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

JOINT INDEPENDENT AUDIT COMMITTEE

29th JULY at 10.00am to 12.00am

Microsoft Teams virtual meeting
(the Teams meeting room will open from just after 09.30am)

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.pnn.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
1	Welcome and Apologies for non- attendance -			10:00
2	Declarations of Interests			10:00
3	Meeting Log and Actions – 11th March 2020	Chair	Report	10.05
4	Draft Report of the JIAC and Terms of Reference Review	Chair	Report	10.10
5a 5b	External Audit Progress Update 2018/19 and 2019/20 PFCC & CC NCFRA	EY	Verbal	10.20
6a 6b	Internal Audit Report 19/20 Outturn NCFRA PFCC & CC	LGSS Audit Mazars	Report Report	10.40
7a 7b	Internal Audit Progress Report 20/21 PCC & CC NCFRA	Mazars LGSS Audit	Report Report	10.50
8a 8b	Implementation of internal audit recommendations NCFRA PFCC & CC	Rob Porter Simon Nickless	Report Report	11.00
9	Agenda Plan	Chair	Report	11.05
10	AOB	Chair	Verbal	11.05
11	Confidential items – any	Chair	Verbal	11.05
12	Resolution to exclude the public	Chair	Verbal	11.05
	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	Update on LGSS and MFSS	Paul Bullen	Report	11.10
14	Risk Register – CC	Simon Nickless	Report	11.20
15	Future Meetings held in public: • 7 October 2020 • 16 December 2020 Future Workshops not held in public: • August/September (date TBC) – 2019/20 NCFRA, PFCC and CC Statement of Accounts • November – Date and content TBC			

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
East House
Police HQ
Wootton Hall
NORTHAMPTON NN4 0JQ

or by email to:
kate.osborne@northantspfcc.pnn.police.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:

Mr J Beckerleg (Chair of the Committee)

Mrs A Battom

Mr J Holman

Ms G Scoular

Mrs E Watson

*   *   *   *   *

Joint Independent Audit Committee (JIAC) ACTION LOG –11 March 2020

Attendees: Members: John Beckerleg (JB), John Holman (JH), Gill Scoular (GS),

Paul Bullen (PB), Helen King (HK), Nick Alexander (NA), Neil Harris, EY (NH), Simon Nickless (SN), Rob Porter (RP), Mark Lunn (ML), Duncan Wilkinson, LGSS IA (DW), Barry Mullen (BM), Kate Osborne (KO), Vaughan Ashcroft (VA), Julie Oliver NCFRA Officer (JO)

Agenda	Issue	Action	Responsible	Comments
1			Chair	• Apologies: Ann Battom (AB), Edith Watson (EW) • Biyi Adegbola (BA), Jacinta Fru, LGSS IA (JF), Jo McAuliffe (JMc),
2	Declarations of Interests		Chair	• None
3	Meeting Log and Actions – 11 December 2019	JB to send to KO for circulation and compiling responses.	Chair	• Amendment- GS – was in attendance at last meeting – amend notes • Item 3 – session at next JIAC workshop to build self-assessment. JB to look at other audit committee good practice to derive questionnaire to circulate. KO to assist with summary of responses • JB asked for service response on Corona Virus. Fire given by RP – Covid-19 plan. Police- SN LRM, James Andronov (JA)– lead.
4a 4b	Statement of Accounts Update & Audit Progress Update 2018/19 PFCC & CC NCFRA		EY	• HK – good progress on Fire and Policing. • HK passed her thanks for hard work in work of accounts and those auditing. Various learning and improvements identified for 19/20. • NH – ISA 260 – Police – thanks for cooperation and assistance from Commissioner and Force personnel.

					• Position – substantially complete awaiting for memorandum of estate. Once work completed, NH happy to conclude and update final set of statements and issue audit opinion. • NH looking to expedite before 25/03 • Reasonable headroom for forthcoming spending review. • Pension fund audit causing delays error of £3.5million in pension fund • Audit file 90% complete. • GS noted the delay on estate report – causes identified were: discussions with valuers and availability and tight timeframes when queries had been raised. • VA – 11.03.2020 to tie up loose ends, draw a line under final queries and finalise. • Learning between VA team and audit team regarding project management in the future. VA – plans in place to improve this process . HK recognised the limited capacity within the finance team and together with VA was implementing a finance team restructure to address this. • JB – raised the "fee arrangement" – what control do we have on additional resources used to audit for which organisations are then billed. PSAA controls this process but the organisations are involved. • PSAA- for the future there is a view that the scale fee is not realistic – it needs updating to ensure it is sufficient for adequate audits. • NH – Happy to return to JIAC to discuss EY costing framework. • **ACTION: Fee discussions to take place 11.03.2020** • JB summarised that the JIAC had gained confidence from the audits that had taken place • GS assurance sought from EY that future resources will be in place to ensure these delays / issues do not recur for future audits • What are the timescales for audit completion? – NH aiming for Fire – by end of July, Police by end of September

		HK to share final statement of accounts post audit with members once finalised prior to signature		• Impact of Covid-19 on resilience of team to commit to timescales and deadlines to be considered in the light of this • It was highlighted that the Voice accounts had been signed • NH – ISA 260 – Fire – reflects EY issues too. More specialist support required (pensions, valuations, technical review). • Amendments arose from technical review. • Good process between OPFCC and LGSS in response to audit progress. • Reasonable level of reserves built with good projected position due to arrangements for future. • ISA 260 – continue but make informed decisions about risk before committing to borrowing or financial risk • JB felt that the audit conclusions provided significant assurance in the context of the transfer of Fire and the agreed settlement • HK – the benefits of in depth review has allowed there to be greater assurance. **ACTION:HK to share final statement of accounts with committee once finalised prior to next JIAC**. HK requested quick turnround on comments from members once circulated.
5a 5b	Internal Audit Progress report NCFRA PFCC & CC		LGSS Audit Mazars	• DW gave overview of audit plan. Issued • Para 2.4 opinions • Known issues around ICT – limited opinions given as due to lack of documentation. No processes around ICT risk, Risk register. Reflected in the limited opinion • GS – asked about progress following the concerns with ICT issues – officers were confident that progress would be made by the end of year • Identified delays due to HMRCFRS • DW - was confident the plan would be complete by year end

		ACTION: DW to review inclusion of audit recommendations and management response for audits with limited assurance		- JB –sought more details when "limited assurance" is identified including the recommendations and the management response. - The options of suppling the full audit reports was discussed. This was always available if the committee wanted to see the detail but was not felt to be the best solution. - The suggested way forward was to supply the audit recommendations and the management response for internal reports with limited assurance – this will then be consistent with policing audit reporting **DW to action** Mazars - two draft reports issued; no final reports at present time. - section 2:2 - two audits had been delayed at the request of the Force and OPCC – governance, and health and safety - health and safety – had been delayed due to difficulties around recruitment of a Head of Health and Safety. SN - H&S post was still out for recruitment – closing date imminent - Remaining audits – the core financial systems was due this week - IT security was proving difficult to get booked in – assistance required– SN to chase this. - Fieldwork for the collaboration audit of H&S had been done – report to be circulated - HK noted it was working well – keen to see balance transfers information for MFSS
6a 6b	Implementation of internal audit recommendations NCFRA		ACFO DCC	- Fire – RP – 2 actions completed, no actions raised and 5 not yet reached/ Good progress on all the actions and recommendations. No recommendations refused at this point - ICT – this was issued too close to the meeting to be included - will be included at next JIAC

	PFCC & CC			- Payroll – the full retention of receipts for mileage would be in place by 1 April 2020 - Accounts payable – the reference to including all commitments on ERP at beginning of year related to instances where the work and supplier is known at the outset. In cases where this is unknown this would take place as soon as practicable possible. - Accounts receivable – the policy for chargeable services was out of date – this is being worked on. Policy would be re-written by 31.03.20 – but will need to be agreed by the PFCC - SN – Police – good progress and many signed off as complete - Data quality – terms of reference being finalised – this will be signed off by 19.03.20 - Data quality – software installed – PND dash board expected 16.03.20 - Seized property – SN was content with progress. The staff model now included training - JB asked about the "greying out" of old recommendations where the activity had been audited for a second time and similar recommendations raised again. If future the report should show the date of the original recommendations to preserve the audit trail. - Risk Management - the 4Rrisk system had been delayed and completion was expected by 31.03.20 - Absence management – SN had seen the Wellbeing plan – but felt was too tactical. It needed to sickness issues. SN has asked for further information - Special leave guidance produced – review mid-March 2020 - MFSS – performance framework – Board had develop an understanding of performance and other key areas, A strategic lead/ manager Louise Davis had been recruited. Made positive impact

				• JB thanked SN for readability of risk register and the progress on closing items.
				• New 4risk system complimented.
7a 7b	Internal Audit Plan 2020/21 NCFRA PFCC & CC		LGSS Audit Mazars	• DW - Fire – attached 20/21 draft plan for Committee approval. Structure and format replicated from previous year. Para 3.6 was a summary of work –programme. The committee asked if the plan was sufficiently strategic given a number of risks facing the service (e.g. Grenfell action plan). Service and DW to consider
				• Key financial systems listed, consultation feedback – request for financial control testing – absorb within existing current days – if significant weaknesses found additional days to be discussed.
				• Total days 104 – it is an uplift but fee stays the same.
				• Procurement will be included in the accounts payable audit.
				• Grenfell – is the service making the required response – The committee asked if the LGSS team had the specialist expertise expertise to ensure these processes are in place. DW – no expertise on technical aspects – but they had factored this into part of their ongoing plan. They would use fire expertise to assess if the action plan is adequate or not
	ACTION: ML to revise Plan to include "procurement" reference			• JH – asked if partnership/ audit would work for both fire and police
				• ML – Police – discussions around level of coverage of plan. **Amendment required to document – "procurement" needs to be referenced.**
	ACTION: HK and VA to finalise 19/20 IA Days and Charges			• **ACTION: HK and VA– to consider the requirement of 20 days and decide if needed**
				• JH asked about the timing of the H&S audit – planned to report in Dec 2020 – start of Q3. Agreed that this would start as soon as reasonable.
				• JB asked if the internal audit plan was actually risk driven? Whilst it was important to cover areas such as

				the Financial control framework there seemed to be limited connection between the risk register and the internal audit plan. • Discussion around risk register to areas of audit and required audits. ML highlighted to committee that the audits work on a 3 year cycle. Assurance given that items on the risk register are included and also those areas that are critical to organisations. • Cttee suggested an additional area of work force planning could be considered. • It was noted that there is flexibility in the plan to add/ omit items. It was important that the strategic risks of the organisations were highlighted to establish those that would benefit from audit For both Fire and Police – it was accepted that audits of the core financial systems would always be an important element of the internal audit plans.
8a 8b	External Audit Plan and Fees 2020/21 NCFRA PFCC & CC	ACTION: NH to come to the next committee (or between Committees) with audit approach, fees and risks for 2019/20	EY	• 19/20 – NH needs to come back to committee with the audit approach and audit risks • Need to agree plan, risks and fee – this would formally return to the next JIAC meeting but discussions would continue with JIAC outside of the formal meetings. • 2020/21 – PSAA – changed scale fee processes – currently in consultation and will contact organisations individually regarding audit fees. • JB asked if there was a local input to fee setting taking account of the unique position regarding fire for example. HK said that PSAA should write to us and seek our views. • HK to keep committee informed of developments.
9a	Description of Performance Frameworks		ACFO DCC	• BM gave an overview of the Assurance and Performance framework for NFRS

