Feb data was provided. Submission for GIRR was made in early February; any delay is now outside of our control due to the transition of NPIRMT into PDS. We are now expected to receive a response/certificate by end of May 22. Remaining Critical and High are regularly reviewed but all require significant work, such as major upgrades, but all are being progressed.
Responsibility / Timescale	May 23 Information Security Manager

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GDPR Follow Up 21/22

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

We have undertaken a further follow up audit of the controls and processes in place in respect of the response to General Data Protection Regulation (GDPR) legislation previously reported in February 2019, February 2020 and in February 2021. The aim of the audit is to assess progress against the recommendations previously made and to establish the level of current GDPR processes and controls in place within the Force as of February 2022.

We are pleased to report that we identified no further follow up issues during this review where there is scope for improvement in the control environment.

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New Finance System 21/22

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

The new finance system, Unit4 Business World ("Unit4"), went live on 01 April 2022 and is also a combination of modules for Northamptonshire's core business areas with links to other systems, such as the Duty Management System.

The focus of the internal audit review was to provide assurance, through validation walkthroughs, that an appropriate controls framework is in place within Northamptonshire's implementation of Unit4. The work was aligned to the Core Financials Audit that is undertaken to validate that controls in the new system were in place. To that end we have provided a dashboard below to highlight the outcomes of our work.

Key control area	April 2022	
	Assessment	Level of issue
General Ledger		
Journals	Controls adequate	No issues noted
Cash, Bank & Treasury Management		
Receipt of Cash & Cheques	Controls adequate	No issues noted
Cash Flow	Controls adequate	No issues noted
Payments & Creditors		
New Suppliers	Controls adequate	No issues noted
Supplier Amendments	Controls adequate	No issues noted
Payments	Controls adequate	No issues noted
Goods / Service Receipts	Controls adequate	No issues noted
BACS Processing	Controls adequate	No issues noted
Income & Debtors		
New Debtors	Controls adequate	No issues noted
Invoices Raised	Controls adequate	No issues noted
Other Income Streams	Controls adequate	No issues noted
Credit Notes	Controls adequate	No issues noted
Debt Management	Controls adequate	No issues noted
Payroll		
Starters	Controls adequate	No issues noted
Leavers	Controls adequate	No issues noted

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Key control area	April 2022	
	Assessment	Level of issue
Variations	Controls adequate	No issues noted
Deductions	Controls adequate	No issues noted
Expenses	Controls adequate	No issues noted
Overtime	Controls adequate	No issues noted
Payroll Runs	Controls adequate	No issues noted
Other (Cross Cutting Themes)		
Policies, Procedures & Guidance	Controls adequate, except for	Significant Issue
System Access	Controls adequate	No issues noted
Fraud Prevention	Controls adequate	No issues noted
System Reporting	Controls adequate	No issues noted

We raised one priority 2 recommendation of a significant nature. Full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 2)	The Force and OPFCC should update and / or develop process notes and guidance documents to reflect the change in systems and any changes in processes under Unit4 and iTrent.
Finding	Procedure Notes and Guidance Documents are in place at Northamptonshire to provide guidance to staff on how they should carry out certain tasks, i.e. raising and approving purchase orders.
	During our audit, we noted that these documents have not yet been updated for changes in the processes following the change in ERP systems from Oracle to Unit4 and/or iTrent.
	Additionally, documents will be required to be developed for functions that were previously carried out by MFSS, such as maintaining supplier master data.
	Risk: Inconsistent processes, approaches and actions taken in the undertaking of key tasks.
Response	The recommendation is agreed. A catalogue is being developed to detail all processes and will be used to plan and monitor the delivery and publishing of all outstanding guides.
Responsibility / Timescale	Change Programme Manager
	Timescale to be completed by 31st December 2022

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Below we provide brief outlines of the work carried out, a summary of our key findings raised, and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the **2022/2023 plan.**

MINT Closedown Project Up 22/23

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

We have undertaken an audit of the controls and processes in place in respect of the transfer of services from Mint Commercial Services Limited Liability Partnership ("Mint").

The objectives of our audit were to provide assurance with regards to the Forces' ongoing management of the transfer of services from Mint to in-house provisions at the Forces. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

Our audit considered the following risks relating to the area under review:

- The project has an appropriate governance structure in place
- A project plan has been approved by both Forces
- The progress status of the project is reporting in line with the agreed timescales
- Any variance from timelines have been reported on and actions put in place to ensure the project remains on schedule.
- The staged sign off of the project has been authorised correctly.
- The progress of the project is being accurately reported on and has supporting documentation in regard to current status.

We have identified no areas where there is scope for improvement in the control environment.

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A4 **Collaboration Audit Plan 2022/23**

Collaboration Audit Plan 2021/22

Audit area	Forces	Status
EMSOT Closedown	Leics, Lincs, Northants	Scheduled for August
EMSLDH Governance	Derby, Leics, Northants, Notts	Fieldwork Completed
EMSOU - Business Continuity	Five Force	Fieldwork Completed
EMSOU Risk Management	Five Forces	Fieldwork Completed
Collaboration Performance Management	Five Forces	Scheduled for early October
Digital Currency	Five Forces	Scheduled for August

A5   Statement of Responsibility

We take responsibility to Northamptonshire Police and the Office of the Police, Fire and Crime Commissioner for Northamptonshire 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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Contacts

David Hoose
Partner, Mazars
david.hoose@mazars.co.uk

Mark Lunn
Internal Audit Manager, Mazars
mark.lunn@mazars.co.uk

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Internal Audit and Anti-Fraud Progress Update – Q1

JACINTA FRU, CHIEF INTERNAL AUDITOR

27 July 2022

1   **INTRODUCTION**

1.1   This progress report provides stakeholders, including the Joint Internal Audit Committee, with a summary of the Fire Authority Internal Audit activity for the period 1 March 2022 – 30 June 2022.

1.2   **Annex A** (page 5) provides the background and context for how Governance is tested and evaluated.

1.3   The report summarises work done on evaluating the robustness of systems of control and governance in place during the current year. This report covers progress made on audits within the new plan year that have been started as well as audits brought forward from the previous financial year, where completion was affected by the ongoing impact of the pandemic on capacity.

2   **PROGRESS AGAINST 2022/23 AUDIT PLAN**

2.1   The key target for the Internal Audit Service is to complete the agreed Plan by the 31st March 2023. **Annex B** (page 9) shows progress made against the audit Plan 2022/23 including audits brought forward from the previous year.

2.2   All of the audits carried over from the previous audit year have been completed during Q1 as expected, and planning work started on the audits agreed to start in Q2 of the 2022/23 Audit Plan.

2.3   Since the plan was approved, timings of one audit has been amended to bring its start date forward, and the timing of the two IT audits have also been agreed with management to be earlier than anticipated.

2.4   Plan Performance as at 30 June 2022:

NCFRA AUDIT PLAN 2022-23	Number of Audits			
	Plan	Draft/Final Report	In Progress	Not Started
Strategic Reviews	3	0	1	2
Operational Reviews	3	0	0	3
Key financial Reviews	4	0	1	3
ICT	2	0	0	2
Risk Management review	1	0	0	1
2021-22 Brought Forward Audits	3	3	0	0
TOTAL Audits	**16**	**3**	**2**	**11**

	100%	18%	13%	69%

Assurance ratings are given for both the adequacy of the System and compliance with the System of Controls. The definitions are detailed in Annex A and Annex B highlights the assurance levels for the reports completed and issued to management.

2.5 Since the last Committee meeting, no limited assurance opinions have been issued for reports completed.

2.6 The table below provides a precis of the objectives of the audits to be undertaken and the associated key risks.

Audit Area	Objectives and Risk
STRATEGIC • Corporate Governance Framework -Nolan Principles • Key Policies and Procedures – Safeguarding end to end review of policies and compliance. • Target Operating Model - Performance Monitoring Framework	**Objective(s)** To test and provide assurance on the strategic governance arrangements, that they clearly and formally record NCFRA organisational management **Risks(s)** Reputational Risks
OPERATIONAL SERVICES • Project Management Governance (key projects to be confirmed) • People & Culture Strategy Implementation: • Contract Management – review of monitoring of adequacy of supplier H&S arrangements.	**Objective(s)** To test and provide assurance for those key priority areas of operational performance / improvement. **Risk(s)** organisational objectives not achieved
KEY FINANCIAL SYSTEMS • Accounting systems (AP/AR) • Payroll • Budget Management • Financial Control Environment (G/L; Bank rec; TM; VAT; Pensions) Including new arrangements with the Police force.	**Objective** To provide assurance on the effectiveness of financial management procedures and arrangements to ensure the integrity of the financial statements. **Risk** Financial and Fraud risks

Audit Area	Objectives and Risk
RISK MANAGEMENT Attendance at Strategic Risk Register Quarterly meetings. Provision of Risk workshops as requested	Review and testing of implementation of actions noted.
ICT Systems Security – Cybersecurity arrangements: • Network infrastructure security • Privileged access control	**Objective** To provide assurance that IT systems and infrastructures are secure and that the arrangements to support business continuity are robust. **Risk(s)** Data protection and reputational risks

3   Counter Fraud Update

Fraud cases are risk assessed, to determine whether detailed investigations are merited or alternative options to progress matters are more appropriate.
The MKC Counter fraud team have received no reactive referrals during the year to date. Work on National Fraud Initiative data matches is ongoing.

4   Closure of the Internal Audit Shared Service

The Internal Audit Shared Service that was provided as a partnership between West Northants Unitary, North Northants Unitary, Milton Keynes and Cambridgeshire County Councils, was dissolved on 31 March 2022.

With effect from 1 April 2022, the Internal audit and Counter Fraud Service for the Northampton Fire and Rescue Service will be provided by MKC Internal Audit, Risk and Counter Fraud Team.

5   External Assessment

The Public Sector Internal Audit Standards (PSIAS) requires that compliance with its provisions is externally assessed every 5 years. The last review was completed in 2016, and confirmed the service complied with requirements. Annual self-assessments, consistent with PSIAS have also confirmed ongoing compliance.
The required external assessment of the effectiveness of the MKC Internal Audit function is ongoing. The independent assessor's conclusion and report will be published in September 2022 and reported to JIAC.

Internal Audit Context and Background
How Controls are Audited and Evaluated

There are three elements to each internal audit review. Firstly, the CONTROL ENVIRONMENT is documented and assessed to determine how the governance is designed to deliver the service's objectives.

IA then needs to test whether COMPLIANCE is evident in practice.

Finally, IA undertakes further substantive testing and/or evaluation to determine the ORGANISATIONAL IMPACT of weaknesses found.

The tables below outline the criteria for assessing the above definitions:

Control Environment Assurance	
Assessed Level	**Definitions**
Substantial	Substantial governance measures are in place and give confidence that the control environment operates effectively.
Good	Governance measures are in place with only minor control weaknesses that present low risk to the control environment.
Satisfactory	Systems operate to a moderate level with some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance	
Assessed Level	**Definitions**
Substantial	Testing has proven that the control environment has operated as intended without exception.
Good	Testing has identified good compliance. Although some errors have been detected these were exceptional and acceptable.

Satisfactory	The control environment has mainly operated as intended although errors have been detected that should have been prevented / mitigated.
Limited	The control environment has not operated as intended. Significant errors have been detected and/or compliance levels unacceptable.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse. The system of control is essentially absent.

Organisational Impact	
Level	Definitions
Major	The weaknesses identified during the review have left NCFRA open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	The weaknesses identified during the review have left NCFRA open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
Minor	The weaknesses identified during the review have left NCFRA open to low risk. This could have a minor impact on the organisation as a whole.

∗   Audit progress is measured within several stages
  o   Unstarted
  o   Planning ToR
  o   Fieldwork in Progress
  o   Fieldwork complete
  o   Draft Report
  o   Final Report

Progress is assessed as a percentage of the whole audit

2022/23 - Audit Plan for NCFRA as at 30 June 2022

AUDIT TITLE	STATUS	PROGRESS	Quarter Work Allocated	Assurance Rating System	Compliance
Plan - 2021/22					
Payroll	Final Report	100% complete	Q1	Good	Good
Accounts Payable /Accounts receivable	Final Report	100% complete	Q1	Good	Good
Target operating - performance framework	Final Report	100% complete	Q1	Good	Good
Plan - 2022/23					
Key Policies and Procedures-Safeguarding	Planning	15% complete	Q2		
Financial Control Environment (G/L; Bank rec; TM; VAT; Pensions)	Planning	15% complete	Q2-Q4		
Corporate Governance Framework -Nolan Principles	Not Started	0%	Q3; Q2		
Project Management Governance (key projects to be confirmed)	Not Started	0%	Q3		
Budget Management	Not Started	0%	Q3;		
Payroll	Not Started	0%	Q3		
ICT Privilege Access controls	Not Started	0%	Q3; Q2		
People & Culture Strategy Implementation	Not Started	0%	Q4		
Target Operating Model - Performance Monitoring Framework	Not Started	0%	Q4		

AUDIT TITLE	STATUS	PROGRESS	Quarter Work Allocated	Assurance Rating System	Compliance
Contract Management – review of monitoring of adequacy of supplier H&S arrangements.	Not Started	0%	Q4;		
Network infrastructure security	Not Started	0%	~~Q4;~~ Q3		
Accounting systems (AP/AR)	Not Started	0%	Q4		
Risk Management review	Q1 completed	25%	Q1- Q4		

Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police

Joint Independent Audit Committee

Internal Audit Annual Report 2021-2022

Prepared by: Mazars LLP

Date: July 2022

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Contents

Disclaimer
This report ("Report") was prepared by Mazars LLP at the request of The Office of the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police 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 Office of the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police and to the fullest extent permitted by law 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.

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01   Introduction

Mazars LLP are the appointed internal auditors to the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police. This report summarises the internal audit work undertaken by Mazars in 2021/22, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

Despite the restrictions imposed as a result of Covid-19, the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police retained a full scope internal audit service for 2021/22 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police arrangements for risk management, control and governance.

The government restrictions meant the majority of internal audits were completed remotely rather than face to face however this has not impacted on our ability to complete our work to the fullest.

The report should be considered confidential to the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police and not provided to any third party without prior written permission by Mazars.

Scope and purpose of internal audit

The purpose of internal audit is to provide the Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police, through the Joint Independent Audit Committee (JIAC), with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving Police, Fire & Crime Commissioner for Northamptonshire & Northamptonshire Police's statutory objectives and strategic aims.

Internal audit provides the Police, Fire and Crime Commissioner and Chief Constable, through the Joint Independent Audit Committee (JIAC), with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPFCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Our work is conducted in accordance with Public Sector Internal Audit Standards (PSIAS).

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 2021/22 was considered and approved by the JIAC on 10th March 2021. In total the Plan was for 162 days, including 14 days of Audit Management. There was also provision for 8 contingency days included in the Plan, should these days be required.

The impact of the Covid-19 lockdown(s) has posed several challenges to the internal audit process , however the move to remote auditing has now been embedded and through strong communication with the Mazars, the OPFCC and the Force all parties have worked hard to ensure the audits could be completed.

As noted in the 2021/22 Internal Audit Plan, the approach is a flexible one and where risks emerge, change or are effectively mitigated the internal audit plan will be reviewed and changes therefore may occur during the year. This occurred in a number of instances and the changes made to the internal audit plan are summarised below:-

• MFSS Transfer & Payroll Transfer – amended with an audit of New Finance System completed instead

• MINT – deferred into 22/23 IA Plan

• Follow Up Audit – Procurement – Work was covered in the Governance Audit

• Follow Up – Fleet Management – Deferred into 22/23 IA Plan

Moreover, the collaboration audit plan that sits alongside the OPFCC and Force Plan as regularly been presented to JIAC and has also had a number of amendments resulting in a number of the audit days assigned to this pan being deferred into 22/23 IA Plan.

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 Appendix A1. The appendix also describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

Acknowledgements

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

02   Audit Opinion

Scope of the Internal Audit Opinion

In giving our internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to Northamptonshire is a reasonable assurance that there are no major weaknesses in governance, 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 opinion, we have taken the following matters into account:

- The results of all audits undertaken as part of the plan;
- Whether or not any 'Critical', 'Highly Important' or 'Significant' 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 Northamptonshire's objectives or activities;
- Matters arising from previous reports to Northamptonshire;
- 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 Northamptonshire; and
- The proportion of Northamptonshire's internal audit needs have been covered to date.