9b	NCFRA			• Based on 1:1 sessions with managers to establish the statement of business performance, leading to the production of a dashboard. Example of dashboard included. Two rounds of departmental meetings have taken place so far. Response so far has been useful.
	CC			• Went live Jan 1 2020 – review of document to happen in June 2020. Seeking active feedback.
				• Appendix A and B gives cyclical overview of planning year. Internal / external scrutiny is new . This is a work in progress. Appendix B gives more detail on internal scrutiny.
				• GS considered it was comprehensive and asked how it was working in practise? There was an increased administrative burden but was being managed and feels achievable. Positive feedback so far.
				• Internal audit feedback also very positive.
				• JB explored the connection with the Police Fire and Crime Panel – see PCP in appendix A
				• JB asked how it fitted with the planning process? – There were links / overlaps with the service improvement plan – see appendix A – and periodic reviews / strategic reviews. These are incorporated into the assurance and performance framework. The annual report summarises progress.
				• SN – 5-year planning frame – annual review, which drives financial planning framework
				• Expanded vision – to be an outstanding police force, supporting safer stronger communities
				• SN talked through the FP25 plan – flow bottom to top – accountability of individuals/ lead persons to ensure action and positive performance. Bottom – resources, secondary – culture, third – outcomes.
				• Crime data integrity requirements have involved the examination of low level crime but also secondary offences. 1 incident – could mean four to five crimes.
				• ACC able to hold their geographical areas to account

				• JH – partnership working positive – how can we get them aligned better (e.g. Mental Health) and measure these using matrix. SN - PCC – crime and disorder act – can use this to ensure partners are better aligned – not needed at present • MASH is example of this working well, improvements noticed in MARAC through greater partnership working. Building trust will facilitate this, also resources, and joint opportunities – PB - using OPFCC to build these partnerships wider from police alone. • JH is there an indicator that partnerships are effective? – SN there are measures but the issue is what is the wider knock-on effect / impact. Wider strategic plan and performance framework for wider partnership work not yet in place. • SN – advised that the Force was in discussion with the PFCC regarding how to measure this partnership performance. Need to look at basket of measures (PB) • JB observed differences between Fire and Police performance framework and the potential to learn from each other
10a 10b	Treasury Management Strategies NCFRA PFCC & CC		LGSS / S151 S151 PFCC & CC	• Fire – BA is keen to take JIAC views prior to publishing which is anticipated the end of March 2020. The position is slightly better than expected at the end of the first year. • Approved at Accountability Board 10.03.2020 • Comment from PCC – para 1.25 – requested for this to be changed to mirror the equivalent text in the Police strategy. • JB asked for the numerical sections to be checked. • There was a need to explain specific and non-specific investments – what does it mean in the context of treasury management. • Was noted that the parameters set around operational boundaries felt generous. HK reassured the Committee that this was to do with current cash flow. In future years the tolerance would be reduced. • HK was seeking a uniform in March 2021

		ACTION: HK to finalise TM Strategy figures with BA		• HK to check figures with Biyi • JH – asked if the ethical element of borrowing was covered? HK to look at for future TM strategies how the PFCC wished to consider these. • Police – VA – similar to previous years and figures updated as per capital programme. Building in this financial year borrowing not identified and reduced need to do so unless professionally advised to do so. • JB asked about the calculation of the increase in precept calculation.. VA provided explanation to committee. • JB- gave thanked the officers for the reports which gave assurance around the procedures to manage treasury management.
11	Agenda Plan	ACTION: HK to Update the plan ACTION: VA/HK/JB to consider how best to update on finance structure arrangements	Chair	• New Item for the Plan (date TBC) – an explanation of the processes in place for complaints and ethics. • Consideration of how best to brief the JIAC on changes in finance arrangements (which are being briefed to the Police, Fire and Crime Panel). • November workshop subject To be decided
12	AOB		Chair	•
13	Confidential Items	MFSS contract	Chair	•
14	Resolution to exclude public		Chair	•
15	Update on: MFSS & LGSS & Shared Roles and Services	MO/DCC	Report	• Discussions around the contract renewal with MFSS and LGSS. • PB raised the points highlighted in recent action meetings around MFSS, with aim to develop strategic plans to

				oversee current and future contract and developing and launching alternatives. The timelines were raised and options around seeking alternative providers are taking place. • GS sought reassurance about cross over period to ensure coverage of all functionality. • Reassurance was given that this crossover would be built into plans to ensure smooth crossover. And that work was continual to ensure optimum accounting plans are active. • Further updates and details of progress in this area will be made aware to committee members in future meetings and discussion.
16a 16b	Restricted Strategic Risk Register Update: NCFRA Risk Register Force Risk Register	ACFO DCC	Report	• Reports were gone through by Fire and Police highlighting changes in specific identified risks. Reference made to previously addressed Covid-19 discussions. • Risks are being well managed and documented. • GS asked if a common template could be used between fire and police. It was decided that the two worked for the individual service but shared ways of working could be considered in the future • JB and the board members thanked both fire and police for their hard work on generating comprehensive risk register documents.
	Future Meetings held in public: • 29 July 2020 • 7 October 2020 • 16 December 2020 Future Workshops not held in public: • 3 June 2020 Statement of Accounts November – Date and content TBC			

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

JOINT INDEPENDENT AUDIT COMMITTEE

29 JULY 2020

REPORT BY	Chair of the Joint Independent Audit Committee
SUBJECT	Annual Report 2019-20
RECOMMENDATION	To approve the report and submit it to the Police, Fire and Crime Commissioner (PFCC), Chief Constable (CC) and Chief Fire Officer (CFO)

1. **Purpose of report**

This report fulfils two purposes:

a) A review of the Committee's terms of reference; and
b) An annual report, as required by the terms of reference, for inclusion in the Annual Accounts

2. **Recommendations**

The Committee is invited to:
    a) Comment on the report;
    b) Submit the report to the PFCC, CC and CFO.

3. **Role of the Committee**

This is the seventh annual report of the Joint Independent Audit Committee (JIAC) created under the Home Office Financial Code of Practice for Police Services.

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

This Audit Committee became operational in November 2012.

4. Committee membership

Membership of the Committee during the financial year was:

Name	Appointment	Qualifications
John Beckerleg (Chair)	Appointed 1 October 2014	MA, CIPFA, MBA, SSA
Ann Battom	Appointed December 2018	CIPFA, MSc
John Holman	Appointed 23 September 2019	TA MA MRICS
Tony Knivett	Appointed December 2013 Term of office ended November 2019	CQSW
Gill Scoular	Appointed 1 December 2014	CIPFA
Edith Watson	Appointed 23 September 2019	

The Police, Fire and Crime Commissioner (PFCC) and Chief Constable (CC) agreed in 2017 that the size of the Committee should be increased to 5. Recruitment in 2019 means that the committee now has 5 members.

Mr. Knivett came to the end of his term of office in 2019 and the Committee wishes to record its appreciation to Mr. Knivett for his contribution to the work of the JIAC.

5. Committee's Terms of Reference

The Committee has established terms of reference derived from the CIPFA best practice model. The Committee is required to review its terms of reference annually and the latest terms of reference are attached as Appendix 1.

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

No changes are proposed to the terms of reference.

6. How the Committee discharges its responsibilities

The Committee's terms of reference drive the work programme and there is a well established approach to agenda planning.

The Committee held 4 formal meetings in the year. The meetings were open to the public and, as far as possible, the agenda items are taken in public. Attendance at meetings was as follows:

Name	Attendance / Possible attendance
John Beckerleg (Chair)	4/4
Ann Battom	3/4
John Holman	3/3
Tony Knivett	-/2
Gill Scoular	2/4
Edith Watson	2/3

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 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 (both 2018/19 and 2019/20);
- risk management and risk registers;
- capital strategies, capital programmes and treasury management;
- internal and external audit plans, recommendations and updates; 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:

- Multi Force Shared Services (MFSS) upgrade, timescales and issues (4 updates);
- Budget and Medium Term Financial Plan - update and timetable;
- Business continuity and disaster recovery;
- Update on key roles within the OPFCC Force and FRS;
- Joint Estates strategy;
- Performance Frameworks; and
- Response to Covid 19.

Three workshops were held during the year which considered the following areas:
- June 2019   - Review of PFCC and CC statement of accounts
- November 2019 - Enabling Services and Policing Seized and Found Property
- February 2019   - Consideration of the Force management statement, demand management and the Police strategic plan (FP25)

The two internal audit teams have successfully delivered a full programme of review including audits of Police collaborative arrangements.

In addition the Chair and/or JIAC members attended a CIPFA training day for Police Audit Committees and a CIPFA update for Police Audit Committees.

Members of the Committee have attended the Force Assurance Board to gain a more detailed insight into the many aspects of the Force from which assurance is required. There

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has been a very positive approach within this Board to addressing aspects of assurance such as outstanding internal audit recommendations and risks which are standing item for the Committee.

The pattern of the Committee working across the three organisations is now well established and there is the opportunity to share information and learn from each other. Managing the agenda, now spanning all three bodies, continues to be a challenge but this is greatly assisted by well produced and timely reports.

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.

7. 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 2019/20 are set out in Appendix 2. Three of the objectives have been completed and a specific report on fraud and corruption is scheduled in the 2020/21 annual plan. The aim had been for the Committee to complete a self-assessment in time for this report. This has not been achieved but remains important. It is intended that the self assessment will be informed by consideration of what other Police (and Fire) Audit Committees have done.

Appendix 3 sets out the objectives for 2020-21. There are some key areas which the Committee will keep under review – support services, statutory accounts, developing governance and financial controls in Fire – as well as seeking to ensure the Committee is as effective in its work as it can be.

8. Identification of key issues

During 2019/20 the Committee considered a range of topics and issues. Some of the key ones were:

Annual Accounts 2018/19

> Normally the Committee would formally consider the Annual Accounts at its July 2019 meeting alongside the External Auditor's report. Whilst the accounts were substantially complete (subject to audit) the external auditor was unable to undertake their work in time to report to the JIAC in July 2019. In relation to NFRA, this was due to insufficient audit capacity and in relation to Police and OPFCC this was originally due to a dependence on the audit of Northamptonshire County Council (pension arrangements).

> It Is a matter of significant concern that the audit of the accounts for 2018/19 have taken so long to reach a conclusion. The delays were further exacerbated by the Covid-19 pandemic which required additional disclosures and evidence. At the time of writing the report, whilst the 3 months accounts for Fire have recently been signed off, the Policing accounts remain outstanding, in part due to the Covid-19 EY consideration process.

Annual Accounts 2019/20

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Due to the corona virus the Government has relaxed the deadlines for producing the statutory accounts from 31 May 2020 to 31 August 2020 and an audit accounts workshop will take place after the draft accounts have been produced. The Finance team expect to meet the revised deadline and the accounts will be available, albeit unaudited, on the PFCC website for members of the public. However it is not yet clear when the audits will be undertaken or completed.

The Committee will continue to review progress on the completion and publication of the audited accounts.

Collaboration

There are many examples of collaborative working between forces involving Northamptonshire. The JIAC has gained assurance on collaborations from the work of the internal auditor who has undertaken reviews on behalf of all of the partners in the following areas:

- Performance Management
- Business Continuity
- Health & Safety

Multi-Force Shared Services (MFSS) and support services

This is a familiar area of concern. Last year we reported, for the third year in succession, on the Committee's concerns about MFSS, particularly about the operation, the functionality provided, its costs and the consequences of a major change programme.

In the short term the PFCC and CC have addressed these concerns by taking a more active involvement in the programme governance and the new governance arrangements have been implemented. These appear to have helped stabilize the position but it was recognized that a long term solution was needed.

The PFCC and CC have considered the options for the medium and long term and updated the Committee. The aim is to implement an 'Enabling Services' programme to terminate the arrangements with MFSS and look to establish integrated support functions 'in-house' including those for the Fire and Rescue Service.

The JIAC welcomes the decision to change and will continue to monitor the change programme which will be challenging.

Transfer of Fire Governance

The transfer of the Northamptonshire Fire and Rescue Service to the PFCC (as the newly constituted Northamptonshire Fire and Rescue Authority) was approved by the Home Office and took place on 1 January 2019. This transfer was handled well.

At the outset there were concerns about the financial sustainability of the FRS because no reserves were transferred. A three year plan to restore reserves to sensible level was established and, in practice, this has been achieved by the end of 2019/20.

Although the transfer has formally happened, the move to become a free standing organisation with all the necessary systems, policies and working arrangements will inevitably take time to complete. The Committee will continue to explore aspects of the financial control and governance arrangements in the FRS, drawing on the work of internal and external audit and HMICFRS.

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9. 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 for a further three years. There are distinct benefits in having the same internal auditor covering the region (for example, for audits of collaborative arrangements).

The internal audit plan for 2019/20 was approved by the JIAC in March 2019, and the Committee recommended the Commissioner and the Chief Constable to sign off the plan. Progress against the audit plan has been good.

The Force and OPCC have generally accepted the recommendations made in the internal audit reports (or explained why a particular recommendation has not been accepted). Managers have progressed the agreed actions in most cases to the agreed timescale and the Committee continues to monitor progress until actions have been completed.

The Committee has been monitoring the recommendations which have passed their implementation date. Significant progress has been made this year in completing these recommendations.

NFRA

The internal audit of NFRA (and NFRS) will be undertaken by LGSS for at least 2019/20 and 2020/21.

The internal audit plan for NFRA was approved at the July 2019 JIAC meeting and the Committee recommended the Commissioner to sign off the plan. Again progress has been good. The Committee will review the first year-end report of NCFRA by LGSS in July 2020.

10. Assessment of External Audit

Last year, in assessing the performance of the external auditors, the committee reported that, although the Finance Team had completed the accounts, the audit of the financial statements for 2018/19 had been delayed beyond the usual end date of July 2019. At the time the reasons EY was not able to complete its contracted work for 2018/19 were:

- EY did not have the capacity to complete the audits.
- For the OPFCC and CC, the external audit work of Northamptonshire County Council, particularly in relation to the Local Government pension fund, had to be completed first.

A year ago the Committee expressed its disappointment at this situation, not least given the efforts of internal staff to produce the accounts to a tight timetable.

Now, over twelve months later, the audit for of the 2018/19 for Policing is still not complete (Fire has been concluded within the last few weeks). This is a major concern for the Committee since it is not good governance or consistent with proper public accountability. There are a number of other public bodies which have been facing delays.

The Committee has explored the mechanism for managing this poor performance. Regrettably, because of a rational decision to join a consortium tendering for external audit work to secure better value for money, the PFCC and CC have limited ability to manage the contract directly. Committee members have highlighted concerns to the tendering body. There may be lessons here to be considered for future procurement.

The Covid 19 pandemic has disrupted the audit work for 2019/20. This was recognized by the Government which has extended the deadlines for authorities to complete their closedown work. At the time of writing there is no certainty when the audit work will commence and conclude.

Locally the external audit team has been thorough and engagement has remained positive and constructive. But from the Committee's observations, the timing, structure, planning, fees and the quality of some of the audit team has been well below expectations.

11. Looking forward

Appendix 3 sets out the draft Aims and Priorities for the Committee for 2020/21

These reflect:
- Any outstanding recommendations from 2019/20;
- 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 developed an effective work programme based on a more robust governance framework and has continued to gain assurance from the three organisations. The impact of the Covid 19 outbreak has been handled well by each one although it has required different ways of working and thrown up new challenges.

Thanks are due to the officers who support the Committee and who have provided honest and objective assurance about the arrangements which exist. It is appropriate here to express thanks to the Finance team including the statutory officers; they have been put under considerable pressure working throughout the last year, not least because of the lockdown and the protracted audit timetable.

The JIAC will continue to undertake the duties assigned to it in the agreed terms of reference and seek to ensure that it makes a constructive contribution to achieving the agreed priorities. The Committee would welcome feedback or suggestions about how it can become more effective in discharging its responsibilities.

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J Beckerleg
Chair of Joint Independent Audit Committee

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**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 three 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 Chief Executive 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 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) Minutes 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 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, Chief Executive 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;

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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.

The Joint Independent Audit Committee's – Aims and Objectives 2019/20

Aims and Objectives
Undertake a review of the effectiveness of JIAC by December 2019   - *Not completed but due to be undertaken in 2020*
Support functions: • Continue to monitor the arrangements with the Multi-Force Shared Service and implementation of the change programme • Monitor the support provided by Local Government Shared Services (LGSS) • Understand the medium / long terms plans for support services   - *This area has been the focus of considerable time and effort for officers through out 2019/20 and the Committee has received reports and discussed the position at each of its meetings. It will be an area of continuing interest*
Consider the developing governance arrangements for the Fire and Rescue Service under the control of the OPFCC   - *The Committee has taken an active interest in this developing area of governance. It has discussed the approach to financial sustainability, the performance framework, the risk register and conclusions / recommendations from the auditors.*
Develop a better understanding of counter fraud activity within the three organisations   - *The Committee was scheduled to review these in July 2020 but this has been revised to the next meeting in October 2020 which will enable it to be considered alongside the 2019/20 Statutory Accounts considerations.*
Review the Force Management statement to understand the assurance it provides and the relationship with other plans such as the Police and Crime plan   - *The Committee received a presentation on the Force Management statement and this was linked to the strategic plan (FP25).*

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The Joint Independent Audit Committee's – Draft Aims and Objectives 2020/21

Aims and Objectives
Undertake a review of the effectiveness of JIAC (carried forward from 2019/20)
Continue to place importance on the prompt production and audit of the organisation's statutory accounts
Keep under review the programme for adapting the full range of support services including, where appropriate, the integration of functions cross Police and Fire services
Monitor the planned improvements in governance and asset management arrangements for the Fire and Rescue Service
Develop a better understanding of counter fraud activity within the three organisations
Consider the Force and PFCC developments for future procurement arrangements
Review the work of a sample of other joint audit committees to learn from their approaches and help to shape the future work programme of the JIAC

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Annual Opinion Report 2019/20

Author and Contact: Duncan Wilkinson, Chief Internal Auditor, 01908 252089
Helen King, Chief Finance Officer

Executive Summary

To provide a report on the Chief Internal Auditor's Annual Opinion on the governance, risk management and internal Controls across the Northamptonshire Commissioner Fire and Rescue Authority.

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1.   Recommendation(s)

Committee to note the report.

2.   Background

2.1.   The Public Sector Internal Audit Standards (PSIAS) requires the Chief Audit Executive to present an annual opinion on the framework of governance, risk management and internal controls. The opinion is based on work performed by Internal Audit during the year and takes into account factors that impact on the framework.

2.2.   The annual opinion supports the Annual governance statement produced by the Chief Finance Officer.

2.3.   The full report detailing the opinion and supporting information on which it is based is attached at Appendix A.

3.   Implications:

3.1.   Policy

None.

3.2.   Legal

This report does not identify any legal issues.

3.3.   Other Implications

None

4.   Risk and Resources:

None.

LGSS

Internal Audit & Risk delivering for

Internal Audit Service

Annual Report

2019-20

Duncan Wilkinson – Chief Internal Auditor

July 2020

Internal Audit Annual Report 2019/20

Northamptonshire Commissioner Fire & Rescue Authority

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 NCFRA 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 2019/20

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 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, I have based my opinion on:

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

Audit Opinion – 2019/20

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.

Duncan Wilkinson FCMA CGMA
Chief Internal Auditor

2.3. As a new organisation, the 1st year of auditing NCFRA controls can only place reliance on a relatively short period of time. An opinion of Good or Substantial (as below) would require a longer period of evidence demonstrating, specifically that controls operated effectively over a minimum 2 financial years. The opinion of Satisfactory must be viewed as a positive opinion for the 1st years operation in that context.

2.4. Whilst a Satisfactory opinion for 19/20 is positive, it is imperative that those areas of identified need to improve remain a focus and priority. The failure to address those issues <u>and</u> maintain /

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improve those areas of satisfactory control and compliance, could quickly move the 20/21 opinion to Limited.

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 2019/20

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 based upon the work performed by Internal Audit during the year.

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. The audit plan year end for NCFRA is 31st March 2020.

The opinion also reflects the following key factors that Internal Audit considers impacted the effectiveness of controls and risk management during 2019/20.

- Governance of the Fire Service transferred from the County Council to the Office of the Police Fire and Crime Commissioner (PFCC) on 1 January 2019. With the change in governance and the implementation of new ways of working, it was acknowledged that NCFRA establishing new processes of operation would always require a period to fully embed and deliver control to appropriate standards.
- An enterprise risk management framework that was at development stage during the year.

- The pandemic crisis at the end of the year that, impacted finances and operations, affecting the risk profile of the authority.

It is however acknowledged that
- A robust oversight framework of the leadership team has been created
- The Joint independent audit Committee has been effective in holding management to account during the period.

The 2019/20 Internal Audit plan, approved by the Audit Committee in June 2019, 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.