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

Internal audit has not placed any reliance on third parties in order to assess the controls operated by OPFCC for Northamptonshire & Northamptonshire Police. Our opinion solely relies on the work we have performed and the results of the controls testing we have undertaken.

During the year, we have consulted and informed management through regular liaison with the Force & OPFCC CFO's and the Joint Independent Audit Committee (JIAC) about changes to the plan and internal audit reviews to take account of the impact of Covid-19 on the organisation and the changing risk landscape. There was an impact on our ability to conduct a number of audits in the Plan over the period, as highlighted above.

Internal Audit Opinion

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Significant** in its overall adequacy and effectiveness. This opinions is provided on the basis that the framework of governance, risk management and control is adequate and effective.

It is noted that certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions during the period in respect of released under investigation, business change & cyber security.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as Priority 1 and Priority 2. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

In reaching this opinion the following factors were taken into particular consideration:

Corporate Governance

In respect of Corporate Governance, while not directly assessed as part of the Plan, this was informed by consideration of this area through our individual assignments including where relevant. Governance is a consideration in all our audit engagements and whilst we did not find any wholesale issues with governance across our audit plan there were a number of recommendations were improvements to governance could be made including in the Procurement and Health & Safety audits.

Risk Management

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

During the course of delivering the 2021/22 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 Force and OPCC.

Internal Control

Of the 10 audits undertaken in the year where a formal assurance level was provided, 2 audits received a significant level of assurance (New Finance System, GDPR), 5 audits received a satisfactory level of assurance (Core Financials, Seized Property, Data Management, Governance & Health and Safety Follow Up) . However, 3 audits also received a limited level of assurance (Released Under Investigation, and Business Change and Cyber Security).

We have made a total of 25 new recommendations during the year at the Force and OPFCC, 3 recommendations were categorised as Priority 1, 14 as Priority 2 and 8 were Priority 3. A summary of the new Priority 1 and 2 recommendations from this year are included in Section 04 of this report.

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03 Internal Audit Work Undertaken in 2021/22

The Internal Audit Plan was for a total of 172 days, the amendments are detailed in section 02 above. 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.

In accordance with the approach set out within Northamptonshire's internal audit plan, we undertook ten in-depth audit reviews covering a number of important control systems, processes the results of this work are summarised below:

Ref	Audit area	Assurance level	Recommendations				Accepted	Not Accepted
			F	S	H	Total		
01.21/22	Core Financials	Satisfactory	-	4	1	5	5	-
02.21/22	Seized Property	Satisfactory	-	1	2	3	3	-
03.21/22	Released Under Investigation	Limited	1	3	2	6	6	-
04.21/22	Business Change	Limited	1	2	-	3	3	-
05.21/22	Data Management	Satisfactory	-	1	1	2	2	-
06.21/22	Governance	Satisfactory	-	1	1	2	2	-
07.21/22	Health & Safety Follow Up	Satisfactory	-	2	1	-	-	-
08.21/22	New Finance System	Significant	-	-	-	-	-	-
09.21/22	Cyber Security	Limited	1				-	-
10.21/22	GDPR Follow Up	Significant	-	-	-	-	-	-
	Total		**3**	**14**	**8**	**25**	**25**	**-**

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04 Audits with Limited or Nil Assurance 2021/22

Audit area	Assurance level	Summary of Key Findings
Released Under Investigation	**Limited**	One Priority 1 Recommendation: 1. The Force should undertake a review of individuals who have been on RUI for longer than a year to ensure that this option has been used in only exceptional circumstances. The Force should introduce a more proactive monitoring approach to clear aged RUIs, including repeated emails, escalation to line managers etc. Three Priority 2 Recommendations: 1. The Force should continue to pursue the changes to Niche to address the issues identified (relating cases being completed however the linked custody record not being closed, therefore the individual remains with an outstanding RUI record). 2. When the Detective Chief Inspector sends a correction email, the correction should be recorded in a separate log which can be reviewed periodically to analyse common themes. Communications and training can then be adjusted in accordance with common errors. 3. The Force should ensure that officers complete NCALT Bail and RUI training in a timely manner.
Business Change	**Limited**	One Priority 1 Recommendation: 1 – The Force should ensure that benefits monitoring is carried out for projects through communication with project leads and encouraged use of the Benefits Realisation Plans. For larger projects, presentation of Benefits Realisation Plans to project boards and attendance of a Portfolio Office representative may also be effective. Two Priority 2 Recommendations: 1. The Force should ensure that benefits are clearly defined within project initiation documents and are transferred to Benefits Realisation Plans for monitoring, in line with implemented policies and guidance. 2. The Force should ensure that where produced as part of the Business Case / Project Initiation Document, Milestone Plans are updated to monitor and track progress off the project.
Cyber Security	**Limited**	One Priority 1 Recommendation: 1. Vulnerabilities should be addressed or further mitigated as soon as possible to support future GIRR accreditation.

05   Internal Audit Plan 2021/22 vs Actual

Audit area	Planned days	Actual Days	Difference	Status
Core Financials Audits	35	36	1	Agreed additional day charged
Seized Property	10	10	-	
Governance	10	10	-	
MFSS Transfer	8	-	-8	New Finance System audit done instead
Payroll Transfer	8	-	-8	New Finance System audit done instead
Procurement (MINT)	8	-	-8	Deferred into 22/23 IA Plan
Released Under Investigation	8	8	-	
Business Change	8	8	-	
Follow Up – Procurement	5	-	-5	
Follow Up – Fleet Management	5	-	-5	
Follow Up – Health & Safety	5	5	-	
Data Management	12	12	-	
IT – Cyber Security	10	10	-	
IT - GDPR	5	5	-	
New Finance System	-	10	10	Days taken from above audits
Collaboration	13	4.5	8.5	Deferred into 22/23 IA Plan
Management	14	14	-	
Contingency	8	-	-	As requested
Total	**172**	**132**	**40**	

06   Benchmarking

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

Comparison of Assurance Levels

2020/2021   **2021/2022**

- Significant
- Satisfactory
- Limited
- In Progress

Of the 10 audits in 2021/2022 there were 4 with satisfactory assurance and 2 with substantial assurance provided (70%). 3 limited or needs improvement assurance reports were provided in the year (30%). This is an improvement on 2020/21 where 63% of all audits completed were limited assurance opinions.

In 2020/2021, 2 audits providing significant were completed, 1 audit providing satisfactory and 5 deemed limited.

Comparison of Recommendation Gradings

2020/2021   **2021/2022**

- Fundamental
- Significant
- Housekeeping

The total number of recommendations made in 2021/22 was 25. This represents an decrease of 3 from the prior year (28). The number of Fundamental recommendations has decreased from 5 in 2020/21 to 3 in 2021/22.

Similarly, the number of Significant recommendations has decreased from 15 in 2020/21 to 14 in 2021/22.

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07   Performance of Internal Audit

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

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of the Force & OPFC 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 three mandatory elements set out by the Institute of Internal Auditors. Namely, the Code of Ethics, the Definition of Internal Auditing and the Standards for the Professional Practice of Internal Auditing.

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.

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 Audit and Risk Committee. We have received positive feedback on our work from the Audit and Risk Committee and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the JIAC with Performance being an item within our progress reports presented at each meeting.

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.

Please see next page for further details.

Compliance with Professional Standards

Conflicts of Interest

Performance Measures

Internal Audit Quality Assurance

06 Internal Audit Quality Assurance

Our commitment on quality and compliance with the IIA's standards

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 UK Public Sector Internal Audit Standards (PSIAS), which are based on the mandatory elements of the IPPF.

Our quality assurance and quality control requirements are consistent with the Standards and PSIAS. 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 PSIAS.

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

We have agreed delegated authorities that set out the levels at which various client outputs, including deliverables such as internal audit reports, must be reviewed and approved before being issued to our clients.

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 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 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. The central Technical Department is available for more specialist areas and alerts partners and team members to forthcoming technical changes. In this way, we seek to minimise the prospect of problems arising with internal audit files.

External quality assessment (EQA)

As noted above, we can confirm that our internal audit work is undertaken in line with the IPPF and PSIAS. Under this there is a requirement for internal audit services to be subject to an independent EQA every five years. Our most recent assessment took place over the summer of 2019. The review concluded that Mazars "conforms to the requirements of the International Professional Practices Framework for Internal Audit and the Public Sector Internal Audit Standards".

Appendices

A1 Definitions of Assurance

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A1   Definitions of Assurance

Assurance Gradings

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

Assurance level	Definition
Significant	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Satisfactory	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk. The level of non-compliance puts the Organisation's objectives at risk.
No	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Recommendation Gradings

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

Recommendation Level	Definition
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	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 Opinion Gradings

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

Assurance level	Definition
Significant	The framework of governance, risk management and control is 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 us

David Hoose
Partner, Mazars
David.Hoose@Mazars.co.uk

Mark Lunn
Manager, Mazars
Mark.Lunn@Mazars.co.uk

Mazars LLP
30 Old Bailey
London EC4M 7AU

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Agenda Item 6b

Internal Audit Service

Draft Annual Report
2021-22

Jacinta Fru – Chief Internal Auditor

May 2022

Internal Audit Annual Report 2021/22

Northamptonshire Commissioner Fire & Rescue Authority

Table of Contents

Executive Summary

1.   Introduction

1.1.   The Public Sector Internal Audit Standards (PSIAS) require the 'Chief Audit Executive' to provide an Annual Report to inform the Annual Governance Statement, which is a statement of the effectiveness of the framework of governance, risk and controls in operation within the Authority. Northamptonshire Commissioner Fire and Rescue Authority's (NCFRA) Chief Audit Executive is the LGSS Chief Internal Auditor.

1.2.   The Standards require the Internal Audit Annual Report to:-

➢   include an opinion on the overall adequacy and effectiveness of NCFRA's internal control environment,
➢   present a summary of the audit work on which the opinion is based,
➢   draw attention to any key issues that may impact on the level of assurance provided,
➢   provide a summary of the performance of the Service
➢   comment on the Audit Service's level of compliance with PSIAS.

1.3.   The internal control environment comprises the NCFRA's policies, procedures and operations designed to:-
o   establish and monitor the achievement of NCFRA's objectives
o   facilitate policy and decision making
o   ensure the economic, effective and efficient use of resources
o   ensure compliance with established strategies, policies, procedures, laws and regulations
o   Safeguard the NCFRA's assets and interests from losses of all kinds, including those arising from fraud or corruption.

It is the responsibility of the organisation to establish and maintain appropriate risk management processes, control systems, accounting records and governance arrangements.

1.4.   The role of Internal Audit is to provide an assurance to the NCFRA that these arrangements are in place and operating effectively. The Annual Audit Plan sets out proposals on how this will be achieved in the year ahead. The NCFRA's response to internal audit activity (individual audit reports) should lead to the strengthening of the control environment and therefore contribute to the achievement of the organisation's objectives.

Internal audit is best summarised through the definition within the Standards 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''.

2.   Internal Audit Opinion 2020/21

2.1.   The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the Northamptonshire Commissioner Fire and Rescue Authority to support its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control.

2.2.   In line with guidance from Chartered Institute of Public Finance Accountants (CIPFA) for consideration of the on -going impact of the pandemic that may result in a limitation of scope on the work of Audit, limitation of scope of audit work was not felt to be valid.

2.3.   In giving this opinion, there is an understanding that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, this opinion is based on the following key requirements as set out by CIFPA:

- o   written reports on all internal audit work completed during the course of the year (assurance and risk); **Section 3**
- o   results of any issues that have carried forward into the following year; **Section 4**
- o   the results of work of other review bodies where appropriate; **Section 5**
- o   the extent and adequacy of resources available to deliver the internal audit work and the proportion of NCFRA's audit need that has been covered within the period; **Section 6**
- o   the quality and performance of the internal audit service and the extent of compliance with the Standards. **Section 7**

Audit Opinion – 2021/22

I can confirm that sufficient assurance work has been completed to allow me to form a conclusion on the adequacy and effectiveness of Northamptonshire Commissioner Fire and Rescue Authority's internal control environment. Based on audit work undertaken during the year, in my opinion, NCFRA's framework of governance, risk management and management control is Satisfactory

Audit testing has demonstrated that controls were working in practice across key areas but a number of findings, some of which are significant, have been raised.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

Jacinta Fru BA (hons) FCCA
Chief Internal Auditor

2.4.   The Satisfactory opinion for 2021/22 should be viewed positively. It reflects the maintenance of a sound controls environment despite several challenges, including the ongoing impact of the pandemic on the organisation's capacity, as well as significant changes to processes in bringing

key support service delivery back inhouse and the impact of work on the pending merger of key enabling services with the Police Force.

2.5. For context the full range of Audit Opinion categories is given below:

- **Substantial Controls** – findings show that only minimal weaknesses have been found (if any) that present very low risk.
- **Good System of Internal Control** - Findings indicate that on the whole, controls are satisfactory, although some enhancements may have been recommended.
- **Satisfactory System of Internal Control**– A number of findings, some of which are significant, have been raised. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a Good audit opinion to be given.
- **Limited System of internal Control** – Findings indicate significant control weaknesses and the need for urgent remedial action. Where corrective action has started, the current remedial action is not sufficient or sufficiently progressing to address the severity of the control weaknesses identified.
- **No Assurance** - There are fundamental control weaknesses that present an unacceptable level of risk to the control environment. In simple terms this means there are no effective control systems.

3. Basis of the Opinion

3.1. Internal Audit work completed in 2021/22

3.1.1 In accordance with Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015, the Chief Audit Executive's annual opinion, is substantially based upon the work performed by Internal Audit during the year.

3.1.2 Work has been planned and performed so as to obtain sufficient information and explanation considered necessary, to provide evidence to give assurance on the effectiveness of the internal control system. Best use was made of Internal Audit resources during the year to maximise assurance, with Audit resource being applied to providing ongoing assurance over activities and arrangements that contributed to oversight of the control environment.

The Audit Plan remained fluid throughout the year with audits being removed or introduced to reflect changing risks - agreed with the Senior management team and Audit Committee. The audit plan year end for NCFRA is 31st March 2022, but during the year, capacity issues with access to client staff meant an acceptance by management that completion of the Audit Plan will move to quarter 1 2022.

3.1.3 The opinion reflects the following positive actions taken by Management during the year, involving the Audit Service, that contributed to the control environment being maintained during the year
- o A comprehensive Corporate Governance Framework, reviewed during the year by management, that is complied with across the Organisation, confirmed within several audit reviews.
- o Robust financial management arrangements implemented in line with CIPFA Financial Management Code, including budget monitoring and closer working between Finance, Budget managers and Senior Fire Officers.
- o Regular reviews of the risk management arrangements with update of the strategic and operational risk registers and quarterly reports into JIAC and other governance boards.
- o Positive assurance outcomes from inspections on operational arrangements by HMICFRS.

3.1.4 The opinion however recognises some key challenges that Internal Audit concludes impacted the effectiveness of controls and risk management during 2021/22:
- The issues during the year, with some key IT functions
- On-going changes and development of new processes within Enabling Services, to support implementation of the pending merging of service delivery with the Police, which have yet to be embedded.

3.1.5 The 2021/22 Internal Audit plan, approved by the Joint Internal Audit Committee on 10 March 2021, was informed by Internal Audit's own assessment of risk and materiality, in addition to consultation with management, to ensure the plan aligned with key risks facing NCFRA.

3.1.6 In preparing the overall opinion, the Chief Audit Executive has reviewed all audit activity carried out during 2022 and noted any issues arising from audits that have carried forward into 2022/23. During the year, audit activity included reviews in the following areas
- Key Financial systems – reviews focused on the systems that have the highest financial risk, recording transactions within the 2021/22 financial year.
- Systems based and probity reviews - focused on those core areas where a high level of compliance is necessary for the organisation to carry out its functions properly and targeted towards key areas of high risk, as identified through consultation with senior management, risk register information, and the Internal Audit risk assessment of the organisation.
- Information Technology – focused on ensuring security over information/data and IT assets.
- Procurement/contracts –focused on reviewing controls over contracts and procurement activity.
- Risk and other Consultancy – strategic support and guidance.