3.1.2   In preparing the overall opinion, the Chief Audit Executive has reviewed all audit activity carried out during 2019/20 and noted any issues arising from audits that have carried forward into 2020/21. During the year, audit activity included reviews in the following areas

- o   Key Financial systems – *reviews focused on the systems that have the highest financial risk, recording transactions within the 2019/20 financial year.*
- o   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*.
- o   Information Technology – *focused on ensuring security over information/data and IT assets.*
- o   Procurement/contracts –*focused on reviewing controls over contracts.*
- o   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

3.1.3 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 Assurance						Compliance Assurance					
		S	G	SF	L	NO	NA	S	G	SF	L	NO	NA
Key Financial Reviews	5	0	3	2	0	0	0	0	2	1	2	0	0
System Based /Probity reviews	6	0	6	0	0	0	0	0	3	2	1	0	0
Information Technology	1	0	0	0	1	0	0	0	0	0	1	0	0
Other Reviews – risk workshops	4	*Advice & Support given*											

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

During 2019/20 there were 4 audit reviews where our opinion was a "limited" assurance opinion against the system design or compliance with system controls. Where finalised, these audits

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have been reported to committee during the year and the number of recommendations raised and their categories were as follows:

Audit	No. of Essential Recommendations	No. of Important Recommendations	No of standard Recommendations
Scheme of Delegation	3	0	0
Accounts Payable	3	0	0
ICT – systems Controls	1	4	1
Accounting Systems combined Review	2	4	2

See **Annex A** for the audit assignments 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. An overview of agreed actions and the implementation of actions in 2019/20 is summarised below:

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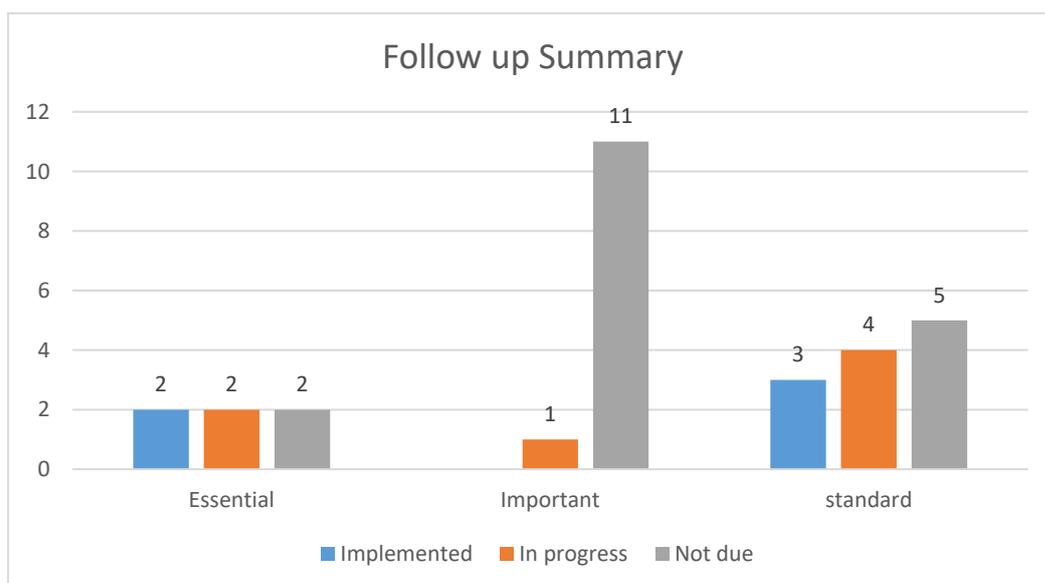
3.2.3   During 2019/20, 30 recs were raised. Of these, 17% had been fully implemented and discussions with management showed that 23% were in the process of being implements. For 60 % of the agreed recommendations the due date for implementation had not been reached and it is recognised that progress has been made in implementing all improvement actions.

Where the agreed implementation date for an action is after 31 March 2020, these actions will be followed up prior to the next Audit Committee where their implementation status will be reported on.

3.3   **Risk and Other consultancy work completed during the year**

3.4.1   The Internal Audit Risk Management team has worked with the respective Risk owners across the NCFRA during the year, in order to review and revise triggers, consequences, controls and, where appropriate, action plans for each of the Corporate Risks. This engagement with senior managers is ensuring that the risk register is continually reviewed and updated and work is ongoing to establish how well the process is currently embedded across the Fire Authority.

3.4.2   During 2019/20 consultancy work has included ongoing risk workshops with the various Operational teams.

4.   Other Key Issues

In preparing the overall opinion, the Chief Audit Executive has to review Issues having a bearing on 19/20 opinion, carried forward into 2020/21.

4.1.1   The financial and other impact of the pandemic crisis at the end of the financial year in March 2020 has yet to be fully explored.

4.1.2   The 2020-21 Internal Audit Plan, will dedicate resource to providing assurance to the chief Finance Officer on expenditure made during the lockdown, through

➢ In-depth analysis of funds being expended during the lock down period, to give assurance that only essential purchases were being undertaken

➢ Review of payments on contract, to ensure they are in line with government Guidance and that suppliers are not making profits from claiming from the public purse

5.   Other work and work of other assurance providers

5.1   In 2019/20, 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.

5.2   The NC Fire and Rescue Authority was subject to an external inspection by HMIRC during the year. Recommendations for improvements were raised across several areas of service delivery, which have been included with an improvement action plan. Progress on implementation of the actions are monitored by various oversight boards and a random sample will be reviewed as part of the2020/21 Audit Plan.

5.3   The NC Fire & Rescue Authority's Financial Statements for 19/20 have been produced but the external audit review is ongoing 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   LGSS Internal Audit and Risk operates as a shared service, with staff occasionally expected to work across partner sites. Throughout 2019/20, the Service experienced some staffing shortage, a difficult recruitment market and staff retirement. Action was taken to procure backfill resource and the benefits of shared provision working approach 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-** The Fire Authority's Internal Audit Plan for 2019/20 was agreed in June 2019 with a target of 95% completion to draft report by 31st March 2020.

As at the date of this report, 95% of the Plan, had been completed.

7.2   **Productivity** – As at the end of March 2020, the team's productivity is at 90% against a target of 100%. Whilst slightly behind target, this is not viewed as a significant issue at this stage. Management will continue to monitor this area and where appropriate take action to improve productivity levels in the team.

7.3   **Customer Feedback** -Continuous development in the quality of the internal audit service remains a key objective, particularly following the collaboration with LGSS. 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.

For the financial year 2019-20, six customer surveys responses have been received, of which 2 rated the service as excellent and 4 as good.

7.3   **Quality Assurance & Service Development**

A revised LGSS Internal Audit Strategy and Charter is submitted for approval by JIAC annually. The Strategy and Charter aims to ensure that the service remains effective and focused in providing a modern, independent and objective assurance function to the Authority and management. Our code of conduct requires auditors to complete both an annual declaration as well as an assignment declaration for each audit undertaken.

Our work is guided by an Audit Manual based on PSIAS, which references our processes and documents and working papers are designed to ensure consistency of delivery and adherence to auditing standards.

Prior to issuing a report draft, following a closing meeting with the Client, each assignment undergoes a two stage quality control process. The audit file and report are subject to a review and challenge by the Audit Manager.

As part of the LGSS shared service, there are opportunities to enhance and develop the audit team through joint working and sharing of good practice across Partner organisations. In 2019/20 the LGSS partners provided additional opportunities to work together and share expertise and experience, as well as audit efficiencies. Development needs are identified through monthly one to one meetings and the annual appraisals.

7.4 **Compliance with PSIAS**

An external assessment of Internal Audit's compliance with Public Sector Internal Audit Standards (PSIAS) was undertaken in 2016/17, which found that the Internal Audit function and management arrangements demonstrated full compliance with the majority of the Standards.

Whilst no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity were identified, an action plan of improvement was implemented and reported during 2017/18.

Throughout 2019/20 the Internal Audit Service worked in line with the Public Sector Internal Audit Standards.

ANNEX A

Summary of Reviews Completed 2019/20

The table below summarizes the Internal Audit reviews that were completed during the 2019/20 financial year.

AUDIT TITLE	STATUS	Control Environment Assurance	Compliance Assurance	Organisational Impact of findings
Organisational Governance	Final Report	Good	Good	Minor
Scheme of Delegation	Final Report	Good	Limited	Moderate
Policies and Procedures	Final Report	Good	Satisfactory	Moderate
Accounts Payable	Final Report	Good	Limited	Moderate
Accounts Receivable	Final Report	Satisfactory	Satisfactory	Minor
Payroll	Final Report	Good	Good	Minor
Target Operating Module	Final Report	Good	Good	Minor
ICT –System Controls	Final Report	Limited	Limited	Moderate
Medium Term Financial Planning	Final Report	Good	Good	Minor

AUDIT TITLE	STATUS	Control Environment Assurance	Compliance Assurance	Organisational Impact of findings
Target Operating Model	Final Report	Good	Good	Minor
Organisational Governance	Draft Report	Good	Satisfactory	Moderate
Scheme of Delegation				
Policies and Procedures				
Accounts Payable	Draft Report	Good	Limited	Moderate
Accounts Receivable				
Payroll				
ICT Systems	In progress			
Risk Management	In progress	Various workshops undertaken		

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M MAZARS

Office of the Police, Fire & Crime Commissioner for Northamptonshire and Northamptonshire Police

Final Internal Audit Annual Report 2019/20

July 2020

This report has been prepared on the basis of the limitations set out on page 13.

Contents

01 Introduction

Purpose of this Report

This report summarises the work that Internal Audit has undertaken and the key control environment themes identified across Office of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police during the 2019/20 financial year, the service for which is provided by Mazars LLP.

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2011. The PSIAS requirements are that the report must include:

- An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (the control environment);

- A summary of the audit work from which the opinion is derived (including reliance placed on the work by other assurance bodies); and

- A statement on conformation with the PSIAS and the results of the internal audit quality assurance and improvement programme (QAIP), if applicable.

The report should also include:

- The disclosure of any qualifications to that opinion, together with reasons for the qualification;

- The disclosure of any impairments or restriction in scope;

- A comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets;

- Any issues judged to be particularly relevant to the preparation of the annual governance statement; and

- Progress against any improvement plans resulting from QAIP external assessment.

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, 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 OPCC 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.

Covid-19

The Covid-19 global pandemic has impacted all organisations as the UK enforced lockdown restrictions and closed organisations across the country in a bid to protect public health. Whilst the Police and OPCC remained open for business the lockdown has resulted in changes to the way the organisations works, such as remote working, and will inevitably have varying impacts upon the control framework that is in place. Due to the timing of the lockdown audit had already completed all but one of the 2019/20 internal audits, we have highlighted in Appendix A2 the one audit that was unable to be completed. However, it should be noted that the assurance provided is based on the control environment that we reviewed during 2019/20 and the on-going impacts on the control environment will be included within the 2020/2021 annual internal audit report.