All audit reviews contain assurance opinions based on the adequacy of the system of internal control in existence at the time of the audit and on the level of compliance with those controls, reflected as:

Adequacy of System	SUBSTANTIAL- Substantial governance measures are in place
	GOOD - Governance measures are in place with only minor control weaknesses.
	SATISFACTORY- Systems operate to a moderate level with some control weaknesses
	LIMITED significant control weaknesses that present a high risk to the control environment.
	No ASSURANCE fundamental control weaknesses that present an unacceptable level of risk to the control environment.
Compliance with the system	SUBSTANTIAL- the control environment has operated as intended without exception.
	GOOD -good compliance, although some errors have been detected
	SATISFACTORY control environment has mainly operated as intended although errors have been detected
	LIMITED control environment has not operated as intended. Significant errors have been detected
	NO ASSURANCE control environment has fundamentally broken down

3.1.6 The individual assignment opinion is based on the number of recommendations raised and an assessment as to the likelihood of the risk occurring and the impact to the NCFRA should the risk materialise. Individual recommendations were assessed and categorised as:

- **Essential** –*Action is imperative to ensure objectives for the area under review are met*
- **Important** – *Action is required to avoid exposure to significant risks in achieving the objectives of area under review*
- **Standard** –*Action is recommended to enhance control or improve operational efficiency*

The assurance opinion assigned to the individual audit areas reviewed during the year are as detailed below for information.

Audit type	Nos of Audits completed	System Design Assurance						Compliance Assurance					
		S	G	SF	L	NA	NO	S	G	SF	L	NA	NO
Key Financial Reviews	5	0	5	0	0	0	0	0	4	1	0	0	0
System Based /Probity reviews	10	0	9	0	1	0	0	0	7	2	1	0	0
Information Technology	1	0	0	0	1	0	0	0	0	0	1	0	0

S=substantial; G=good; SF=satisfactory; L= Limited; NA= no assurance; NO= No Opinion

3.1.7 During 2021/22 there were 2 audit reviews where our opinion was a "limited" assurance opinion against the system design or compliance with system controls (2020/21 - 4). Where finalised, key findings from these audits have been reported to JIAC during the year. The number of recommendations raised and their categories were as follows:

Audit Activity	No. of Essential Recs	No. of Important Recs	No of standard Recs	Key Issues
Target Operating model- Golden Thread	2	0	0	• Significant issues with functionality of the data recording and storage system. • No approved standard process for producing KPI reports.
IT Disaster Recovery	0	10	0	• applications/infrastructures were not ranked as to criticality and recovery time objectives for systems were not defined. • Periodic testing of recovery plans were not routinely scheduled. • Back up arrangements were not adequate.

See **Annex A** for the audit assignments completed and the assurance levels given.

3.2. **Recommendation Action Status**

3.2.1 In preparing the overall opinion, the Chief Audit Executive has reviewed the implementation status of recommendations raised during the year as a measure of how the organisation has improved the controls once identified. Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each individual audit report are to be realised.

3.2.2   In line with the current Internal Audit methodology only agreed actions that have been assessed as 'Essential' or 'Important', and that have reached their agreed target implementation date, are specifically followed up. This involves obtaining managements' confirmation of implementation together with appropriate evidence to support the implementation.

3.2.3   An overview of agreed actions and the implementation of actions in 2021/22 is summarised in Tables 1 and 2, below which shows the status as at 30/4/2022.

Table 1: Total Agreed Management Actions 2021/22 (Final/Draft Reports)

	Essential	Important	Standard	Total
Number (last year)	**5** (11)	**23** (25)	**16** (12)	**44** (48)
% (last year)	**11%** (23%)	**52%** (52%)	**37%** (25%)	100%

Table 2: Implementation of Agreed Management Actions as at 30 April 2021/22 (Final /Draft Reports)

	Essential Actions	Important Actions	Standard Actions	Total
Recs open as at 30/04/21	9	23	7	39
Recs agreed during 2021/22	5	23	16	44
TOTAL	**14**	**46**	**23**	**83**
Implemented	12	37	14	63
Outstanding 30/04/22	2	9	9	20
Recs with revised dates	2	7	2	11
Agreed Implementation date is after 31st March 2022	0	2	7	9

3.2.4   Where the agreed implementation date for an action is after 31st March 2022, these actions are scheduled to be followed up as part of the 2022/23 Audit Plan and reported within the regular Internal Audit Update reports submitted to Audit Committee. NB For Standard recommendations, Internal Audit receives verbal confirmation, but evidence of this is not sought as a proportionate use of IA resource consistent with best practice.

4.   Other Key Issues

4.1   In preparing the overall opinion, the Chief Audit Executive has to review issues having a bearing on 2021/22 opinion, carried forward into 2022/23.

4.2   The timing of audits scheduled for 2021-22, was impacted by the ongoing effects of the pandemic on staff and management, which caused delays in delivery of audit assignments.

4.3 In response to closure of the County Council and the formation of two Northamptonshire Unitary Authorities, the organisation moved to return various core financial processes back to in house provision during the year and commenced review of contracts held with the previous Council. These changes aimed at securing improvements in oversight of the functions, were yet to be fully embedded during the year.

4.4 Throughout 2021/22, work has been ongoing to ensure a smooth transition to merging with the Police Force at the end of 2022/23. This has included review of policies and frameworks to make them fit for purpose. This work has been ongoing throughout 2021/22 and continues into 2022/23.

5. Other work and work of other assurance providers

5.1 In 2021/22, Internal Audit has continued to maintain a focus on review of financial and other policies and procedures to ensure that these are: up to date; fit for purpose; effectively communicated and routinely complied with across the organisation. A good assurance audit opinion was given for the key policies review.

5.2 The outcomes from inspections by HMICFRS during the year were positive. The majority of recommendations for improvements made had all been implemented. A follow up inspection from HMICFRS took place in July 2021 and feedback was also positive.

5.3 External Audit of NCFRA's financial statements for year ending March 2021 did not identify any issues or areas of non- compliance. The Authority's Financial Statements for the year ending March 2022 are on schedule to be produced in line with the statutory timescales and the external audit review will be undertaken and its arrangements to secure economy, efficiency and effectiveness in its use of resources - (the value for money conclusion) is yet to be determined.

6. Internal Audit Resources

6.1 As a Shared Service, staff within Internal Audit and Risk are expected to occasionally work across partner sites. Throughout 2021/22, there was sufficient resource and the benefits of shared provision working approach was fully exploited with staff being used from across the Partnership, to ensure that the Plan would be delivered soon after year end.

7. Service Performance and Quality

7.1 Plan Delivery

7.1.1 The Fire Authority's Internal Audit Plan for 2021/22 was agreed in 10 March 2021 with a target of 100% completion to draft report by 31st March 2022.

7.1.2   Due to the effects of staff absences, the target timeline was moved. As at the 30/04/21 99% of planned audits were at final/draft stage with only 1 audit at advance stage of progress with the anticipated completion to draft report for end of May 2022.

7.1.3   As at the end of March 2021, the team's productivity was at 90% in line with the target of 90%.

7.2   Customer Feedback

7.2.1   Continuous development in the quality of the internal audit service remains a key objective, particularly following the collaboration with other clients. In order to obtain feedback from the organisation, when final reports are issued, a link to an online Customer Feedback Questionnaire is provided to all officers who receive the final report. Respondents are requested to rate the overall satisfaction with regards to audit, with four options from Excellent – Poor. Respondents also have the opportunity to provide more specific detailed feedback.

7.2.2   For the financial year 2021-22, customer responses were for the most part positive with the service provision rated as good or excellent.

7.3   Quality Assurance & Service Development

7.3.1   The Audit Charter provides a formally defined purpose of Internal Audit for the partners, thus ensuring conflict of interest is avoided. Our code of conduct requires auditors to complete both an annual declaration as well as an assignment declaration for each audit undertaken.

7.3.2   The charter is reviewed annually to ensure it continues to reflect best practice and is approved by the Joint Independent Audit Committee. The charter was approved at the JIAC meeting of March 2021.

7.3.3   Our work is guided by an Audit Manual based on PSIAS, which references our processes. To ensure consistency of delivery and adherence to auditing standards, the Service uses Sword Audit Management system for documenting working papers and other supporting documentation. The Audit manual is reviewed annually.

7.3.4   Development needs are identified through monthly one to one appraisal meetings with auditors and bi-annual refresher team workshops.

7.4   Compliance with Public Sector Internal Audit Standards (PSIAS)

7.4.1   The Service complied with PSIAS during the year, with regular internal review of processes and actions taken as appropriate. An internal review of the processes for documenting audit findings identified a need for improvement and the Audit Management Software system was introduced

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to address this. All of the improvement actions identified in the external review of 2016/17 were implemented and reported during 2017/18.

7.4.2 Throughout 2020/21 the Internal Audit Service worked in line with the Public Sector Internal Audit Standards (PSIAS).

7.4.3 The external review of the service that was scheduled for 2021/22 consistent with PSIAS requirements, was rescheduled to 2022/23 as a result of the decision to dissolve the Shared service arrangement. The NCFRA Internal Audit Service provided by Milton Keynes Council Internal Audit will be subject to an external assessment in summer of 2022.

Summary of Reviews Completed 2021-22

The table below summarizes the Internal Audit reviews that were completed during the 2021-22 financial year as at 30 May 2022

AUDIT TITLE	STATUS	System Design Assurance	Compliance Assurance	Organisation Impact
Plan - 2021/22				
Target operational model-Golden Thread -	Final Report	Limited	Limited	Moderate
Equipment Maintenance & Testing -	Final Report	Good	Satisfactory	Minor
IT Disaster Recovery -	Final Report	Limited	Limited	Moderate
Corporate Governance	Final Report	Good	Good	Minor
People culture Strategy -HR Improvement Planning	Final Report	Good	N/A	N/A
Financial Controls Environment – (key recs /bank/Vat/Jnls / TM /Pensions) -	Final Report	Good	Good	Minor
Key Policies -	Final Report	Good	Good	Minor
MTFP/Budgetary controls	Final Report	Good	Good	Minor
Payroll	Final Report	Good	Satisfactory	Minor
Accounting systems (AP/AR) -;	Final Report -	Good	Good	Minor
Target operating -performance framework	Final Report-June 2022	Good	Good	Minor
Risk Management review	Workshop completed	N/A	N/A	N/A
HMICFRS-pre inspections	Cancelled	Cancelled	N/A	N/A

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Brought forward - Plan 2020/21				
Medium Term financial Planning	Final Report	Good	Good	Minor
Accounts Payable /Accounts receivable	Final Report	Good	Good	Minor
Target Operating module	Final Report	Good	Good	Minor
Payroll – HR Transactions	Final Report	Good	Satisfactory	Minor

AGENDA ITEM 7

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE

27th July 2022

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. The previous report to JIAC was in October 2021.

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 5 actions that have not yet reached their implementation date and remain ongoing.
- 14 actions that have passed their implementation date & are overdue.
- 32 actions have been completed.

3   OVERVIEW

3.1   **2019/20 Audits**
- All actions have been completed.

3.2   **2020/21 Audits**

- 4 have passed its implementation date and are overdue.
- 13 actions have been completed.

3.3   **2021/22 Audits**

- All 11 audits have been completed for 2021/22 since the last review in the October 2021 JIAC, raising 34 recommendations.
- 5 have not yet reached their implementation date and remains ongoing.
- 10 have passed its implementation date and are overdue.
- 19 actions have 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 Fire Executive Board 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 v7.11

INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

The required Audit opinion for every audit is provided in 3 parts as below:

Control Environment Assurance	
Level	**Definitions**
Substantial	Minimal control weaknesses that present very low risk to the control environment
Good	Minor control weaknesses that present low risk to the control environment
Satisfactory	Control weaknesses that present a medium risk to the control environment
Limited	Significant weaknesses that present a high risk to the control environment
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment

Compliance Assurance	
Level	**Definitions**
Substantial	The control environment has substantially operated as intended although some minor errors have been detected.
Good	The control environment has largely operated as intended although errors have been detected
Satisfactory	The control environment has mainly operated as intended although errors have been detected.
Limited	The control environment has not operated as intended. Significant errors have been detected.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact	
Level	**Definitions**
Major	The weaknesses identified during the review have left the Service open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole
Moderate	The weaknesses identified during the review have left the Service open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole
Minor	The weaknesses identified during the review have left the Service open to low risk. This could have a minor impact on the organisation as a whole.

Summary of Audit Outcomes

Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance, Good Assurance or Substantial Assurance for adequacy of system and compliance.

Likelihood matrix (H/M/L × L/M/H Impact)	**The Agreed Actions are categorised on the following basis:**	
	Essential	Action is imperative to ensure that the objectives for the area under review are met.
	Important	Requires action to avoid exposure to significant risks in achieving objectives for the area under review.
	Standard	Action recommended enhancing control or improving operational efficiency.

2019/20

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	**Important**	**Standard**
Payroll	September 2019	Good	Good	Minor	0	0	2
Accounts payable	September 2019	Good	Limited	Moderate	3	0	0
Accounts receivable	September 2019	Satisfactory	Satisfactory	Minor	0	1	1
Organisational Governance	October 2019	Good	Good	Minor	0	0	2
Policies & Procedures	October 2019	Good	Satisfactory	Moderate	0	0	1
Scheme of Delegation	October 2019	Good	Limited	Moderate	0	0	0
Target Operating Model	October 2019	Good	Good	Minor	0	0	0
Target Operating Model	June 2020	Good	Good	Minor	0	0	1
MTFP	June 2020	Good	Good	Minor	0	2	1
ICT systems security	February 2020	Limited	Limited	Moderate	1	4	1
Organisational Governance, Scheme of Delegation and Policies and Procedures	July 2020	Good	Satisfactory	Moderate	0	1	0
Accounts Payable, Accounts Receivable and Payroll	September 2020	Good	Limited	Moderate	3	6	1

Internal Audit recommendations v7.11

2020/21

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	Important	Standard
Grenfell Tower Fire Inquiry Phase 1 Action Plan	October 2020	Good	Good	Minor	0	0	3
Asset Management	February 2021	Satisfactory	Limited	Moderate	3	10	2
C19 contract and spend analysis	February 2021	Good	Satisfactory	Minor	1	3	0
Financial Controls Environment Q1,2 &3	May 2021	Satisfactory	Limited	Major	2	0	2
Procurement and Stock Control	May 2021	Satisfactory	Limited	Moderate	5	5	0
Key Policies	May 21	Good	Good	Minor	0	2	3
Organisational Governance	June 21	Good	Good	Minor	0	0	1
ICT Governance	June 21	Satisfactory	Satisfactory	Minor	0	5	0
Target Operating model	June 21	Good	Good	Minor	0	0	1
MTFP and Budget Management	June 21	Good	Good	Minor	0	0	1
Accounting systems AP/AR	June 21	Good	Good	Minor	0	0	3
Payroll	August 21	Good	Satisfactory	Minor	0	4	2

2021/22

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	Important	Standard
Target Operating Model ('Golden Thread' and the verification of Data Quality)	September 21	Limited	Limited	Moderate	2	0	0
Equipment Maintenance and Testing	November 21	Good	Satisfactory	Minor	2	4	4
ICT Disaster Recovery	December 21	Limited	Limited	Moderate	0	10	0
NCFRA Organisational Governance	December 21	Good	Good	Minor	0	1	0
HR Improvement Plan	March 22	Good	Not Awarded	Minor	0	1	0
Key Policies and Procedures	March 22	Good	Good	Minor	0	0	1
Financial Control Environment	March 22	Good	Good	Not awarded	0	0	0

Internal Audit recommendations v7.11

AUDIT	DATE	Adequacy of System	Compliance	Organisational Impact of findings	Agreed Action plans		
					Essential	Important	Standard
MTFP and Budget Management	March 22	Good	Good	Minor	0	1	0
Acc Payable & Acc Receivable	May 2022	Good	Good	Minor	0	2	3
Payroll	May 2022	Good	Satisfactory	Minor	1	2	0
TOM – Performance Management	June 2022	Good	Good	Minor	0	0	0

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.