02   Head of Internal Audit Opinion

Opinions

From the Internal Audit work undertaken in compliance with the Public Sector Internal Audit Standards (PSIAS) for the year ending 31st March 2020, we can provide the following opinions:

ASSURANCE -
POLICE & CRIME
COMMISSIONER

Our overall opinion is that generally adequate and effective control and governance processes were in place to manage the achievement of the organisation's objectives. We have, however, identified weaknesses that require addressing (see Appendix A2).

ASSURANCE -
CHIEF CONSTABLE

Our overall opinion is that generally adequate and effective control and governance processes were in place to manage the achievement of the organisation's objectives. We have, however, identified weaknesses that require addressing (see Appendix A2).

Basis of the Opinion

Internal Audit applies a risk-based approach and our audits assess the governance framework, the risk management process, as well as the effectiveness of controls across a number of areas. Our findings on these themes are set out below. Overall, we can provide assurance that management have in place a generally effective control environment and, whilst further remedial actions are needed in some areas, we are assured that management have in place effective processes for the implementation of identified areas of weakness.

Corporate Governance

Whilst no specific audit of Governance was carried out during 2019/20, we have carried out a number audits where governance arrangements were a key aspect, most notably as part of the work we carried out when reviewing the Force's Management of MFSS Arrangements. An audit of Governance is scheduled to take place as part of the 2020/21 internal audit plan and this review will include governance framework, policies and procedures, roles and responsibilities and decision making. In addition to purely focusing on local procedures, resources were allocated in order to provide assurance with regards the systems and controls, including governance arrangements, in place to deliver specific elements of regional collaboration. During 2019/20, themed audits were carried out of Performance Management, Health & Safety and Business Continuity.

Through the delivery of the internal audit plan, our review of wider regional collaboration arrangements and attendance at JIAC meetings, we are satisfied that the governance framework for the Office of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police has been effective for the year ended 31st March 2020..

Risk Management

As part of the 2018/19 Internal Audit plan we undertook an audit of the controls and processes in place in respect of risk management. The specific areas that formed part of this review included: policies and procedures; risk registers; risk mitigation; reporting arrangements and follow up of previous recommendations. Whilst there is a basically sound system of internal control, there are weaknesses and evidence of a level of non-compliance with some of the control processes, which may put some of the Force / OPFCC's objectives at risk.

During the course of delivering the 2019/20 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

The Office of the Police and Crime Commissioner for Northamptonshire and Northamptonshire Police have a generally sound control environment, although we have noted areas where improvements are required. During the 2019/20 year, six (75%) internal audits received an overall "satisfactory assurance", whilst one (12.5%) internal audit was rated 'limited assurance'. In addition, one of the collaborative audits covering the East Midlands policing region was rated satisfactory (2/3 were still to be finalised at time of writing).

The following tables provide a brief overview of the assurance gradings given as a consequence of audits carried out during 2019/20, split between those specific to Northamptonshire and those undertaken as part of East Midlands regional collaborative audits. More details of the audit opinions and the priority of recommendations for all

2019/20 Internal Audit assignments is provided in Appendix A1 – Audit Opinions and Recommendations. In addition, further analysis of those areas where systems improvement are required are set out in Appendix A2 – Audit Projects with Limited and Nil Assurance 2019/20.

<u>Northamptonshire Only</u>

Assurance Gradings	2018/19		2019/20	
Significant	0	0%	1	12.5%
Satisfactory	6	60%	6	75%
Limited	4	40%	1	12.5%
Nil	0	0%	0	0%
Total	**10**		**8**	

<u>Collaboration Audits</u>

Assurance Gradings	2018/19		2019/20**	
Significant	0	0%	0	
Satisfactory	3	100%	1	
Limited	0	0%	0	
Nil	0	0%	0	
Total	**3**			

**At the time of writing 2/3 collaboration audits were in draft format.

In arriving at our overall audit opinion, and whilst acknowledging that further remedial actions are needed in some areas, we have been assured by management that processes have been put in place for the implementation of recommendations to address identified areas of weakness.

Issues relevant to Annual Governance Statement

The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control. Internal Audit, through its annual programme of activity, has a duty to bring to your attention any areas of weakness we believe should be considered when producing the Annual Governance Statement. As part of this responsibility, we have highlighted any limited or nil assurance reports within Appendix A2.

Restriction placed on the work of Internal Audit

As set out in the Audit Charter, we can confirm that Internal Audit had unrestricted right of access to all OPCC and Force records and information, both manual and computerised, cash, stores and other property or assets it considered necessary to fulfil its responsibilities.

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.

No	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	Achieved
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved
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.	91% (10/11)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (9/11)
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% (11/11)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (1/1)

Quality and Conformance with the Public Sector Internal Audit Standards

In addition to the firm's overall policy and procedures, our internal audit manual and working papers are designed to ensure compliance with the Firm's quality requirements. Furthermore, our internal audit manual and approach are based on professional internal auditing standards issued by the Global Institute of Internal Auditors, as well as sector specific codes such as the Public Sector Internal Audit Standards.

Our methodology and work has been subject to review as part of our internal Quality Assurance Reviews undertaken by our Standards and Risk Management team as well as external scrutiny by the likes of external auditors, as well as other regulatory bodies. No adverse comments have been raised around our compliance with professional standards or our work not being able to be relied upon.

Appendix A1 - Audit Opinions and Recommendations 2019/20

Northamptonshire 2019/20 Audits	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Business Continuity	Final	Satisfactory		1		1
Complaints Management	Final	Satisfactory		1	2	3
Absence Management – Follow Up	Final	Satisfactory		4		4
Project /Benefits Realisation	Final	Satisfactory		2		2
Force Management of MFSS – Follow Up	Final	Satisfactory		2		2
Core Financial Systems	Final	Satisfactory				
• General Ledger		Satisfactory		1		1
• Cash, Bank & Treasury Management		Satisfactory			1	1
• Payments & Creditors		Significant				
• Income & Debtors		Satisfactory			1	1
• Payroll		Limited	1	1		2
Balance Transfers	Final	Significant			1	1
GDPR Follow Up	Final	Limited	2			2
			3	12	5	20

Collaboration Audits 2019/20	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Performance Management	Final	Satisfactory		1	4	5
Health & Safety	Draft					
Business Continuity	Draft					
		Total		1	4	5

Appendix A2 - Audit Projects with Limited and Nil Assurance 2019/20

Project	Grading	Summary of Key Findings
Payroll – within Core Financials	**Limited**	We raised one priority 1 / fundamental recommendation in respect of the Payroll element of the Core Financials audit report The priority 1 recommendation and audit observation is set out below: *Observation:* MFSS currently report performance data for purchasing, payables and receivables to the Force which highlight key data, including: • No. of requisitions transferred to orders within 3 days. • % of invoices paid on time. However, at present there is no review of performance for payroll processing. The review of this performance data would identify any issues or concerns in the payroll processing and allow actions to be taken in a timely manner. This issue was raised in 2017/18 audit, but audit has not been able to confirm if any changes have been made, as access to payroll performance reports were not available *Recommendation:* The Force should liaise with MFSS to ensure that appropriate performance data is provided with regards payroll processing. This could include, but not be limited to, the following: • No. of overpayments & underpayments. • Value of overpayments & underpayments. • Reasons for overpayment i.e. late notification by Force, MFSS missed SLA for Payroll Date etc.
GDPR Follow Up	**Limited**	A limited audit opinion was provided for GDPR when it was carried out as part of the 2018/19 Internal Audit Plan and as such a follow up audit was carried out in 2019/20. It can be noted that 7 out of the 8 recommendations were implemented however there remained one priority 1 recommendation outstanding and we raised a further priority 1 as well. These are set out below: *Observation:* The team has been provided with additional temporary resource until July 2020 to address the information requests back-log. Good progress has been made reducing the back-log of requests, however, we emphasise the need for increased resource levels to continue and that additional resource may be required beyond July 2020. *Recommendation:* The organisation should continue to actively monitor resource requirements and if required temporary staff provision should be extended beyond July 2020.

		Observation: Whilst the organisation has made good progress there continues to be a back-log of information requests to resolve and it remains under review by the Office of the Information Commissioner, with a requirement for regular reporting and monitoring. *Recommendation:* As the organisation has done in the last 12 months, the Force must continue, through the IAB, to actively monitor workloads, issues and resources to ensure that previous areas of concern do not re-occur.

Other

It should be noted that there were a number of audits included within the 2019/20 Plan that were deferred into 2020/21 in each instance these were reported to the JIAC. The audits that have been deferred are set out below

Governance, Health & Safety, IT Security.

One audit in relation to Seized Property was scheduled to take place in March 2020, however due to the Covid-19 lockdown requirements this audit was also deferred into the 2020/21 Plan to be carried out when it is safe to do so.

Appendix A3 – Definition of Assurances and Priorities

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.

Definitions of Recommendations	
Priority	**Description**
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.

Appendix A4 - Contact Details

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Appendix A5 - Statement of Responsibility

Status of our reports

The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.

The contents of this report are confidential and not for distribution to anyone other than the Office of the Police and Crime Commissioner for Northamptonshire and Northamptonshire Police. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.

M **MAZARS**

Office of the Police, Fire & Crime Commissioner for Northamptonshire and Northamptonshire Police

Internal Audit Progress Report 2019/20 and 2020/21

July 2020

Presented to the Joint Independent Audit Committee meeting of: 29th July 2020

Contents

01   Introduction

1.1   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 ended 31st March 2020 which was considered and approved by the JIAC at its meeting on 20th March 2019. And update the JIAC as to the progress in respect of the Operational Plan or the year ended 31st March 2020, which was considered and approved by the JIAC at its meeting on 11th March 2020.

1.2   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.

1.3   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 organisations 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.

1.4   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.

1.5   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.

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

02 Summary of internal audit work to date 2019/20

2.1 Since the last meeting of the JIAC we have issued three final report in respect of the 2019/20 audit plan, these being in regards to Core Financial Systems, Balance Transfers and GDPR. In respect of collaboration we have issued one final reported for the Performance Management audit and two draft reports in respect of Health & Safety and Business Continuity. Further details are provided in Appendix A1.