2019/20 Audits	Reported to JIAC 11th Dec 2019	Reported to JIAC 11th March 2020	Reported to JIAC 29thJuly 2020	Totals for 2019/20
Recommendations Raised	10	0	10	20
Complete	3	2	6	11
Ongoing	7	5	4	4
Overdue	0	0	5	5

2020/21 Audits	Reported to JIAC 7th October 2020 (19/20 Audit)	Reported to JIAC 16th December 2020 (20/21 Audit)	Reported to JIAC 10th March 2021	Reported to JIAC 28th July 2021	Totals for 20/21
Recommendations Raised	1	13	19	30	63
Complete	2	9	5	28	44
Ongoing	1	7	21	19	19
Overdue	7	2	2	6	6

Internal Audit recommendations v7.11

2021/22 Audits	Reported to JIAC 6th October 2021 (20/21 Audit)	IA recommendation update not required at Dec 21 JIAC	IA recommendation update not required at Mar 22 JIAC	Reported to JIAC 27th July 2022	Totals for 21/22
Recommendations Raised	6	Not reported on	Not reported on	34	40
Complete	15	Not reported on	Not reported on	32	47
Ongoing	12*	Not reported on	Not reported on	5	5
Overdue	5	Not reported on	Not reported on	14	14

* was 11 (ICT Governance MAP2 left off v6.3)

OUTSTANDING RECOMMENDATIONS

Key to Status		Action completed since last report		Action ongoing		Action outstanding and past its agreed implementation date		Action no longer applicable or superseded by later audit action

2020/21

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/responsibility	Status
7	**WEAKNESS:** The Redkite system is currently not manageable as an asset record because it includes consumable low value items. **RISK:** Valuable items could be missed	**RECOMMENDATION:** Management to determine the definition of assets and the values of the assets that are required to be recorded on the Redkite system. **MANAGEMENT COMMENTS:** Agreed. A check of the NCFRA CGF against operational needs will be undertaken and recommendations made on the way forward.	**Important**	28.4.21 LF update. This is ongoing and part of the wider Red Kite review and change to ways of working 9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. This time line needs realigning with the other Red Kite work for March 22 **15.9.21** – LF update – On-going work to cleanse the red kite system is being undertaken by the fleet and stores department. This will be further supported by the appointment of the PM once we fully understand the outcomes from the current equipment audit, which will complete the triangle associated with Red Kite (stores, assets and equipment) **7.2.22** Process in place, LF to check with HK that happy for this recommendation to be shut.	Head of Joint Transport and Logistics 31 July 2021 New date March 22 Completed	

				April 22 – This can be closed as full scoping has been undertaken and plan is in place. The Head of Transport and Logistics has worked with the Head of Finance to ensure all assets are recorded in accordance with the CGF		

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
8	**WEAKNESS** It has been unable to be confirmed what controls are in place to ensure that IT assets are signed for/collected on delivery to NCFRA. **RISK:** That assets may be unaccounted for, held securely or maintained adequately.	**RECOMMENDATION:** Review processes and controls for the delivery of IT assets. **MANAGEMENT COMMENTS:** Agreed	**Important**	28.4.21 CC update. This will be implemented as part of the new service desk software (Ivanti). Procurement working on the purchasing of the software as at 28/4/21. Audit date to be changed to 31 July 20218.7.21 CC update – Ivanti due to go live 02.08.21. New due date 31 August 21 7.9.21 CC update Ivanti due for full roll out mid-October. 21.9.21 DS update. Still due for mid-October **06.01.22 – To be closed. Hardware management process in place, as attached. Tested successfully against new kit delivery in Jan 2022.** Hardware Management Process	Joint Chief Digital Officer 31 March 2021 New date 31 July 2021 New date 31 August 21 New date 31st Oct 2021 Completed	

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
9	**WEAKNESS** Review of IT assets on Redkite EMS identified that inventory checks are not maintained on the system. **RISK:** That assets are not held securely or maintained adequately.	**RECOMMENDATION:** A structured approach to ICT asset management checks should be developed and introduced. **MANAGEMENT COMMENTS:** Agreed	**Essential**	28.4.21 CC update. This will be implemented as part of the new service desk software (Ivanti). Procurement working on the purchasing of the software as at 28/4/21. Audit date to be changed to 31 July 2021 8.7.21 CC update. Ivanti due to go live 02.08.21. New due date 31 August 2021 7.9.21 CC update Ivanti due for full roll out mid-October. 21.9.21 DS update. Still due for mid-October **06.01.22 – To be closed. Ivanti IT Asset module in place, so Redkite no longer in use. Hardware Refresh policy agreed by Fire Digital Strategy Board in June 2021, which includes the requirements for an annual audit.** NFRS Hardware Refresh Policy **10.1.22** Checking policy as per A1 and on Fireplace **8.3.22** FEG update. CC stated the policy was in the wrong format, this has now been rectified and will be sent out for consultation. **14.3.22** Chased information re policy update. **16.05.2022** – Delayed due to a review of the joint hardware policy requirements for Fire and Police to ensure parity and efficient support mechanisms. Intention was to have one policy that applied to both organisations. However, conclusion of the review was that the processes will have to stay separate in the medium term. NFRS policy will therefore be sent out by the end of May 2022. (Consultation closes 24th June) **5.7.22 – C**onsultation completed and policy returned to CC for presentation at the next TLT at end of July.	Joint Chief Digital Officer 31 March 2021 New due date 31.07.21 New due date 31.08.21 New date 31st Oct 2021 New date 31st July 2022	

Internal Audit recommendations v7.11

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
10	**WEAKNESS:** Testing of a sample of equipment assets highlighted that Redkite EMS is not always updated when an asset moves location within the service. **RISK:** That asset location may not be known/accurately recorded on Redkite EMS.	**RECOMMENDATION:** Consideration to be given to introduction of a system whereby Officers with responsibility for specified asset types are required to review and update/confirm details on the Redkite system on a monthly basis. A report of this review to be submitted to management team. **MANAGEMENT COMMENTS:** Agreed. To develop a process and plan. Will complete a one off check alongside cleansing and then regular inventory checks.	**Important**	28.4.21 LF update. Still open - This will come under a much broader review and change to the way NFRS operate Red Kite. 4.5.21 LF update. Proposing timeline for RedKite improvements next week. Confirm new due date then. 11.5.21 LF. New date 31.3.2022 in line with Redkite review (see action 13) 9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. Action on target for completion date. **15.9.21** – LF update – Further work is being carried out by the stores manager and equipment manager working with the ops team to ensure this is corrected. This will need further process development that will be supported by the new PM role. **7.2.22** Process in place, FB027 has been reviewed to improve use. CRG to support embedding, to be monitored within CRG dashboard. LF action closed.	Head of Joint Transport and Logistics 31 March 2021 New due date 31.03.2022 Completed	

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
13	**WEAKNESS:** There are many assets items that are shown as lost or missing on Redkite EMS with some of these records going back as far as 2010. A sample of transactions were selected from the withdrawn report provided by the Equipment	**RECOMMENDATION:** Redkite requires a thorough data cleanse to be completed to ensure all assets are recorded fully and accurately. Management to identify items recorded as missing, develop a process and timescale/frame for decision making on updating the	**Essential**	28.4.21. LF update. This is ongoing and part of the wider Red Kite review and change to ways of working 9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. Action on target for completion date. **15.9.21** – LF update – On-going work to cleanse the red kite system is being undertaken by the fleet and stores department. This will be further	Head of Joint Transport and Logistics 31 March 2022 Closed	

Internal Audit recommendations v7.11

	Management. Of those reported as missing/disposed of after audit, their status remains unclear. Additionally, transaction testing of IT assets also highlighted a number of assets that require review to ascertain their status. **RISK:** Assets are not accurately recorded on the system. Budget challenges.	status of the item to a permanent resolution. **MANAGEMENT COMMENTS:** Agreed. A policy decision will be developed to guide the data cleanse and ongoing maintenance of the system in line with the requirements outlined in the NCFRA CGF. Consideration will be given to the value of individual items under £250, over 10 years old and items that cannot be found.		supported by the appointment of the PM once we fully understand the outcomes from the current equipment audit, which will complete the triangle associated with Red Kite (stores, assets and equipment) **7.2.22** Continually working through the data cleansing of historical issues & process agreed with HK. Policy reviewed for on boarding, lost/missing and governance for CRG. Station audits will be carried out by F&E, planning to start a.s.a.p (covid allowing) LF to check with HK re closure. **April 22** – This can now be closed. The FB27 is in place and the structure to carry out the data cleanse with supporting station audits is prepared. Now COVID measures have eased these station audits will be able to begin. The data cleanse element will be covered in the below action to ensure this work is carried out.		

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
14	**WEAKNESS:** The Equipment Manager advised that Redkite EMS does not have the functionality to update records e.g. when an asset has been reported as lost and then it is found. **RISK:**	**RECOMMENDATION:** Redkite requires a thorough data cleanse to be completed to ensure all assets are recorded fully and accurately. **MANAGEMENT COMMENTS:** Agreed	**Important**	28.4.21. LF update. This is ongoing and part of the wider Red Kite review and change to ways of working 9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. Action on target for completion date. 15.9.21 – LF update – On-going work to cleanse the red kite system is being undertaken by the fleet and stores department. This will be further supported by the appointment of the PM once we fully understand the outcomes from the current	Head of Joint Transport and Logistics 31 March 2022 31st March 2023	

| | | | | equipment audit, which will complete the triangle associated with Red Kite (stores, assets and equipment)
7.2.22 LF to check with HK that this can be closed. Process in place.
April 22 – LF - This item needs to remain open to track the data cleanse element. Another 12 months required.
5.7.22 LB update – Still on schedule | | |

Assets are not accurately recorded on the system.

Asset Management – February 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
15	**WEAKNESS:** The current process for the completion and progression of FB027's is not consistently followed across the service. Many FB027 forms are being sent directly to Stores or the Equipment Manager without being signed off by a senior officer at station/service level. **RISK:** Delays in kit being replaced and a lack of audit trail.	**RECOMMENDATION** Review the FB027 process, update as appropriate and ensure all staff are made aware/reminded of the need for the FB027 form to be completed accurately and signed appropriately prior to forwarding to Stores or the Equipment Manager. **MANAGEMENT COMMENTS:** Agreed that that process for reporting lost and damaged assets requires review and updating and subsequently communicated and promulgating.	**Important**	28.4.21. LF update. This is ongoing and part of the wider Red Kite review and change to ways of working. 9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. This time line needs realigning with the other Red Kite work for March 22 **15.9.21** – LF update – On-going work to cleanse the red kite system is being undertaken by the fleet and stores department. This will be further supported by the appointment of the PM once we fully understand the outcomes from the current equipment audit, which will complete the triangle associated with Red Kite (stores, assets and equipment) **7.2.22** Process in place, FB027 has been reviewed to improve use. CRG to support embedding, to be monitored within CRG dashboard. LF action closed.	Head of Joint Transport and Logistics 31 July 2021 New date 31st March 22. Completed	

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Procurement and Stock Control – May 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
3	**WEAKNESS:** A number of transaction in the sample from cost centre 18F0013 were for items outside of the remit of store consumables and for some, quotations/contracts were not available/not in place that demonstrate obtaining best value. This includes: • GTS Testing – evidence provided • Water dispensers • Rental agreement for the franking machine • Rental for Roller Towels **RISK:** Lack of budgetary control Potential for overspend on budget	**RECOMMENDATION:** Ensure the correct cost centre is used for raising purchasing orders on ERP Gold. Evidence of quotations should be obtained in line with the requirements detailed in the NCFRA CGF and should be reviewed by the budget holder prior to authorising orders on ERP Gold. **MANAGEMENT COMMENTS:** On review the correct budget codes are being used for these items which are part of the historic transfer from NCC. The water dispensers and towels are part of the facilities operation that has a budget line within the stores accounts and the franking machine is currently held by procurement. Management will undertake a full review of the budget ownership of these items to ensure the correct governance and controls are applied, by assigning then to the correct budget area.	**Essential**	9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. Action on target for completion date. A full review of these items is being undertaken this year in partnership with Finance and Estates to review which area some items within the stores budget should sit in future years. 9.7.21 NA Update – The review will include a full transactional level review of all postings to ensure the integrity of the postings **15.9.21** – LF update – First draft fleet and stores budgets are currently being created and as part of that process Deanna and LF are identifying budget lines that needs realigning. This will be put forward as part of the budget review for NA to approve. **7.2.22** Plan in place to redistribute the budget items to the relevant departments. Half has already been aligned within this financial year. LF confirmed closed.	Head of Joint Transport & Logistics and Head of Joint Finance Northamptonshire Police & Fire 31 March 2022 Completed	

Internal Audit recommendations v7.11

Procurement and Stock Control – May 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4	**WEAKNESS:** Evidence of quotations were not available for all transactions selected for review, it has therefore been unable to be confirmed that the costs of orders represent best value for money, they have been sufficiently reviewed prior to them being authorised on ERP Gold and that procurement has been undertaken in line with the requirements outlined within the NCFRA CGF. **RISK:** Paying too much for goods, services or works Lack of compliance with NCFRA CG	**RECOMMENDATION:** Evidence of quotations should be obtained in line with the requirements detailed in the NCFRA CGF and should be reviewed by the budget holder prior to authorising orders on ERP Gold to ensure that they represent best value for money. **MANAGEMENT COMMENTS:** Many store items are bespoke to single suppliers. To obtain multiply quotations for all items would be resource intensive and would not represent good value for money. Moving forwards on commonly used items that are low value we will annually review the available suppliers and ensure that we are receiving the best market price. This will be reviewed by the Stores Manager and the Head of Transport and Logistics and approval given for this to be the approved supplier for the year ahead. It is worth noting that the above solution is only applicable for low value items that fall under the £10K threshold. With all other items the Stores Manager and the Head of Transport and Logistics will work with our commercial partner to get these suppliers on approved frameworks to ensure best value for NFRS and ensure full compliance.	**Essential**	9.7.21 – LF update – July 21 FEG has agreed to recruit a new PM to oversee the Red Kite fix. Action on target for completion date. Update NA – The risk is recognised. Therefore moving forwards we will ensure that benchmarking will be undertaken and evidenced value for money to ensure future appropriate purchases are compliant with the CGF. **15.9.21** – LF update – This action is well underway and the method for review is already in place between the Head of Transport and Logistics and Head of Finance. Items over the 10K threshold have been identified and remain on target for the completion date. **7.2.22** Benchmarking with Beds, agreed and ongoing. Frameworks being used more effectively to slim line the process. LF to check with NA that recommendation can be closed. **April 22** – Benchmarking with Beds in place and full audit of contracts has taken place with the commercial team. New processes are in place and stores staff are aware of all requirements. This action can now be closed Attached is June 21 Beds benchmarking. This is now an annual event.	Head of Joint Transport & Logistics and Head of Joint Finance Northamptonshire Police & Fire 31 March 2022 Completed	