Northamptonshire 2019/20 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Business Continuity	Final	Satisfactory		1		1
Complaints Management	Final	Satisfactory		1	2	3
Project Benefit Realisation	Final	Satisfactory		2		2
Absence Management	Final	Satisfactory		4		4
Force Management of MFSS	Final	Satisfactory		2		
Core Financial Systems	Final	Satisfactory				
• General Ledger		Satisfactory		1		1
• Cash, Bank & Treasury Management		Satisfactory			1	1
• Payments & Creditors		Significant				
• Income & Debtors		Satisfactory			1	1
• Payroll		Limited	1	1		2
Balance Transfers	Final	Significant			1	1
GDPR Follow Up	Final	Limited	2			2
TOTAL			**3**	**12**	**5**	**20**

Collaboration 2019/20 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Performance Management	Final	Satisfactory		1	4	5
Health & Safety	Draft					
Business Continuity	Draft					
TOTAL				**1**	**4**	**5**

2.2 As previously noted to the committee there have been a number of audits included in the 2019/20 Internal Audit plan that have been deferred into 2020/21. These are summarised below:

- Governance
- Health & Safety
- IT Security

2.3 The Property Management audit, which is a follow up audit of the 2018/19 when a limited opinion was given, had been arranged and was scheduled to take place towards the end of March, audit undertook some of the initial work before the UK's lockdown in response to the Covid-19 pandemic was enforced. This audit requires the physical verification of property and therefore this work has been deferred to take place as part of the 2020/21 internal audit plan when it is safe to do so.

2.4 The collaboration audit reports are being progressed through the regional CFO and regional DCC forums and a new agreed audit process has been adopted for 2020/2021, to ensure these reports are progressed from draft to final in a consistent and timely process.

03 Progress of 2020/21 Internal Audit Work to date

3.1   The Covid-19 global pandemic has impacted all organisations as the UK enforced lockdown restrictions and closed organisations across the country in a bid to protect public health. This has inevitably impacted upon the early part of 2020/2021 and our ability to undertake the planned audits in the usual manner. However, contact and engagement with the Force & OPCC has been business as usual. We held an audit planning meeting it the end of May, and we have focused on delivering the 2020/21 plan for the remainder of this calendar year. Audit planning meetings have taken place and terms of reference agreed and dates agreed for the first audits to take place.

3.2   The impact of covid-19 is that audits that would have taken place in Q1\Q2 have not yet been carried out, but they have been rescheduled and all of the planned audits are set to be carried out in 2020/21. With remote working likely to continue for some time the audits will have to be carried out remotely, or with very specific arrangements and precautions for an auditor to be on site. Mazars have not raised any issues with regard to completing Northamptonshire audits for 2020/2021 but will keep this under constant review and provide the JIAC with updates were issues are impacting upon our ability to deliver the audit plan.

3.3   In relation to the 2020/20201 Collaboration Audits, internal audit have attended a number of regional Chief Finance Officers meetings and an agreement has been reached for an outline three year plan on the areas of coverage across the collaborations. This is summarised below. Internal audit will continue to liaise with the regional CFO group to ensure the collaboration audits are planned and delivered on schedule. Moreover to assist in a more efficient process for 2020/2021 a process for the completion of audit, exit meeting, draft report, management comments and then final report has been agreed by the regional CFO group.

Audit Assignment	2020/2021	2021/2022	2022/2023
Workforce Planning	✔		
Wellbeing	✔		
Budgetary Control	✔		
Asset Management		✔	
Savings Plans		✔	
Business Continuity (Lessons Learned Covid-19)		✔	

Audit Assignment	2020/2021	2021/2022	2022/2023
Governance			✓
Business Plans			✓
Risk Management			✓

04 Performance 2019/20

3.1   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.

No	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved
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.	83% (7/8)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (8/8)
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% (8/8)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (2/2)

Appendix A1 – Summary of Reports 2019/20

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.

Core Financial Systems

Overall Assurance Opinion	Satisfactory

General Ledger	Satisfactory
Cash, Bank & Treasury Management	Satisfactory
Payments & Creditors	Significant
Income & Debtors	Satisfactory
Payroll	Limited

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

As part of the Internal Audit Plan for 2019/20 for the Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPCC) and Northamptonshire Police, we have undertaken an audit of the controls and processes in place in respect of the Core Financial Systems.

The specific areas that formed part of this review included: general ledger; cash, bank and treasury management; payments and creditors; income and debtors; and payroll.

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

- Clearly defined policies and/or procedures are not in place resulting in ineffective and inefficient working practices.
- Systems and data entry restrictions are not in place which could lead to inappropriate access to the systems and data.
- There are errors in accounting transactions posted on the General Ledger resulting in inaccurate financial information.
- Inaccurate cash flow information regarding investments and borrowings is produced which could result in inappropriate levels of cash held within the Force.
- The purchasing process is not complied with by staff which could lead to fraudulent transactions that may go undetected.
- An ineffective debt management process is in place which could lead to irrecoverable income and inappropriate write off of debt.
- Payments to staff are inaccurate resulting in financial losses for the Force, administrative burdens and, where the employee loses out, loss of reputation

We raised one fundamental (priority 1) recommendation where felt that the control environment needed to be improved. This related to the following:

Recommendation 1	The Force should liaise with MFSS to ensure that appropriate performance data is provided with regards payroll processing. This could include, but not be limited to, the following: • No. of overpayments & underpayments. • Value of overpayments & underpayments. • Reasons for overpayment i.e. late notification by Force, MFSS missed SLA for Payroll Date etc.
Finding	MFSS currently report performance data for purchasing, payables and receivables to the Force which highlight key data, including: • No. of requisitions transferred to orders within 3 days. • % of invoices paid on time. However, at present there is no review of performance for payroll processing. The review of this performance data would identify any issues or concerns in the payroll processing and allow actions to be taken in a timely manner. This issue was raised in 2017/18 audit, but audit has not been able to confirm if any changes have been made, as access to payroll performance reports were not available. *Risk*: Poor performance is not identified in a timely manner. Errors in payroll processing result in financial loss for the Force
Response	Agreed - MFSS Payroll will provide the data as recommended, in the form of an excel spreadsheet, by the 1st working day of the month following the period in which the transactions took place. i.e. June payroll data will be provided by 1st July
Timescale	Steve Gall / July 2020

We raised two significant (priority 2) recommendations where felt that the control environment could be improved. These are set out below:

- The Force should consider implementing a preventative control for overtime/TOIL authorisations to ensure that these are appropriate and accurate. This should be considered in light of the new system. A simple solution could be to move the current retrospective review by line managers to prior to payment, therefore acting as a preventative approval.

- The Force should request that MFSS ensure that all reconciliations are completed and reviewed in a timely manner, i.e. within 1 month of the period end. The Force should liaise with MFSS to ensure that historic balances are investigated and cleared down. The Force should request that MFSS seek authorisation from the Force when looking to perform reconciliations more than one month after the period end and provide notice to the Force when this is unarranged.

Management have confirmed that agreed actions will be completed by the end of September 2020.

We also raised two priority 3 recommendation of a more housekeeping nature relating to:
- Updating procedures for processing sales invoice credit notes; and
- Updating debt recovery guidance to include the time frames being followed.

Management have confirmed that agreed actions have already been undertaken.

Balance Transfers

Overall Assurance Opinion	Satisfactory

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

In addition to the Internal Audit Plan for 2019/20 for the Office of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police, we have undertaken an audit of the balances transferred between finance systems and the controls in place for this process.

The specific areas that formed part of this review included: controls and checks within the project when moving between the two systems, reconciliations of financial statement balances and accuracy of opening and closing balances.

Our audit considered the following area objectives, to provide assurance that:

- The project to move to the new system included appropriate controls and checks to ensure that balances were correctly transferred between the two systems;
- The controls and checks for moving any data between the old and new system in regards to financial statement balances were completed correctly, accurately and in a timely manner; and,
- The opening balances stated in the new system are correctly aligned to the closing balances of the old system.

We raised one priority 3 recommendation of a more housekeeping nature relating to:

- The Force ensure reconciliations will be carried out when the final balances are transferred.

Management have confirmed that the balances for the financial year end on the Fusion system have taken place and align to their financial statement position.

GDPR Follow Up

Overall Assurance Opinion	Limited

2018/19 Recommendation Priorities	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	1

Priority	Recs	Ongoing	Superseded	Complete
1 (Fundamental)	4		1	3
2 (Significant)	0			
3 (Housekeeping)	4			4
TOTAL	8		1	7

2019/20 Recommendation Priorities	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

As part of the Internal Audit Plan for 2019/20 for the Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPFCC) and Northamptonshire Police, we have undertaken a 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. The aim of the audit is to assess progress against the recommendations previously made and to establish the level of current GDPR processes and procedures in place within the Force as of February 2020.

The audit identified the level of assurance which can be placed on the system of controls and level of compliance with these controls in the area being audited.

We do note that the Force has made good progress against the recommendations made previously and is actively addressing the matter through the re-established Information Assurance Board. The IAB has senior leadership and has made considerable improvements in the back-log of subject access requests, although a back-log still exists.

We note the ongoing active involvement of the Office of the Information Commissioner's office in oversight of the Force's performance on Data Protection, which remains an ongoing risk. To this end, the Force has taken an open and honest approach with the ICO and is working constructively with them.

We raised two fundamental (priority 1) recommendation where felt that the control environment needed to be improved. This related to the following:

Recommendation 1	The organisation should continue to actively monitor resource requirements and if required temporary staff provision should be extended beyond July 2020.
Finding	The team has been provided with additional temporary resource until July 2020 to address the information requests back-log. Good progress has been made reducing the back-log of requests, however, we emphasise the need for increased resource levels to continue and that additional resource may be required beyond July 2020. *Risk*: The organisation has insufficient long-term resources to manage the demand for disclosures and may be at risk of not achieving the statutory time limit. Errors in payroll processing result in financial loss for the Force
Response	The business continues to look at resourcing. A recruitment process had been completed to fill the outstanding SAR vacancy, unfortunately this had to be re-advertised as the candidate found alternative employment outside of Northamptonshire Police. There are five candidates awaiting to be processed through to interview, however this has proved more difficult due to the Covid restrictions. Authorisation had also been given to appoint two agency staff for a period of time. Due to Covid-19 and the associated agile working we have been unable to bring anybody new into role as there would be difficulties in training them, we continue to monitor the Government guidance for opportunities to address this. Unfortunately there are no roles within the unit that are so linear which would lend themselves to strict guidance being issued, and new staff working in isolation. One additional officer and one staff member have temporarily joined the unit to provide assistance, these commenced in April 2020. Two agency staff contracted to another internal department have been offered as support dependant on their own demand. This opportunity is currently being explored. Despite the above efforts, one officer has recently retired from the team, with a second due during May 2020. A more robust, permanent solution will be re-visited when restrictions start to lift and we are able to bring people back into FHQ. An analyst has been appointed to produce a report focussing on backlog management, current and future demand, and comparison data from similar forces. This will hopefully assist in mapping out the needs of the department moving forward.
Timescale	Ongoing

Recommendation 2	As the organisation has done in the last 12 months, the Force must continue, through the IAB, to actively monitor workloads, issues and resources to ensure that previous areas of concern do not re-occur.
Finding	Whilst the organisation has made good progress there continues to be a back-log of information requests to resolve and it remains under review by the Office of the Information Commissioner, with a requirement for regular reporting and monitoring. Risk: The organisation fails to maintain improvement levels and falls back to previous levels.
Response	IAB continues to meet and work through force issues relating to Information Security and Management, including workloads, resource levels, policies and other business needs. The force continues to communicate and engage with the ICO and are due to hold further discussions in the next couple of weeks in relation to a pending audit. Levels of FOI backlog are reducing although not at the speed that was hoped for. The number of SAR requests are unfortunately increasing, this appears to be as a result of the change in practice of other organisations due to Covid. In general, demand on the team continues to increase.
Timescale	Ongoing

Collaboration: Performance Management

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	4

As part of the Internal Audit Plans for 2019/20 for the Offices of the Police and Crime Commissioners for Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire and the Office of the Police, Fire and Crime Commissioner of Northamptonshire and the respective Police Forces, it was agreed that an element of internal audit resource would be spent on regional issues or on the collaboration units.

As part of this review we have carried out an audit of the processes in place across the region in respect of Performance Management within a sample of collaboration units agreed by the CFOs – East Midlands Criminal Justice Services (EMCJS), East Midlands Collaborative Human Resource Services for Learning and Development (EMCHRS L&D) and East Midlands Special Operations Unit (EMSOU).

The specific areas that formed part of this review included: performance management frameworks, targets and measurements, performance data, management reporting and performance oversight in operation across the sample of units highlighted above.

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

- There is a robust and formal performance management framework in place.

- Performance targets are relevant, realistic, measurable and are properly communicated to staff.

- The unit's performance management arrangements are effectively aligned with the requirements of relevant forces / PCC's.

- There are effective reporting routines in place which provide up to date and accurate information to the relevant forum on the delivery of the service.

- Benchmarking information is available that allows comparative data and learning opportunities.

- There is a clear structure of performance oversight across the collaboration, including by Chief Constable's and PCC's, covering both strategic and operational performance.

- There are effective escalation procedures in place to resolve areas of under-performance.

We raised one priority 2 (significant) recommendations where the control environment could be improved upon. The finding, recommendation and response from the relevant collaboration units is detailed below:

Recommendation 1	When presenting performance metrics EMCJS, EMCHRS L&D and EMSOU should consider what good performance should look like to provide users with a better understanding of how well the unit is performing in that area.
Finding	Each collaboration unit carries out a variety of functions and services for the Forces and due to this it can be difficult to assign performance targets or measures that clearly demonstrate what good performance looks like. Whilst targets may not be applicable in all the performance metrics, indicators of good or bad performance should be included to provide those charged with managing performance with a better understanding of the performance metrics being presented. Examples include: • EMCHRS L&D KPI's relate to % of Force's staff who have undertaken mandatory training, some RAG ratings are applied but these have not been reviewed and updated for some time. • EMCJS the custody metrics are recorded but no indication of what good should look like e.g. a downward trend or upward trend or an expected percentage. • EMSOU have no performance targets in most areas due to the nature of the work they undertake, however trend analysis is utilised where possible to demonstrate performance but it was unclear what trend demonstrated good performance. Once a better understanding of levels of performance are in place this will allow those charged with managing performance to put in place appropriate actions in areas of underperformance. *Risk*: Lack of clarity on levels of collaboration performance. Actions are not set to address areas of underperformance.
Response	**EMCHRS L&D** A Performance Management Group is in place and will benchmark L&D performance measures to ensure that these ultimately drive improved performance. **EMCJS** There are a few areas within the scorecard that targets could be attributed to. However, a lot of the data is for information only and can't be targeted i.e. throughput. The scorecard will be reviewed and targets will be included where deemed appropriate. **EMSOU** EMSOU have commissioned a performance project to review existing performance reporting, strip out unnecessary bureaucracy and make better use of the gathered data. All departments will report via a standard template and all data will be held in one, bespoke database. That database will be capable of being queried via Power BI, allowing a far more agile approach to performance monitoring. Whilst targets would not be helpful for most EMSOU work, this system will allow us to see our effect in many ways, such as commodities seized and offenders' imprisoned, but also important information on the effect of our operations in communities, such as the overall reduction of risk from an OCG.

	The data can be separated out for departments, teams, threat areas and so on, allowing for questions to be answered in different ways to cater for changing contexts. This deals with the issue of good performance, and how that is defined, given that stakeholders will have a range of views.
Timescale	EMCHRS L&D – Implemented EMCJS – May 2020 EMSOU – June 2020

We raised one priority 3 recommendation of a more housekeeping nature relating to:

- Governance

EMSOU should review and update the Performance Management Group and Strategic Governance Group terms of reference on a regular basis to ensure they remain up to date.

EMCHRS L&D should update the Management Board terms of reference to ensure key details are included. These should be reviewed and updated on a regular basis.

- EMCHRS L&D: Performance Data

EMCHRS L&D should consider including other performance metrics in its performance reports that provide a better view of unit specific performance.

EMCHRS L&D should consider alternative solutions for the production of course evaluations.

- EMCJS Performance Data

EMCJS should consider updating its performance process to save the source data so a clear audit trail for performance is maintained.

EMCJS should consider ensuring a secondary quality check on performance figures prior to them being issued.

EMCJS should consider documenting the procedures for producing its performance scorecards to provide resilience in the event existing staff are unavailable to carry out the process.

Each collaboration unit management accepted the recommendations raised and confirmed actions would be taken and implemented by the end of June 2020.

Appendix A2   Internal Audit Plan 2019/20

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Assurance							
Core Financial Systems	18	Dec 2019	Jan 2020	Mar 2020	July 2020	Mar 2020	Final report issued.
Governance	10	Feb 2020	n/a	n/a	n/a	Oct 2020	Requested to be deferred to 2020/21. Dates for fieldwork agreed – August 2020.
Strategic & Operational Risk							
IT Security	10	Nov 2019				July 2020	Deferred to 2020/21.
Business Continuity	10	May 2019	May 2019	May 2019	May 2019	July 2019	Final report issued.
Force Management of MFSS Arrangements	7	Oct 2019	Oct 2019	Nov 2019	Nov 2019	Dec 2019	Final report issued
Project / Benefit Realisation	12	Aug 2019	Aug 2019	Aug 2019	Aug 2019	Sept 2019	Final report issued.
Property Management	10	Mar 2020	Mar 2020	n/s	n/a	July 2020	Fieldwork partially completed but deferred to 2020/21 due to Covid 19
General Data Protection Regulations (GDPR)	7	Nov 2019	Nov 2019	Feb 2020	June 2020	Mar 2020	Final report issued.
Health & Safety	10	Mar 2020	n/a	n/a	n/a	TBC	Requested to be deferred to 2020/21.
Absence Management	8	July 2019	July 2019	July 2019	July 2019	Sept 2019	Final report issued.
Complaints Management	8	May 2019	May 2019	May 2019	June 2019	July 2019	Final report issued.

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Collaboration							
Performance Management	12	Oct 2019	Nov 2019	Feb 2020	May 2020	July 2020	Final report issued.
Business Continuity	12	Jan 2020	Feb 2020	June 2020		July 2020	Draft report issued.
Health & Safety	12	Feb 2020	Feb 2020	April 2020		July 2020	Draft report issued.

Appendix A3   Internal Audit Plan 2020/21

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Assurance							
Core Financial Systems	25	Nov 2020				Mar 2020	
Governance	10	Sept 2020				Oct 2020	
Strategic & Operational Risk							
Fleet Management	10	July 2020				Oct 2020	Fieldwork dates agreed.
Procurement (MINT)	10	TBC				TBC	
Performance Management	10	TBC				TBC	
Workforce Planning	10	TBC				TBC	
Health & Safety	10	TBC				TBC	
Property Management C/Fwd.	6	TBC				TBC	
Procurement Compliance	8	TBC				TBC	Terms of Reference Circulated
GDPR	5	TBC				TBC	
IT Security	10	TBC				TBC	

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Collaboration							
Workforce Planning	18	TBC				TBC	
Wellbeing	16	TBC				TBC	
Budgetary Control	12	TBC				TBC	

Appendix A4 – Definition of Assurances and Priorities

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.

Definitions of Recommendations	
Priority	**Description**
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.

Appendix A5 - Contact Details

Contact Details	

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A6 Statement of Responsibility

Status of our reports

The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.

The contents of this report are confidential and not for distribution to anyone other than the Office of the Police, Fire and Crime Commissioner for Northamptonshire and Northamptonshire Police. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.

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INTERNAL AUDIT PLAN 2020-21 and Internal Audit Charter

Author and contact: Duncan Wilkinson Chief Internal Auditor tel: 01908 252089

Executive Summary:

To provide the Joint Independent Audit Committee with the 2020/21 Annual Audit Plan and Internal Audit Charter for approval.

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1.   Recommendation(s)

1.1   Committee to approve the Audit Plan for 2020/21(Appendix 1) and Audit Charter (Appendix 2).

2.   Background

2.1   Under its terms of reference, the Joint Independent Audit Committee (JIAC) receives regular progress reports from the Chief Internal Auditor outlining progress in delivering the Internal Audit Plan and the results of audits carried out. This report summarises the planned audit coverage for 2020/21.

2.2   The 2020-21 Internal Audit Plan has used a risk-based approach to prioritise Internal Audit work and includes sufficient coverage to ensure that an evidence-based assurance opinion can be provided on the control environment at the year end.

2.3   The Plan is responsive in nature and all efforts will be made to maximise coverage to provide the most effective and agile internal audit service possible that focuses on the key risks facing the organisation throughout the year. The proposed plan therefore has been developed to align NCFRA's operational environment and is designed to meet all legal and best practice requirements.

2.4   Progress against and changes to the plan are monitored by the Audit Committee and reported within routine update reports.

2.5   The full Audit Plan is set out at Appendix 1. A summary of the key themes are set out in the table below:

Assurance Block	Audit Days
Key Financial Reviews	30
Strategic -Governance Reviews	20
Operational Reviews	20
ICT Review	20
Risk Management Consultancy	10

Assurance Block	Audit Days
Advice, Reporting and Policy Audits	4
TOTAL	**104**

2.6　The Charter defines the purpose, authority and responsibility of the internal audit activity and is reviewed annually to ensure it continues to reflect best practice. It is presented for approval by the Audit committee following the annual review. Appendix 2

3.　Implications

3.1　Policy

Individual audits within the plan provide assurance of compliance with a wide range of NCFRA policies. The Audit Plan is risk assessed periodically and developed to align to the NCFRA's risk register, professional horizon scanning and the external auditor's materiality / triviality thresholds.

The Plan's completion ensures the NCFRA's adherence to the Public Sector Internal Audit Standards.

The Northamptonshire Commissioner Fire and Rescue Authority is committed to the highest standards of financial probity and takes its duty to protect the public funds it administers very seriously. The NCFRA through the Anti-Fraud Policy has adopted a zero tolerance stance towards fraud.