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Procurement and Stock Control – May 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
6	**WEAKNESS:** The current operational system for write off's of stock items is not being undertaken in accordance with the requirements outlined within the NCFRA CGF. **RISK:** Lack of oversight and inaccurate financial reporting	**RECOMMENDATION:** As required within the NCFRA CGF, all write offs/disposals must be approved by the PFCC CFO. Review all amendments to stock levels completed during 2020/21 to ensure that the Joint Finance Team are aware of any write offs/disposals. Moving forward, ensure that the PFCC CFO approves any write offs/disposals in advance of updates to stock levels being made to the Stock Management System. **MANAGEMENT COMMENT:** Finance and Fleet to work together to draw up write off / disposal process and implement. 2020 – 21 review of disposed items will need to have a report created on Red Kite and evaluated with associated costs added for submission to finance for review.	**Essential**	9.7.21 – LF Update – This process has now started and LF will provide the update with supporting evidence. Due for completion by 30 Sept 21 9.7.21 NA Update – The process has been agreed with Finance & moving forwards Finance will keep a register of Fire write offs delegated under the CGF & will review the write offs with the Head of Joint Transport to review the stock write offs vs costs within the GL. **15.9.21** – LF update – this process is now established and in place and covers all disposal and write offs. This was trialled with the recent sale of two fuel bowsers and two vans that went to auction and currently a larger list is being created to capture equipment. Included in this process is that there is now monthly reports on all lost and damaged equipment that is distributed to the Head of Finance for review – Happy to close this action if NA agrees **21.9.21** – NA to meet with Helen King as the s151 officer before 30.09.21 to ensure that the process meets with the governance requirements. **20.12.21 – NA** yes this is now BAU in the guise that we have agreed the processes (Lem is actioning what he has to), we now just need to close the action and when we do breach the yearly limit (which we will) report it to Helen King	Head of Joint Transport & Logistics and Head of Joint Finance Northamptonshire Police & Fire 30 Sept 2021 Completed	

Procurement and Stock Control – May 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
7	**WEAKNESS:** The 2019/20 stock check was undertaken by staff involved with the daily stock keeping function. **RISK:** Lack of independence	**RECOMMENDATION:** As required by the NCFRA CGF, stock takes should be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. Consideration should be afforded to updating the NCFRA CGF to ensure that stock checks are completed to meet operational needs but also include some independent checks. **MANAGEMENT COMMENT:** Suggestion is for members of the Finance team to provide the independent member for future stock takes. This could be either on an observation role or include a percentage of re-checks to ensure accuracy. Within the workshop stores it is recommended that a move to a continuous stock check model with 10% of stock checked per week. Independent checks of this throughout the year by a nominated finance team member will bring strong oversight.	**Essential**	9.7.21 – LF Update – LF reviewing all areas of the stores and workshop stocktake. New processes are in place for stores and workshop is under review. On track for completion by 31 March 21 9.7.21 NA – The stock count for 20/21 was undertaken under Covid regulations and as such, was a very unusual circumstance. It is agreed that a non stores person should be involved in the count/ re-count and this will be re-implemented for the forth coming stock count. **15.9.21** – LF update – This item has been reviewed and with the updated version of Tranman to be installed in Nov 21 the system will allow for constant stock checks supported by weekly audits. The current system is not up to date and will not allow, but action is on track to be up and running this financial year. **7.2.22** Stock take continual process will be started once new Tranman live mid March. Year end stock take supported by Finance to provide independent assurance. LF recommendation can be closed.	Head of Joint Transport & Logistics and Head of Joint Finance Northamptonshire Police & Fire 31 March 2022 Completed	

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Key Policies - May 2021

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4	**WEAKNESS:** It was advised that there is no current service-wide assurance in place to confirm that staff have read key policies, it is achieved through checks made by managers. **RISK:** Staff may not be aware/not following approved policies and procedures	**RECOMMENDATION:** Consider the feasibility of introducing a system that enables key policies and procedures to be confirmed as read by all NFRS personnel (See 1.5 above). **MANAGEMENT COMMENTS:** Agreed	**Important**	9.7.21 KB update - The process for the management and governance of policies & procedures along with information management and communications strategy is currently being reviewed and is expected to be published in Q2. This will work will consider how we ensure all relevant staff receive all relevant information and how this will be assured. On track for Dec 21 **21.9.21** CV update – Explored the option for using Redkite. Further investigations are planned for December completion. **14.12.21** KB update – the A1 policy: Service Information System (SIS) has been reviewed and will be issued for consultation shortly. KB has determined that it is not feasible to introduce a system that enables key policies and procedures to be confirmed as read by all NFRS personnel.	Service Information Team Manager 31 Dec 2021 **Closed** – December 2021	

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ICT Governance – June 21

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	**WEAKNESS**: ICT Strategy dated April 2019. **RISK**: ICT Strategy does not reflect shared ICT arrangements with Police or long-term impacts of Covid pandemic as they relate to ICT.	ICT Strategy should be reviewed and updated. The update should be reflected in the version/date of the document.	**Important**	The Digital Strategies for Fire and Police will be created as an output of the new joint Digital Team which is awaiting approval. 090721 – New Joint Digital team implementation has been approved. High level strategic intention document to be completed by 30 Sept 2021, leading to full strategy by end of March 2022. **21.9.21** PB Update - The high level doc has been drafted and will be shared with the chief officer teams of both organisations in an upcoming workshop in October. Remains on track for delivery. **06.01.22 – on track for delivery. Digital workshop for FEG members being held on 10 Jan 2022. Digital Strategy workshop for new CDO SLT being held on 10 Feb 2022.** **16.05.22** Joint Strategy has been written and socialised informally and amended accordingly. Formal approval process for final version has commenced. On agenda for Joint D&T Oversight Board 19/05/22. Joint Digital Strategy (2022-2027).pdf Joint D&T Oversight Board Agenda May 2 **4.7.22** CC update. Strategy approved on Joint D&T oversight Board and at FEG 23.5.22. Action can be closed.	Clare Chambers, CDO 31 March 2022 New date 30th June 2022 Completed	

ICT Governance – June 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
2	The IT BCP had not been reviewed to ensure it appropriately reflected the risks relating to the communications centre recovery period and the lack of support for the Cisco network; and to quantify how long it will take for the water Office and risk planning client software to be loaded onto new PCs; and to document evidence of periodic testing of MLC/Daventry Generator /UPS. Risk: Gaps in ICT BCP may impact on NCFRA operations if a business continuity event occurs.	The IT BCP should be reviewed and updated to reflect the appropriate position in relation to risk assessments, quantify recovery times and evidence testing completed.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working practices for the team will change	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – Updated as detailed in action 1. However the specifics of the BCP gaps are being reviewed as part of the D&T enterprise architecture review, which is due to be completed by end of August 2022. Therefore request an extension to end of Aug. **5.7.22** YH - On schedule	31st March 2022 New date 31st Aug 2022	

ICT Governance – June 21

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
3	**WEAKNESS** Reliance on contractor ICT project documentation. **RISK** lack of independence from contractor and NCFRA project arrangements for governance, budget, dependences etc not reflected in documentation.	NCFRA Project templates should be used for ICT projects and be signed off by a relevant CFRA/Enabling Services member of staff.	**Important**	Templates for projects will be created by and for the new Digital Team Portfolio Office. New Digital team currently awaiting approval 090721 – New Joint Digital team implementation has been approved. Digital Portfolio office will create new documentation. On track for Dec 21. **21.9.21** PB update Interim Portfolio resource is in place and tasked with developing project templates etc and therefore on track. **06.01.22 – to be closed. Drafted documents now available. Example documents copied below.** Programme RAID log .xlsx Prog UnITy PID.docx Prog UnITy Board Update	Clare Chambers, CDO 31 December 2021 Completed	

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ICT Governance – June 21

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4	**WEAKNESS**: ICT Scorecard limited in scope to IT defects and requests and attendance data. **RISK**: Qualitative areas such as whether stakeholder expectations are met are not measured**.**	ICT Scorecard should be reviewed by management,	**Important**	KPI reporting will be created as an output of the new digital team implementation. 090721 – New Joint Digital team implementation has been approved. Programme of work is being planned currently. On track for Dec 21 **21.9.21** PB update - As above, interim portfolio resource in place, performance measures being developed and therefore currently remains on track. **06.01.22 – to be closed - New Digital and Technology Governance structure in place (within the attached doc) which will feed into the overarching D&T Oversight Board, with a Balanced Scorecard report each month (as attached)** 📄 PDF CDO Report Jan 2022.pdf **10.1.22** RC & KB to view scorecard prior to close down. 11.04.22 KB update - Scorecards for enabling services being developed - review in June 2022 16.05.2022 – Scorecards for Enabling Services have developed further and now are the formal Enabling Services performance reporting mechanisms for both Fire and Police. 📄 PDF Digital and Technology Performa **5.7.22** PB & CC confirmed closed. RC to follow up on missing PI on completed incidents for Fire.	Clare Chambers, CDO 31 December 2021 30th June 2022 Ro - seen completed scorecard (not available) **Completed**	

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MTFP and Budget Management – June 21

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	The link to the MTFP within the IRMP does not work **Risk:** Reputational	As the MTFP is regularly reviewed during the time of the IRMP, the document should be referenced rather than linked. **Management comments;** The MTFP is updated regularly throughout the year and formally each budget cycle, whereas the IRMP is prepared alongside the Fire and Rescue Plan over a longer term timescale, therefore, it would be more appropriate to remove the link & reference the MTFP within the document.	Standard	The Chief Finance Officer will propose to the Chief Fire Officer that in the next IRMP which will be finalised alongside the next Fire and Rescue Plan that the link is removed and reference is made to the MTFP and where it can be found. 11.04.22 KB - New CRMP still to be published on website by 31.5.22 **5.7.22** CRMP still to be signed off by PFCC	After the publication of the next IRMP. Assumed by 31 March 2022. 31st May 22 31st July 22	

2021/22

Target Operating Model ('Golden Thread' and the verification of Data Quality) – September 21

	Issue	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	The data storage and performance reporting system, BIRT, is no longer useable due to lack of upgrades to the system over the years and a lack of communication by/with the supplier regarding the change of operating	NCFRA should progress with an approved solution and implementation of a system that enables fire and rescue service performance data to be collated, manipulated and produced that is timely, accurate and reliable as a matter of priority. The system should also allow for independent verification of the	Essential	FEG paper to proceed was approved in September's FEG. Proposal has now gone to PFCC for funding approval. Once approved a pilot will be run. A post pilot evaluation will take place to agree the operating system required. The Chief Digital Officer anticipates full implementation by March 22 **06.01.22** – Due to Analyst team reducing to one person, request to change date to 31 Dec 22. **11.7.22** KB update - Interrogation of systems & processes has determined that NFRS required an	Area Manager Business Services – Kerry Blair Chief Digital Officer – Clare Chambers 31st March 2022 New date 31st Dec 22	

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				architecture review for digital information and performance data recording, collecting and presenting to facilitate understand the short and long-term solutions. This will run in parallel to the Power Bi pilot. A capacity review is required to enable this work to be further prioritised - Clare and Kerry are meeting to agree how to expedite this work	New Date 31st Mar 2023	
system from Oracle to SQL express.	accuracy and completeness of the outputs.					

Target Operating Model ('Golden Thread' and the verification of Data Quality) – September 21

	Issue	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
2	Current process for producing reports to the Governance boards is resource intensive and there is no continuity arrangement in place.	The impact of staffing resource needed to operate the manual is assessed to determine the long term viability of the current approach, while the new system is developed.	Essential	The service will review the process of the manual workaround to determine its suitability, and the long term viability of the current approach, while the new system is developed. **14.12.21** KB: following several resignations from SIT & business services, KB is in discussion with ACOs to review the delivery of corporate services. **11.04.22** KB – Jim Dorrill is meeting with D&T to progress this issue and update **11.7.22** KB update - Interrogation of systems & processes has determined that NFRS required an architecture review for digital information and performance data recording, collecting and presenting to facilitate understand the short and long term solutions. This will run in parallel to the Power Bi pilot. A capacity review is required to enable this work to be further prioritised - Clare and Kerry are meeting to agree how to expedite this work	Area Manager – Kerry Blair 31st Dec 2021 31st March 2022 31st May 2022 New date 31st March 2023	

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Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
1	Review of logbooks showed that on occasion, BA tests are being recorded as combined activities and not by the member of personnel who undertook the test, contrary to Logbook test procedures and NOG standards. Risk: Not complying with legal requirements.	All BA testing should be recorded as individual activities in the logbook and on Redkite by the member of personnel who undertook the test.	CRG – review to ensure process is clear in policy / equipment manual etc and then send out communications. CRG management team to review as part of CRG performance standards, with further AM/GM quarterly audit.	**Essential**	Head of Joint Transport and Logistics. • Equipment Managers - check all documentation up to date and clear on process. April 22 LF update – All documentation checked and in place. • Area Manager, Service Delivery - CRG to add to performance standards and commence audit April 22 KH update - Response manual updated to include manual audit of logbooks v EMS system logging.	31st March 2022 Completed.	

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
2	Training Support Technicians were updating Redkite for Training Equipment although the logbooks were being completed by the correct personnel	The Training Support Technician should ensure that if they are recording data onto Redkite for testing and maintenance, that they include the unique number of	Recording of the BA set testing to include the brigade number when inputting onto Redkite, to be compliant. The TSTs would have to individually record every test for every set used that day 4000's & 7000's which will be very time consuming. This is not feasible to do so, nor for the instructors to complete the Redkite inputs due	**Important**	Head of Joint Transport and Logistics. Equipment Managers - check all documentation up to date and clear on process. **April 22** LF update – Equipment managers happy that documentation and processes are all up to date • Area manger Operational Support - Training team to communicate requirement to course attendees	31st March 2022 Completed	

Internal Audit recommendations v7.11

undertake the testing Risk: Not complying with legal requirements.	the member of personnel who undertook the test to ensure compliance with procedures and NOG standard s.	to time restraints of delivering course content. Recommendation: The best way to do this would be to carry on bulk testing the sets for the daily activities, but include the set number and brigade number in the comments box. This is the only area to input this information if bulk testing sets. Suggested example below: Set No EM-BAS 010 = 202108 (individual service number)		• Training to review IT provision and training plan to allow this to happen within course time **May 22** – PP update. This process was implemented in Jan 2022 and therefore can be closed. • Area Manager, Service Delivery-CRG to reinforce message in comms and add to performance standards and commence audit April 22 – KH update. I confirm that comms have gone out regarding BA log recording and see comment above (1) reference this now forming part of the monthly scorecard auditing procedure.		

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
3	At Station level there have been some occasions where it has been identified that equipment testing has been recorded on Redkite by someone other than the person who undertook the test.	All personnel who are responsible for undertaking the tests should be reminded of the recording requirements outlined within the B20 policy. As a minimum, the unique number of the personnel who undertook the test should be recorded on	Forms part of MAP 1 – clarification that requirements are clear in documentation and CRG management to communicate / confirm requirements	**Important**	Head of Joint Transport and Logistics. • Equipment Managers - check all documentation up to date and clear on process. **April 22** LF update – Equipment managers happy that documentation and processes are all up to date • Area Manager, Service Delivery - CRG to add to performance standards and commence audit	31st March 2022 Completed	

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					April 22 KH update - The two areas where this has been identified are driving (A checks) and BA testing. This has been added in the response manual as a monthly audit requirement (physical) by the SM. It has also been communicated.		
Risk: Not complying with legal requirements.	Redkite against the test if being recorded by someone other than the tester.						

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
4	Redkite and Crimson systems are not being consistently updated with movements of equipment across stations or with disposals and acquisitions of equipment. Risk: Not complying with legal requirements.	Personnel should be reminded of the importance of testing and maintaining equipment in accordance with the B20 policy and the Asset Management Guidance notes. A data cleansing exercise should be undertaken as part of the testing schedule and updates made as appropriate within Redkite and Crimson.	CRG to reinforce this message and general requirements. To form part of CRG performance standards with regular review / audit by CRG management. Equipment / Stores to carry out system cleanse	**Important**	Head of Joint Transport and Logistics. • Area Manager, Service Delivery- CRG to reinforce message in comms April 22 KH update - The message has been reinforced and all EMS procedural guidance and policy is hyperlinked in the EMS section of the response manual. • Equipment/Stores to carry out system cleanse **April 22** LF update – A strong process is in place lead by the B20 policy and the Asset Management Guidance notes. Ongoing data cleanse in an ongoing BAU event, but adherence to the process and correct entry from the CRG teams is essential for this to work. Happy for this to be completed if CRG have their assurance that all staff are aware and following the correct process	31st March 2022 Completed	

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Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
5	Redkite EMS has the capability for all items listed to be recorded when they have been tested and/or maintained. However, some individual items of equipment, such as a chimney brush, are not recorded on Redkite and therefore not subject to a scheduled testing regime and could be missing and this remains undetected. Risk: Risk to life or serious injury if items are not available when required operationally.	Consideration should be given to a system that allows for regular routine checking of all items of equipment that should be on appliances and within stations to ensure that they are available for operational use.	The Equipment Managers and Fleet Engineer will check policy and related documentation is correct and update as required to ensure all items are forming part of the inventory check lists in line with operational requirements. As part of this process consideration will be given to the correct method of recording this information and if a new system or paper-based system is required, this will be recommended	Standard	Head of Joint Transport and Logistics. • Equipment Managers – review systems and ensure processes/policies relating to inventory checks are correct **April 22** LF Update – This action will need extending until **Sept 22** due to the additional work from the new appliances. Work has been carried out to reset the inventory lists, but with new changes to the equipment holdings this work will need to be restarted. • Area Manager, Service Delivery-CRG to ensure that there is compliance across the service with process/policy requirements. **April 22** KH update - This is now BAU for all equipment covered by the EMS policy and is assured through the CRG assurance framework. There is a link in the performance manual "How to complete inventories" **5.7.22** LB update. Still on schedule	31st March 2022 30th Sept 2022	

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
6	Poor Wi-Fi connectivity /coverage within station buildings was found to cause significant delays in recording completed routine tests and maintenance outcomes on Redkite system, using scanners provided. Risk: Delays in recording testing of items of equipment.	Improvement in connectivity should be considered to enable the testing and maintenance of items of equipment to be recorded using the scanner.	IT will review all stations Wi-Fi coverage to ensure that it is at the level required IT will upgrade station Wi-Fi to enable the correct coverage where required IT will check and replace any scanners that are not working	Standard	Chief Digital Officer, Enabling Services. • IT to review station IT provision, specifically in relation to incoming internet speed / band width and Wi-Fi • IT to review compatibility to maximise use of devices such as scanners / RFID 10.1.22 - CC update. To combine review of WiFi and with new staff visits to stations. CC/LF arranging a meeting to discuss progressing next week. JU confirmed 1 staff member on modified duties can be utilised. Plan to roll out for Rushden alongside reviewing other stns. RC suggested using bank staff to support roll out. **13.7.22** JC Update – WiFi review completed, no issues. New scanners have arrived and will be rolled out. Completed.	30th June 2022 Completed	

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
7	Personal issue kit is not always being tested as required and recorded on Redkite.	Personnel should be reminded of the importance of testing and maintaining equipment in accordance with the B20 policy and Asset Management	CRG will chase / communicate this with CRG staff. Other teams / departments will need to do the same for their areas. This now forms part of the CRG performance	Important	Area Manager, Service Delivery • Reinforce message in comms and • Add to performance standards and commence audit **April 22** KH update - This is now audited monthly via the performance framework and is included in the response manual. It is	31st March 2022 Completed	

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					assured by GMs and AMs with monthly dip sampling. • Other (non CRG teams) to communicate requirement to their staff and ensure compliance **April 22** MB update – This has been communicated to the Training Department		
Risk: Risk to life and injury and not complying with legal requirements.	Guidance notes to ensure that it can be used and is fit for use operationally, as required.	standards and will also be part of any comms relating to asset management within this report					

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
8	The Departmental Performance Board (DPB) returns for Training and CRG do not include any headings/details relating to equipment maintenance and testing within the standardised document. **Risk:** Fire Management may not be made aware of any issues across the service for testing and maintenance of equipment	The DPB standardised document should be updated to capture data relating to the testing and maintenance of equipment for Training and CRG.	CRG – this has formed part of the CRG performance framework since July. This performance reporting is being embedded and scrutinised on a monthly basis. CRG will reinforce the importance of this area in their communications to stations. This areas to be pulled across into the CRG QAR	**Standard**	Area Manager, Service Delivery • Add Equipment Maintenance and Testing to the QAR from Q3 2021/22 April 22 – KH update. This has been included in the response QAR scorecard and will be reported on for the first time in Q1 (22/23) (QAR completed 5.5.22)	31st March 2022 Completed	

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Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
9	The Scorecard for CRG does not have a strategic objective for equipment maintenance and testing. Risk: Fire Management may not be aware of any issues across the service for testing and maintenance of equipment	As there is a strategic objective, 'Making best use of our resources', on the station cluster quarterly performance scorecards, this should also be added to the CRG scorecard.	CRG – this will be reviewed at the next scorecard review and updated accordingly to fulfil report requirements	**Standard**	Area Manager, Service Delivery • Review of Scorecard/performance manual **April 22** KH update. This is line 26 of the watch scorecard. Line 27 of the station cluster scorecard and also in the Response QAR scorecard (from Q1 22/23) all reference the strategic objective of "making the best use of our Resources".	31st March 2022 Completed	

Equipment Maintenance & Testing – November 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
10	Some Vehicle A checks have not been being correctly completed, with the driver not completing and recording the tests in accordance with the requirements detailed within the STaMP. Risk: Not complying with legal requirements	Management to monitor adherence with this on an ongoing basis.	CRG to review and put in place process / communication to close the gap Fleet Engineer to ensure policy and legal requirements have been communicated clearly and all have accepted Training to ensure drivers are fully aware of requirements for vehicle checks and recording	**Essential**	Area Manager, Service Delivery • CRG management to seek clarification of specific issues from the Equipment Managers • CRG management and fleet management to review processes for Driver A checks • Ensure processes for checks are communicated to all personnel responsible for undertaking Vehicle A checks • Training to ensure drivers are fully aware of requirements for vehicle checks and recording **9.5.22** Assurance manager to check all aspects by end of June 2022 **21.6.22** QA dip sample taken. Follow up comms to OnCall stns to be sent by CRG. Can be closed.	31st March 2022 30th June 2022 Completed	

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ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
1	The IT BCP had not been reviewed to ensure version control was appropriately updated and It was branded as an NCFRA policy. Risk: NCFRA may be place reliance on an outdated ICT business continuity plan	The ICT BCP should be reviewed to updated the version control and to reflect the correct NCFRA brand.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working practices for the team will change.	**Important**	Chief Digital Officer - Enabling Services **16.05.22** D&T Business Continuity Plan was updated in Jan 2022. Another review is due end of June 2022. Responsibility for the BCP will be handed onto the Head of Digital Business to ensure a joint perspective is taken across both Fire and Police. Head of Digital Business started on 21 Feb 2022. W≡ D&T BCP Jan 2022	31st March 2022 Completed	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
2	The IT BCP had not been reviewed to ensure it appropriately reflected the risks relating to the communications centre recovery period and the lack of support for the Cisco network; and to quantify how long it will take for the water Office and risk planning client software to be loaded onto new PCs; and to document evidence of periodic testing of MLC/Daventry Generator /UPS.	The IT BCP should be reviewed and updated to reflect the appropriate position in relation to risk assessments, quantify recovery times and evidence testing completed.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working practices for the team will change	**Important**	Chief Digital Officer - Enabling Services **16.05.2022** – Updated as detailed in action 1. However the specifics of the BCP gaps are being reviewed as part of the D&T enterprise architecture review, which is due to be completed by end of August 2022. Therefore request an	31st March 2022 New date 31st August 2022	

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| Risk: Gaps in ICT BCP may impact on NCFRA operations if a business continuity event occurs. | | | | extension to end of Aug 2022.
5.7.22 YH - On schedule | | |

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
3	The ICT BCP did not have include a Business Impact Analysis to inform the identification of critical functions. Recovery time objectives were not assigned to individual systems, but to groupings of applications/infrastructure. A single list of critical systems was not maintained. Risk: in the event of a business continuity incident systems/infrastructure are not restored in the optimal order.	A business impact analysis process should be created, to inform production of a single list of critically ranked infrastructure /applications.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working practices for the team will change.	**Important**	Chief Digital Officer - Enabling Services **16.05.2022** – Updated as detailed in action 1. However the specifics of the BCP gaps are being reviewed as part of the D&T enterprise architecture review, which is due to be completed by end of August 2022. Therefore request an extension to end of Aug 2022. **5.7.22** YH - On schedule	31st March 2022 New date 31st August 2022	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
4	The BCP Annex A did not identify what role each of the named contacts was expected to perform in a disaster recovery event including back-up for different roles	Annex A key contacts should be reviewed to identified roles and responsibilities	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts	**Important**	Chief Digital Officer - Enabling Services **16.05.2022** – Updated as detailed in action 1. However the specifics of the BCP gaps are being reviewed as part of the D&T enterprise architecture review,	31st March 2022 New date	

Risk: recovery from incident impaired because disaster recovery roles are not clear.	for the named contacts.	and working practices will change.		which is due to be completed by end of August 2022. Therefore request an extension to end of Aug 2022. **5.7.22** YH - On schedule	31st August 2022	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
5	The BCP Annex A did not identify owners of key business systems other than the risk planning software and also there is no contact names for suppliers. Risk: recovery from incident impaired because disaster recovery roles are not clear	Annex A- key contacts should be reviewed to add contact details of key business system owners and key suppliers.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working practices will change.	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – because full review by Head of Digital Business has not yet commenced (June 2022) this action has not been completed yet. Head of Digital Business started on 21 Feb 2022. Request extension to end of August 2022 **5.7.22** YH - On schedule	31st March 2022 New date 31st August 2022	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
6	The ICT BCP was not clear as to whether the two systems backup and replication software were managing the	The ICT BCP should document how the risk of corruption or unavailability of data e.g. through a	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in	**Important**	Chief Digital Officer - Enabling Services **16.05.2022** – because full review by Head of Digital Business has not yet	31st March 2022 New date 31st	

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risk of corruption or unavailability of data. Risk: data becomes corrupted across primary and back up datacentres.	successful ransomware attack is being managed.	place, because contacts and working practices will change.			commenced (June 2022) this action has not been completed yet. Head of Digital Business started on 21 Feb 2022. Request extension to end of August 2022 **5.7.22** YH - On schedule	August 2022	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
7	The risk and the potential impact /mitigations of a lack of fire suppressant systems at a key site was not documented in the BC. Risk: loss of datacentre due to fire.	There should be a documented risk assessment within the ICT BCP of the lack of fire suppression systems at MLC and Daventry data centres.	Agreed.	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – because full review by Head of Digital Business has not yet commenced (June 2022) this action has not been completed yet. Head of Digital Business started on 21 Feb 2022. Request extension to end of August 2022 **5.7.22** YH - On schedule	31st March 2022 New date 31st August 2022	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
8	No Disaster Recovery testing had been arranged or undertaken for the new SAN (Storage Area Network) Reliance has been placed on the configuration of the current Storage Area Network (SAN) and	NCFRA IT should schedule periodic tests of the IT BCP.	Agreed. Initially a test to be scheduled before end of Dec 2021, in line with another audit action. Schedule of tests to be in place by end of Feb 2022, once the move of	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – Wooten Hall move has not taken place due to a delay in receiving the required kit (due to global chip shortage).	31st March 2022 Completed	

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lessons learnt from recent live DR incident with old SAN. Risk: Recovery from incident impaired because of a lack of testing		infrastructure to Wootton Hall has taken place.		However disaster recovery testing has taken place both during the implementation of the 'new' SAN, and since that time.	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
9	The NCFRA BCP did not provide a definition of how much data, the organisation is willing to lose for critical systems, in terms of in time (Recovery point objective) in the event of a disaster. Risk: Loss of data impacts on NCFRA operations	NCFRA should review the benefits of defining Recovery Point Objectives for critical systems in the ICT BCP.	Agreed. This will be reviewed when the new joint structure (Digital and Technology Department) across Fire and Police is in place, because contacts and working practices will change.	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – because full review by Head of Digital Business has not yet commenced (June 2022) this action has not been completed yet. Head of Digital Business started on 21 Feb 2022. Request extension to end of August 2022 **5.7.22** YH - On schedule	31st March 2022 New date 31st August 2022	

ICT Disaster Recovery – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
10	There was no evidence that outstanding actions in the lessons learnt report produced following recent incidents, had been completed or that there was a	Assurance should be obtained that outstanding actions in the lessons learnt report have been completed or that there is	Agreed	**Important**	Chief Digital Officer - Enabling Services 16.05.2022 – regular meetings take place to review actions	31st March 2022 **Completed**	

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				from incidents. Example notes attached. 📄 Technology Incident Debrief CFRMIS Action to be closed.		
tracked timetable for their completion. Risk: the same incident produces the same impacts on NCFRA.	a tracked timetable for their completion					

NCFRA Organisational Governance – December 21

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
1	The link to the annual report and terms of reference for JIAC on the website of the Office of Northamptonshire Police, Fire and Crime Commissioner was for the 2019-20 report not 2020/21. Risk: Reputational	The link to the annual report and terms of reference for JIAC on the website of the Office of Northamptonshire Police, Fire and Crime Commissioner should be updated to show the 2020-21 details as presented at the July 2021 JIAC meeting.	Agreed: The link will be updated.	**Standard**	Kate Osborne Link received and confirm it is for 2020/21.	31st Jan 2022 Completed	

HR Improvement Plan – March 2022

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
1	The Head of Joint HR does not have access to Fireplace. Risk:	The Head of Joint HR should have access to Fireplace in order to be also to review the Authority's policies and procedures as outlined in the Culture and People Strategy and supporting documentation.	The Joint Assistant Chief Officer for Enabling Services advised that access is proving to be difficult but that a solution has been identified to enable the Head of Joint HR to have access to HR related policies and procedures on Fireplace.	**Important**	Chief Digital Officer 10.5.22 LD confirmed that she has access to FirePlace.	30th April 2022 Completed	

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Key Policies and Procedures – March 2022

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
1	An annual report on health and safety performance has not been presented to the PFCC.	In accordance with the Health and Safety Management Policy, an annual report on health and safety performance should be presented to the PFCC.	Agreed	**Standard**	Joint Head of Joint Estates and Facilities. 8.4.22 report requested for May Accountability Board 29.6.22 DMc - presented to Accountability Board in May. Programming for future reports is scheduled. This can be closed.	1st Oct 22 Completed	

MTFP and Budget Management – March 2022

	Issue	Recommendation	Management Response	Priority	Officer Responsible	Timescale	Status
1	The Area Manager, Operational Support has not completed their full set up to enable themselves to access ERP Gold.	The Area Manager, Operational Support needs to complete the full set up requirements for ERP Gold to ensure that themselves are able to independently monitor the budget for which they are responsible.	Agreed with recommendation	**Important**	Area Manager, Operational Support April 22 PP update. Still not set up, chased Deanna. Move to end of May 22 11.7.22 PP update – Access to ERP gold. Completed	30th April 22 New date 31st May 2022 Completed	

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Accounting systems - Accounts Payable and Accounts Receivable – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	Testing highlighted that spend with suppliers is in some cases, in excess of £25,000 during 2021/22 and no contract is in place.	F8 of the NCFRA CGF requires that a formal tender process must be undertaken in conjunction with the Engagement Partner for spending with a supplier in excess of £25,000. Management to ensure that all budget holders consult with the Commercial Engagement Team where a spend with a supplier is expected to exceed £25,000 prior to raising requisitions.	Agreed. Whilst the service can demonstrate that many of these transactions have been managed within the Corporate Governance Framework and that there are contracts in place for the majority of this spend. It is noted that some relates across multiple years which currently makes comparisons of spend to contract difficult to align. The Service is aware that some of this spend relates to historic spend from the statutory transfer such as vehicle leases and therefore some records may not be fully available. Communication to managers to ensure compliance with CGF requirements during the approval process will be completed and the CGF will be re-issued to the Services approvers. The widened commercial team will also ensure closer monitoring of spend moving forwards between the team and Finance to proactively manage contractual spend.	Important	Leanne Hanson 11.7.22 KB update. On schedule	31 March 2023	

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Accounting systems - Accounts Payable and Accounts Receivable – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	There were some examples of spend with a contracted supplier in excess of the agreed contract value and no waiver/variation to contract is in place.	Processes needs to be reviewed to require Budget Holders and/or the Commercial Engagement Team to monitor contract spend against budget/ contract value on a monthly basis and any spend in excess of contract needs formal approval.	Agreed. The commercial team will work with Finance to embed the work of 21/22 to ensure greater compliance.	**Important**	Leanne Hanson 11.7.22 KB update – on schedule	31 July 2022	

Accounting systems - Accounts Payable and Accounts Receivable – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
3	There was no reference to a contract in place with a supplier included within the narrative detail on requisitions raised on ERP Gold in relation to contracted spend.	Where a contract with a supplier exists, the contract number should be quoted within the narrative of any requisition raised relating to the contract. This will enable effective monitoring of spend against contract.	Agreed. Communication to managers to ensure compliance with CGF requirements during the approval process will be completed.	**Standard**	Nick Alexander **30.6.22** NA update – Currently looking at the CGF framework to ensure that the communication is appropriate. All comms will be issued before 31st July	31 July 2022	

Accounting systems - Accounts Payable and Accounts Receivable – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
4	A number of 'blanket' requisitions were raised on ERP Gold during 2021/22 with suppliers. No evidence was	In accordance with the NCFRA CGF where 'best value for money' means the most economic, efficient and effective means of meeting the need and takes account of whole life	Agreed. Communication to managers to ensure checking contract are attached to all	**Standard**	Nick Alexander **30.6.22** NA update – Currently looking at the CGF framework to ensure that the	31 July 2022	

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			communication is appropriate. All comms will be issued before 31st July				
attached within ERP Gold to demonstrate that the suppliers were offering best value for money.	costs, requisitions raised on ERP Gold should demonstrate compliance with this. Evidence should be attached to each requisition raised on ERP Gold.	requisitions as appropriate.					

Accounting systems - Accounts Payable and Accounts Receivable – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
5	Internal Audit ran a report from ERP showing retrospective orders completed during 2021/22. This report showed that 300 requisitions had been raised retrospectively, representing 14% of the total number of requisitions raised .	In accordance with D3 Ordering of Goods and Services within the NCFRA CGF , all staff responsible for procurement should be reminded that requisitions should be raised at the time of placing the order and not on receipt of the goods/services or invoice . Budget Managers /Joint Finance Team should run the retrospective order report from ERP Gold on a monthly basis and ascertain the reason for non - compliance with the requistioner(s) . Management to consider/ explore the option of introducing "no Purchase Order , no Pay " policy – i.e. if the invoice does not quote a Purchase Order number then it will not be paid, to reduce levels of retrospective orders.	Agreed. Some of these items were completed for documenting adherence to the CGF within the Financial system, however, there remains a significant proportion of activity relating to retrospective work that is not appropriate. During 22/23 we will work with the teams to look at the purchasing requirements that can be delivered under a Joint Enabling services system and function from 23/24 forwards to drive down the use of retrospective orders. We will also issue communications to the Service around the timeliness of raising orders before receiving goods and services.	Standard	Nick Alexander **30.6.22** NA update – Currently looking at the CGF framework to ensure that the communication is appropriate. All comms will be issued before 31st July. Work continues with teams to ensure compliance with CGF.	1 April 2023 31 July 2022	

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Payroll – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
1	Testing highlighted that not all starter paperwork (FB47 forms) were being submitted to WNC in sufficient time to enable processing and checking prior to employment start date.	Starter paperwork should be submitted to WNC on a timely basis to ensure that there is sufficient time to enable the processing of the starter paperwork and independent checks to be undertaken prior to the employment start date.	Agreed. The Service recognises that the timing of delivery of the forms from managers to the teams who process the data is of significant importance in order to ensure that both the payroll payments and HR data are accurate. We will complete a communication to the managers are reminded of the consequences and to ensure compliance.	**Important**	Rob Porter/ Ro Cutler 6.7.22 RC Comms sent.	30 June 2022	

Payroll – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
2	Testing highlighted that not all evidence of right to work in the UK was being certified by the recruiting manager with a date to confirm that they had seen the original evidence.	In accordance with the Recruitment and Selection A43 Policy, recruiting managers must take a copy of the original evidence provided by the applicant as proof of their right to work in the UK and record the date that they took a copy.	Agreed. Documenting the right to work in the UK checks are paramount to ensuring compliance with internal policies and legislation. We will ensure there are appropriate communication to the managers are reminded of the consequences and to ensure compliance	**Essential**	Rob Porter/ Ro Cutler 6.7.22 RC Comms sent.	30 June 2022	

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Payroll – May 2022

	Issue	Recommendation	Management Comments	Priority	Officer Responsible	Timescale	Status
3	Testing highlighted that not all leavers paperwork (FB49 Leaving Employment Forms) were being submitted to WNC in a timely manner.	All FB49 forms should be submitted to WNC in a timely manner to allow for the leaver paperwork to be processed and independently checked before the final date of employment. This should minimise the risk of overpayments of salaries being made.	Agreed. The Service recognises that the timing of delivery of the forms from managers to the teams who process the data is of significant importance in order to ensure that both the payroll payments and HR data are accurate. We will complete a communication to the managers are reminded of the consequences and to ensure compliance.	**Important**	Rob Porter/ Ro Cutler 6.7.22 RC Comms sent.	30 June 2022	

Northamptonshire Commissioner Fire & Rescue Authority

Auditor's Annual Report
Year ended 31 March 2021

27 May 2022

EY
Building a better
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Contents

Section 1

Executive Summary
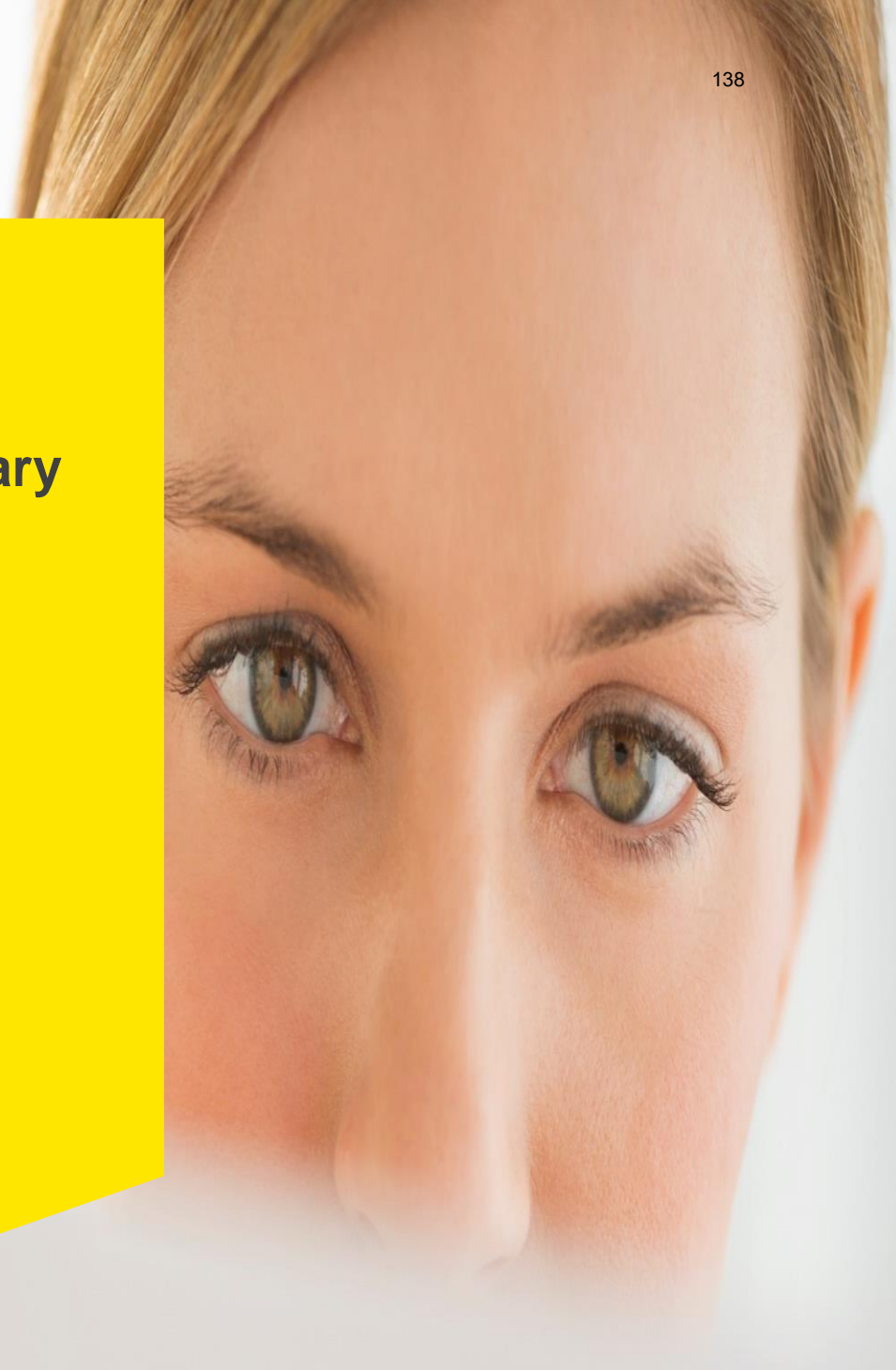
Executive Summary: Key conclusions from our 2020/21 audit

Area of work	Conclusion
Opinion on the Authority's:	
Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its expenditure and income for the year then ended. The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. We issued our auditor's report on 25 February 2022.
Going concern	We have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Area of work	Conclusion
Reports by exception:	
Value for money (VFM)	We had no matters to report by exception on the Authority's VFM arrangements. We have included our VFM commentary in Section 04.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Authority.
Public interest report and other auditor powers	We had no reason to use our auditor powers.

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

Outcomes	Conclusion
Issued a report to those charged with governance of the Authority communicating significant findings resulting from our audit.	We issued an Audit Results Report dated 25 February 2022 to the PFCC and was shared with the Joint Independent Audit Committee (JIAC).
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice.	We have not yet issued our certificate for 2020/21 as we have not yet performed the procedures required by the National Audit Office on the Whole of Government Accounts submission. The guidance for 2020/21 has been delayed and is anticipated to be received in July 2022.

Fees

We carried out our audit of the Fire Authority's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the valuation of property, plant and equipment, pension valuation and management override risks. As a result, we have agreed an associated additional fee with the Chief Finance Officer. We include details of the final audit fees in Appendix 1.

We would like to take this opportunity to thank the Fire Authority staff for their assistance during the course of our work.

Neil Hanson

Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and responsibilities

Purpose and responsibilities

This report summarises our audit work on the 2020/21 financial statements.

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the Fire Authority or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 28 July 2021. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the annual report.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Fire Authority;
- If we identify a significant weakness in the Fire Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Fire Authority

The Fire Authority is responsible for preparing and publishing its financial statements and governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit

Financial Statement Audit

We have issued an unqualified audit opinion on the Fire Authority's 2020/21 financial statements.

Key issues

The Annual Report and Accounts is an important tool for the Fire Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

On 25 February 2022, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the December 2021 and the March 2022 JIAC meetings. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant risk	Conclusion
Misstatements due to fraud or error - management override of controls An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	Our audit work has not identified any material issues, inappropriate judgements or unusual transactions which indicated that there had been any misreporting of the Authority's financial position, or that management had overridden control. We have completed our journals testing. We are satisfied that journal entries had been posted properly and for genuine business reasons. We have reviewed material estimates. Our work in these areas resulted in amendment to the financial statements, but we did not identify any indication of fraud. There were no unusual transactions identified.

Continued over.

Financial Statement Audit (continued)

In addition to the significant risk above, we also concluded on the following areas of audit focus.

Other area of audit focus	Conclusion
Valuation of land and buildings Land and buildings is the most significant balance in the Fire Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.	We have completed our work in this area. We tested all 23 properties and did not identify any issues in regards to the assumptions and methodologies applied to the valuation of land and buildings valued at fair value / existing use value or depreciated replacement cost (DRC). We concluded that the: ➢ Use of methodologies was in line with standard valuation practices; ➢ Use of rates were supportable by evidence or market data; and ➢ Inputs into the valuation calculation, such as land areas, build cost indexes, yield, price per square foot, current and future rent and useful lives were appropriate.
Pension Liability valuation The Pension Fund liability is a material balance in the Balance Sheet. Accounting for the LGPS and FFPF schemes involve significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates. Continued over.	We were satisfied there was no evidence of material misstatement arising from the work completed above. The assurance report from the Northamptonshire Pension Fund auditor noted two differences impacting on the Authority's accounts which arose due to timing differences between the estimates on which the IAS19 report and draft accounts were based and actual year end information: ➢ We obtained assurances from the Pension Fund auditors which identified an under/overstatement of level 2 and 3 investment assets due to the most up to date information available in relation to valuations as at 31 March 2021 in comparison to the fund manager estimates. This has identified a reduction in the value of investment assets of £0.074 million. Management did not adjust for this misstatement on the basis that it is not material. ➢ The Authority's share of the Pension Fund differences resulting in an understatement error benefits paid of £0.095 million. Management did not adjust for this misstatement on the basis that it is not material. In response to the revised requirements of ISA540, the auditing standard on accounting estimates, we updated our audit approach based on procedures to evaluate management's estimation process. The revised standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model.

Financial Statement Audit (continued)

In addition to the significant risk above, we also concluded on the following areas of audit focus.

Other area of audit focus	Conclusion
Pension Liability valuation Continued.	Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local government sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we modified our planned approach and undertook alternate procedures to create an auditor's estimate, to provide a different method of gaining assurance. We employed the services of an EY Pensions specialist to review the Authority's IAS 19 reports and run a parallel actuarial model which was compared to that produced by Hyman's Robertson for LGPS and GAD for the Firefighter Pension Fund (FFPF). This confirmed there was no material misstatement arising from those estimation procedures undertaken by Hymans Robertson and GAD.
Going concern disclosures The Fire Authority is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approval of the financial statements. There is a risk that the Fire Authority's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.	We have completed our audit work in this area, and based on the work undertaken, we are satisfied that the Authority's use of the going concern assumption is appropriate. We reviewed the Authority's disclosures within the financial statements and requested some minor amendments, which have been made. We have no matters to report.

Financial Statement Audit (continued)

Audit differences

We identified a small number of misstatements in disclosures which management corrected. We identified two uncorrected misstatements identified due to the immateriality of the amounts were consisted of the Fire Authority's share of:

(i) The Pension Fund auditor differences on Level 2 and level 3 investments of £0.074m, and estimated return on PF assets item in our findings, and

(ii) The Pension Fund auditor difference on benefits paid between the IAS 19 and Pension Fund records of £0.095m.

Management did not adjust for this misstatement on the basis that it is not material.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £0.792m as 2% of gross revenue expenditure reported in the accounts. We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Fire Authority.
Reporting threshold	We agreed with the PFCC and JIAC that we would report to the Committee all audit differences in excess of £0.039m.

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

► Cash/bank balance: We audited all disclosures and undertook procedures to confirm material completeness

► Related party transactions. We audited all disclosures and undertook procedures to confirm material completeness

► Remuneration disclosures, member allowances and exit packages. We audited all disclosures and did not identify any differences exceeding £10k.

Section 4

Value for Money

Value for Money (VFM)

We did not identify any risks of significant weaknesses in the Fire Authority's VFM arrangements for 2020/21.

Scope and risks

We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Note in respect of VFM. We presented our VFM risk assessment in our 25 February 2022 Auditors Results Report - Addendum which was based on a combination of our cumulative audit knowledge and experience, our review of Authority and JIAC reports, and evaluation of associated documentation through our regular engagement with management and the finance team.

We reported that we had not identified any risks of significant weaknesses in the Fire Authority's VFM arrangements for 2020/21.

Reporting

We completed our planned VFM arrangements work on 25 February 2022 and did not identify any significant weaknesses in the Fire Authority's VFM arrangements. As a result, we had no matters to report by exception in the audit report on the financial statements.

We had no matters to report by exception in the audit report.

VFM Commentary

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

- Financial sustainability
  How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services;

- Governance
  How the Fire Authority ensures that it makes informed decisions and properly manages its risks; and

- 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.

Our VFM commentary highlights relevant issues for the Fire Authority and the wider public.

VFM Commentary

The Fire Authority has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Introduction and context

The 2020 Code confirms that the focus of our work should be on the arrangements that the audited body is expected to have in place, based on the relevant governance framework for the type of public sector body being audited, together with any other relevant guidance or requirements. Audited bodies are required to maintain a system of internal control that secures value for money from the funds available to them whilst supporting the achievement of their policies, aims and objectives. They are required to comment on the operation of their governance framework during the reporting period, including arrangements for securing value for money from their use of resources, in a governance statement.

We have previously reported the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

For 2020/21, the significant impact that the Covid-19 pandemic has had on the Fire Authority has shaped decisions made, how services have been delivered and financial plans have necessarily had to be reconsidered and revised.

We have reflected these national and local contexts in our VFM commentary.

Financial sustainability

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The budget and precept timescale and reports reflect how the S151 and Police, Fire & Crime Commissioner (PFCC) as NCFRA have considered the medium-term as well as short-term budget pressures. These pressures are identified through the budget preparation, horizon scanning, reviews with the business, and peer considerations. Over the medium-term, borrowing must only be used for capital purposes and we note that the Authority has disclosed the PWLB borrowing which was utilised for a capital purchase.

The Medium Term Financial Plan (MTFP) comprises two key elements; (i) an assessment of the resources available to the Authority over the medium term; and (ii) an assessment of spending pressures based on existing levels of service delivery, known policy/legislative changes and demand driven service pressures, which taken together displays the movement over the planning period of these elements which constitutes the financial challenge facing the Authority. This is reviewed at least annually and budget monitoring reporting to the JIAC and NPFCAP which occurs at least quarterly.

The Authority maintains a risk register which is reviewed by the JIAC and reflects a risk relevant to financial budgeting resilience. The risk is mitigated by the Authority's various procedures including the implementation of its IRMP, Fire & Rescue Plan, Revenue Strategy, MTFP agreed (and updated), quarterly performance monitoring, amongst other Boards and procurement controls.

VFM Commentary

Financial sustainability (continued)

How the body plans to bridge its funding gaps and identifies achievable savings

the MTFP is reviewed and updated regular. This is questioned at meetings of the JIAC, Police, Fire & Crime Panel and the Fire & Accountability Panel (NPFCAP). In these reviews and strategy they review what they are spending now and if any savings are possible.

These review are undertaken more regularly if there is an overspend or underspend by service of the Authority. This allows the Authority to identify where is over/under spending and allows them to react. The Home Secretary signed off the governance of NCFRA recognising future funding challenges and that it would take some time to create a sustainable organisation. The budget is looked at for the future year and across the MTFP. Where shortfalls are identified, the Authority puts mitigations in place and can make use of contingency funding.

The MTFP on 4th February 2020 identified a funding gap of £2.142m over the 2021/22 – 2024/25 period. In order to produce a balanced budget for 2020/21 a transfer from reserves of £0.15m was required. Savings were identified for the period 2022/23 - 2024/25 of £2.407m in line with the efficiencies plan in light of the ongoing reduction in real terms funding from Government and emerging cost pressures.

The Authority has a strong track record of achieving its savings plans, and this is consistent with our knowledge of the Authority over the years since its inception in January 2019, where it has both delivered savings and achieved its forecast outturn with few variances. Despite the challenges and savings target in the 2020/21 MTFP (presented to the NPFCAP on 4th February 2020) a contingency fund of £0.32m was established to assist with budgetary pressures / fluctuations. The Authority recorded a positive revenue outturn position for 2020/21 with an underspend of £0.637m in the August 2021 NPFCAP meeting.

We consider the financial position of the Authority to be in a relatively good position in terms of reserves and savings plans. The Authority maintains a good level of General Fund Reserves of which at 31st March 2021 (2019/20: £1.167m, 2018/19: £0.669m) was £3m, and Usable Reserves available for use of £0.57m, which are above the minimum level of General Fund reserves set by the CFO is £0.669m.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

In the MTFP we can see that they plan to finance in the future. They make prudent estimates when it comes to receiving grants and acknowledge that they will be getting less funding from central government. The Authority also has implemented an efficiency plan 2019-24 on 13 October 2019 in order to meet the funding gap over the short to medium term, and was revised on April 2020.

The Fire Authority has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Governance

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The Integrated Risk Management and Fire and Rescue Plans are aligned to the budget and resources included in the budget to meet those services. Finances are reviewed monthly and demand issues identified in advance during MTFP and budget work and during the year. The Fire Authority's performance and demand is also managed throughout the year and resources are regularly reviewed to ensure demand can be met.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

There is a risk management strategy in place where all committee members, senior officers, employees and partner organisations have a role to play in ensuring that risk is effectively managed.

The Fire Authority has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

These consist of considering risks before plans and after plans putting risks on the register. Risks assessments are undertaken for all services in line with the strategy. All high risks issues are identified and addressed as part of the annual review. The JIAC will then provide independent assurance for the Authority's risk management. They also periodically review the risk register. These risks will include all kinds of risks which will include the financial risks.

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Authority has an effective shared internal audit function with Milton Keynes Council (previously LGSS) 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 Chief of Internal Audit opinion has not identified a number of significant findings and management is implementing the agreed actions.

Internal audit will also review and test controls after which they will report to management for them to review and mitigate. The Authority maintains a risk register which is regularly reviewed and updated, and informs the internal audit plan which is risk based.

There are appropriate policies for such matters as corruption and fraud controls that are adequately communicated throughout the organization. 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 fraud).

Governance (continued)

How the body approaches and carries out its annual budget setting process

An annual budget strategy is prepared and this is reviewed at the autumn JIAC in each year - this also sets out the budget and precept setting timescale, the final date of which is set by statute. Internal audits assess the approach to budget setting and the MTFP.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

There is a clear understanding of reporting protocols for the various committees and Authority with a clear presentation of financial information comparing actual performance with budget and forecasting year end outturn at key points in the financial year as part of regular budget monitoring. A Corporate Governance Framework is in place and published on the website. An annual audit programme is in place which considers budgetary management.

The risk register and Internal Audit will also recommend of have findings that are of high priority, these are attempted to be mitigated as fast as possible, and are then followed up at the JIAC.

The Fire Authority has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Joint Independent Audit Committee.

The Corporate Governance Framework sets out processes for decision making. Business cases are prepared and reviewed for areas of consideration and decision records are published for items of a significant nature.

Responsibilities of committees and officers are detailed on the website.

Meetings are supported by various reports from service areas and if applicable external bodies.

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.

VFM Commentary

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The Authority has a code of conduct for members and officers (and for the relationship between these two). These include codes of conduct covering conflicts of interest and gifts and hospitality and appropriate policies for partnership working.

Management takes appropriate action in response to departures from approved policies and procedures or the code of conduct.

There are appropriate policies for such matters as conflicts of interest, and security practices that are adequately communicated throughout the organization. A whistle blowing policy is in place which can be used by employees to raise concerns about the Authority, including accounting, auditing, IT or internal control issues. Allegations of fraud or other concerns can be raised with internal audit.

The Fire Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

The Code of conduct is reviewed annually by the Standards Committee.

A contracts register is maintained by the Authority.

The Authority makes use of a shared internal audit function with Milton Keynes Council (previously LGSS) who will test controls annually.

A gifts and hospitality register is maintained and officers and JIAC members complete a related party disclosure annually. Corrupt behaviour will lead to dismissal and is a crime. The Authority has a zero tolerance policy on fraud and has a confidential mechanism for reporting malpractice and participates in the national Fraud Initiative.

Improving economy, efficiency and effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement.

The Authority regularly reports on the performance of its services and measures performance against key indicators. Internal Audit undertook a review of the internal controls operating over the Covid-19 spend and undertook a contract analysis, and found that the Authority has a good system design over governance measures have been in place over Covid-19 contract management and spending. The control environment over Covid-19 contracting and spending had mainly operated largely as intended.

Performance Information is reviewed regularly alongside financial information at the Accountability and Fire Executive Group Meetings.

The Authority has a strategy for efficiencies with the aim of improving the service whilst keeping within budget. As part of the regular budget monitoring there are regular updates to inform the Accountability and Fire Executive Group Meetings if targets are not being met then plans are made to meet the targets and reasoning behind the missed targets is given.

VFM Commentary

Improving economy, efficiency and effectiveness (continued)

There is also robust monitoring of financial performance in terms of monitoring against budgets, where the Accountability and Fire Executive Group will regularly review outturn reports and act upon where there is over/underspending in any areas in order to keep the budget balanced. These regular meetings challenge the responses from the various budget holders and set follow up actions / recommendations which are monitored.

Areas that are not meeting targets or overspending are then targeted for improvement.

How the body evaluates the services it provides to assess performance and identify areas for improvement

Most Fire services are set by statute and HMICFRS undertook its first inspection whilst the Authority was under Northamptonshire County Council governance in November 2018 where all three areas of review were found to require improvement and two areas of concern were identified. The first inspection of the corporate sole was a follow up of the two areas of concern to which an action plan was prepared, and was undertaken in March 2020 where positive progress updates were reported by September 2020.

The Fire Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

In response to the Covid-19 pandemic the Authority was visited by HMICFRS in October 2020 which concluded that the services performed were satisfactory, and a further follow up was scheduled to commence in September 2021.

Performance is also reported annually in the Annual Report and Fire & Rescue Statement 2020/21.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

A Fire Authority is a statutory emergency response service which supports other organisations at times of mutual aid. During the Covid-19 pandemic, agreements were in place for partnership support arrangements, which were funded where possible and where not funded, mutual aid funding was sought and received from the Home Office. The Authority has close working relation with Northamptonshire Police which includes shared store, communication and some fleet costs. Through PFCC established a Limited Liability Partnership, Mint, to deliver procurement services to organisations and for the East Midlands Strategic Commercial Services Unit (EMSCU) collaboration to terminate. NCFRA contracted with EMSCU and now Mint for their procurement arrangements.

VFM Commentary

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

Procurement policies and delegation levels are set out in the corporate governance framework on the OPFCC website. Compliance with these is tested and assurance gained through targeted internal audits. Each quarter EMSCU publishes a contracts list which includes all of the current procurement contracts with a total value of £25,000 and above that are held by its member Forces. Internal Audit routinely tests controls and contracts to ensure that the correct process has been followed. Officers are made aware of the rules. This risk has been brought up in the risk register and has controls implemented for it.

The Fire Authority has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

Section 5

Other Reporting Issues

Other Reporting Issues

Governance Statement

We are required to consider the completeness of disclosures in the Fire Authority's governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Whole of Government Accounts

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts consolidation pack submission. The guidance for 20/21 has been issued in May 2022. We will liaise with the Fire Authority to complete this work as required.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Fire Authority or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Appendix A

Audit Fees

Audit Fees

Our fee for 2020/21 is in line with the audit fee agreed and reported in our 28 July 2021 Audit Plan.

Description	Final Fee 2020/21 £	Planned Fee 2020/21 £	Final Fee 2019/20 £
Total Audit Fee – Code work			
PSAA Scale Fee	25,000	25,000	25,000
Pension Valuations	5,305 (2)		1,600 (1)
PPE Valuations	11,055 (2)		3,800 (1)
Covid-19 impact on Going Concern	1,522 (2)	1,520	3,356 (1)
Increased FRC challenge	12,462 (2)		1,500 (1)
Additional work required to respond to the requirements of ISA540, including the use of EY Pensions	1,947 (2b)	1,900	
Technical accounting issues	2,589 (2)		
Value for Money arrangements	5,068 (2b)	5,000	
Total Audit Fee *	**64,947**	**33,420**	35,256

Note 1: In 2019/20 we proposed a total additional fee of £25,096 which represented the scale fee rebasing. PSAA has now determined this and has approved £10,256 of this total value.

Note 2: For 2020/21, the scale fee is further impacted by a range of factors which resulted in additional work. We set out an estimate of the potential additional fee for this in our Audit Plan and Audit Results Report. We have updated the table above to show the actual costs based on the work performed. This additional work includes:

a) Review of additional disclosures in relation to going concern as a result of Covid-19. These additional fees are subject to approval by PSAA.

b) PSAA issued a document "Additional information for 2020/21 audit fees" in August 2021. PSAA commissioned external independent technical research for setting standardised fee variations to assess the expected impact on audit work programmes of a range of new and updated audit requirements. The figures included here are the minimum additional fee ranges set out in this document. Our fee reflects the lower end of the range for this work.

c) Changes in work required to address professional and regulatory requirements and scope associated with risk as reported in the previous year.

These additional fees have been discussed with Management who do not agree with the fees, but remain subject to approval by the PSAA.

We confirm we have not undertaken any non-audit work.

* All fees exclude VAT.

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Joint Independent Audit Committee

27th July 2022

REPORT BY	**Project Support Officer**
SUBJECT	**Joint Independent Audit Committee (JIAC) - Agenda Plan – Updated November 2021**
RECOMMENDATION	To discuss the agenda plan

1. Background

1.1 The agenda plan incorporates statutory, good practice and agreed scrutiny items and has been updated to reflect the items.

1.2 Areas highlighted from the JIAC Aims and Objectives and discussions between the S151 Officer and the Chair have been included on the plan in red type for member discussion and consideration.

1.3 Due to the two Final Accounts workshops being held in September and JIAC meetings in October and December, it is proposed not to hold a separate November workshop.

DRAFT AGENDA PLAN 2022/23

		frequency required	February 2022 workshop	9th March 2022	Accounts workshop TBC	27th July 2022	5th October 2022	November workshop TBC	14th December 2022	February 2022 workshop	15th March 2023
	Confirmed agenda to be circulated			28/01/2022		15/06/2022	19/08/2022		04/11/2022		
	Deadline for reports to be submitted			24/02/2022		13/07/2022	22/09/2022		01/12/2022		
	Papers to be circulated			01/03/2022		19/07/2022	27/09/2022		07/12/2022		
Public	Apologies	every meeting		Apologies		Apologies	Apologies		Apologies		Apologies
Public	Declarations	every meeting		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
	JIAC annual report	Annually				JIAC annual report					
Restricted	Meeting of members and Auditors without Officers Present	once per year				Meeting of members and Auditors without Officers Present					
Public	External Auditor reports	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
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
Public	Internal Audit Plan and Year End REport	twice a year for NFRS and PCC & CC		Internal Audit Plans		Year End Reports					Internal Audit Plans
Public	Update on Implementation of internal audit recommendations	twice a year for NFRS and PCC & CC		Audit implementation update PFCC and CC		Audit implementation update NFRS	Audit implementation update PFCC and CC		Audit implementation update NFRS		Audit implementation update PFCC and CC
Public	HMICFRS updates	1 per year per organisation		CC - HMIC update		NFRS – HMIC Update					CC - HMIC update
Restricted	Risk register update (including current risk policy as an appendix)			NCFRA Risk Register (including current			PFCC Risk register (including current risk policy as appendix)		CC Risk register (including current risk policy as appendix)		NCFRA Risk Register (including current

		frequency required	February 2022 workshop	9th March 2022 (risk policy as appendix)	Accounts workshop TBC	27th July 2022	5th October 2022	November workshop TBC	14th December 2022	February 2022 workshop	15th March 2023
Public	Fraud and Corruption: Controls and processes	Once a year for NFRS and PCC & CC					NFRS - Fraud and Corruption: Controls and processes		PCC & CC - Fraud and Corruption: Controls and processes		
Public	Budget plan and MTFP process and plan update and timetable	annually for all					NFRS, CC and PCC - Budget plan and MTFP process and plan update and timetable				
Public		Once a Year – dates TBC									
Public	Statement of accounts	annually for all (subject to audittimescales)					Statement of accounts PCC and CC		Statement of account NCFRA		
Public	Treasury Management Strategy	annually for all		NCFRA, CC and PCC - Treasury Management Strategy and Mid Year Update							NCFRA, CC and PCC - Treasury Management Strategy and Mid Year Update
Public	Attendance of PCC, CC and CFO	annually for all									
Restricted	Enabling Services (including new system arrangements)	twice a year		Enabling services update			Enabling services update				Enabling services update
Public		Specific Updates at each meeting throughout the year where appropriate									
	Benefits realisation					Benefits realisation (PB)					
	Systems implementation					Verbal update – systems implementation					
Restricted?	Review of new finance systems that replaced MFSS										Review of new finance systems

RED: Areas Identified following discussion with Chair from 2021/22 JIAC Workplan Objectives