3.2　Legal

The Audit Opinion derived from completion of audits on the plan is one of the sources for the NCFRA's Annual Governance Statement, required in order to meet the NCFRA's responsibilities under the Accounts and Audit Regulations. The Accounts and Audit Regulations require every local authority to maintain an adequate and effective audit service.

4　Risk and Resources

The Internal Audit Plan is derived from an assessment of the NCFRA's corporate risk register as well as any inherent risks such as a susceptibility to fraud associated with an individual system.　Internal Audit work therefore seeks to give assurance that the risks identified in the register are mitigated by a sound system of internal control.

5.　Other Implications

None

Background Papers:

Appendix 1 –Internal Audit Plan 2020/21

Appendix 2 – Internal Audit Charter

Internal Audit of NCFRA

2020/21 Audit Plan

LGSS Internal Audit
July 2020

1. STATUTORY BACKGROUND

1.1.   The Accounts and Audit Regulations (2015) sets out that:
A relevant authority must ensure that it has a sound system of internal control which—
(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
(b) ensures that the financial and operational management of the authority is effective; and
(c) includes effective arrangements for the management of risk.

 And that:
A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

A relevant authority must, each financial year—
(a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
(b) prepare an annual governance statement

1.2.   LGSS is a Local Authority Shared Service organisation with joint 'ownership' by Northamptonshire County Council, Cambridgeshire County Council and Milton Keynes Council managing services via delegated budgets. LGSS provides Internal Audit services to the above 3 Councils and a variety of customers. Delegated budgets remain subject to the legal provisions applicable to all its sovereign / owning Councils i.e. subject to the Accounts and Audit Regulations.

1.3.   The Public Sector Internal Audit Standards (PSIAS) issued in April 2016 defines the service and professional standards for public sector internal audit services. These include the need for risk-based audit plans to be developed and to receive input from management and the 'Board'.

1.4.   Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) is considered a 'relevant authority' under the above provisions. The PSIAS terms 'Board' and 'senior management' are highlighted within PSIAS as needing 'to be interpreted in the context of governance arrangements within each public sector organisation'. In the context of NCFRA:

   o The term the 'Board' refers to NCFRA Commissioner and as defined within its terms of reference the Accountability Board
   o The term 'Senior Management' refers to the Chief Fire Officer (acting as NCFRA Chief Executive) and other senior officers consistent with the relevant scheme of delegation.

1.5.   Key, specific PSIAS provisions include:

PSIAS : 2010 - *"The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."*

PSIAS : 2450 – *"The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."*

1.6.   The LGSS Chief Internal Auditor performs the role of the Chief Audit Executive and he/she ensures that internal audit resources are appropriate, sufficient and effectively deployed to achieve the Internal Audit Plan.

1.7.   The Audit Plan must also consider the relevant NCFRA Risk Register which is under development as at December 2018. The proposed plan will therefore require review once the Risk Register has been adopted by the relevant NCFRA Board. This is likely to require change to the plan, rather than any increase or decrease in plan days, unless the Risk Register identifies significant non-financial risks.

1.8.   The Control Assessment methodology used to form the required Audit Opinion is set out in full at Annex A. In summary it has three key elements:

1)   Assess and test the CONTROL ENVIRONMENT,

2)   Test COMPLIANCE with those control systems, and

3)   Assess the ORGANISATIONAL IMPACT of the area being audited.

1.9.   In simple terms, to achieve the above every audit:

1)   Identifies / documents the agreed objectives of the audited system / service purpose

2)   Evaluates the control systems / governance arrangements to ensure they:
a.   align to the delivery of the service purpose
b.   measure performance effectively
c.   mitigate the threats to achieving the service purpose

3)   Tests the adequacy of operation of controls to achieve the agreed objectives / service purpose.

1.10.   Audit Reports will be sent to:
-    The relevant senior officer responsible for the area audited
-    The NCFRA 151 Officer

- The Chief Fire Officer (or their designated deputy)

1.11. Reports concluding less than Satisfactory Opinion will also be sent to the Chair of the Audit Committee and at their request those reports shall be considered, in full, by the Joint Internal Audit Committee.

1.12. Operationally the Chief Internal Auditor shall report to the 151 Officer. Consistent with PSIAS, the Chief Internal Auditor shall have direct reporting access to the Chief Fire Officer, the Chair of Audit Committee and the Commissioner.

1.13. Periodic (usually Quarterly, but aligned to the Audit Committee meeting schedule) summary reports will be issued to the NCFRA Audit Committee.

1.14. An Annual Audit Opinion is provided following year end and aligned to the drafting of the Annual Governance Statement.

2. THE 2019/20 PLAN

2.1. The formation of NCFRA as at 1st January 2019 led to an approved audit plan for the 15 month period 1/1/19 to 31/3/20. The development of the 2020/21 plan remains consistent with a risk profile of a newly formed legal entity within its 1st few years of operation.

2.2. The 2020/21 plan therefore reflects the evolving governance of NCFRA including:

2.2.1. Findings from key audits

2.2.2. Those emerging risks being identified from the Risk Management processes as the organisation evolves, improves and understands its challenges fully

2.2.3. Feedback from key stakeholders including Chair of JIAC, Commissioner.

3. PROPOSED 2020/21 PLAN

3.1. The Internal Audit Plan must be sufficiently flexible to enable assurance over current risk areas, as well as emerging risks, and those risks which are yet to be identified. The plan set out below:
- Identifies the Known Knowns to be audited eg Governance & Financial Systems
- Takes account of the Known Unknowns ie those new or emerging issues within a new organization eg Agresso implementation
- Can be flexible for the Unknown Unknowns that may arise during the year eg new partners, contracts etc.

3.2. The Audit Plan is designed to be flexible if new risks emerge or existing risks significantly reduce.

3.3.   Progress against the plan will be monitored throughout the year and key issues will be reported to NCFRA Management Board and the NCFRA Audit Committee on a quarterly basis. The Plan targets only those key financial and governance aspects that support the Annual Audit Opinion. Whilst there is a limited ability to replace those audits listed within the draft plan, it can always be discussed in relation to any emerging risks.

3.4.   The onset of the covid 19 pandemic at the start of the financial year and the ensuing period of lock down has undoubtedly changed the operational landscape and potentially increased the risk profile of NCFRA. The lock down also meant audit work for the first quarter of the year could not be progressed.

3.5.   In recognising the new risks, the Plan has updated to include a review of the robustness of financial controls over expenditure and the impact on income levels, during the pandemic lock down period.

3.6.   Where NCFRA identify additional work during the year:

3.6.1. IA and NCFRA will identify whether any original planned work can be substituted, and/or

3.6.2. Additional work undertaken at the agreed daily rate.

3.7.   In summary the 20/21 draft plan estimates a total of 104 days in comparison to the initial estimates (as at Dec 2018) of 80-100 days for a 'standard' year's coverage.

Although this will need to be part of the financial settlement between LGSS and NCFRA it is estimated that the 104 days can be provided at no extra cost to NCFRA. However additional work could only be accommodated at additional cost at the agreed daily rate (where it can be met from other LGSS shared services) or actual cost where external resources must be used (eg technical / expert advice) with a relative daily charge to reflect IA managerial oversight.

3.8.   NCFRA pay an Annual fee of £35,000 for the completion of the internal audit plan. The daily rate (eg for other unplanned work if needed) is therefore £337.

3.9.   The table below provides a summary of the proposed IA Annual Plan.

Annual Audit Plan 1st Apr 20 to 31st Mar 21		
Audit Area	**Days**	**Timing**
STRATEGIC	20	
• Corp Governance Framework inc Commissioner, CFO, Accountability Board, Fire Executive Board roles, decisions and oversight.		Q3/Q4
• Key Policies and Procedures – review and compliance		Q2/Q4

• Target Operating Model - Performance Monitoring Framework		Q4
OPERATIONAL	20	
• Target Operating Model - specific end to end analysis of:		Q2
- Management of Competencies		
- Mobilisation Policy and assurance around pump and resource availability		
- Workforce and Succession Planning (including duty planning, staff availability, talent management etc.)		
- Transformation / Improvement Plans		
- Recruitment and Succession Planning		
NB selection of specific workstreams will be informed by HMIRC outcomes @ March 2020 Eg if HMIRC report good assurance re: competencies IA will not test that in detail.		
• Asset Management		Q2
• Grenfell Action Plan		Q3
KEY FINANCIAL SYSTEMS		
• Accounting systems (AP/AR)	6	Q4
• C19 Spend analysis	10	Q2
• Payroll	4	Q4
• MTFP / Budget Management	5	Q2/Q3
• Financial Control Environment (G/L; Bank rec; TM)	5	Q2-Q4
RISK MANAGEMENT	10	All
Quarterly support to Risk Owners for the effective identification / assessment of risk, periodic review and action tracking.		
As part of the quarterly cycle of supporting risk reviews IA will test a small sample of risk data.		
ICT Systems Security	20	TBA
Audit management and reporting	4	All
TOTAL DAYS	**104**	

3.10. A more detailed outline of the audit areas and key issues is provided below.

Overall Scope
The migration into a separate legal entity creates a 'contingent' audit approach

where systems to be audited cannot be considered stable or reliable until sufficient testing has been evidenced. This plan applies to only the 2nd years operation for NCFRA as a separate legal entity.

Governance and risks cannot be considered 'mature systems' and future work and audit plans will need to have due regard to test findings from the first 1-2 years audit period.

- *Strategic*
  NCFRA as a separate legal entity should maintain strategic governance arrangements that clearly and formally record its organisational management, including. The Corporate Governance Framework should provide clearly defined roles and responsibilities.

  The plan therefore aims to audit the strategic controls applicable including:
    - Decisions and oversight of key roles including Commissioner, Chief Fire Officer, Accountability Board, Fire Executive Board etc
    - A review to confirm key policies and procedures are maintained and compliance with those, and
    - Assurance that NCFRA maintains effective monitoring of key performance, controls and target achievement.

  It is proposed the review of systems, structures and policies etc will be undertake in Q1 and testing of compliance to those in Q3/Q4

  The plan can be extended to aide NCFRA in the collation of its policies where there are known gaps etc.

- *Operational*
  This area of the plan, seeks to test and provide assurance for those key priority areas of operational performance / improvement. It is therefore linked to the HMIRC reports and assessments.

  Audits will test those specific workstreams 'end to end' from the formal adoption of specific objectives / targets through to their achievement, verifying appropriate oversight / intervention ie timely and reliable assurance to senior management and the other executive NCFRA bodies eg JIAC and the Commissioner.

  Specific workstreams will be agreed in the context of the HMIRC outcomes form their March inspection.

  Additionally Asset Management and the Grenfell Action Plan are areas highlighted jointly by Internal Audit and NCFRA management as benefiting from specific audit review in 20/21. Specific timing will be agreed following the HMIRC inspection however it is anticipated these will be undertaken in Q2 for reporting in Q3, to provide opportunity for any necessary improvements in Q4.

It may be possible to reduce this allocation IF the KPI data etc is easily verifiable, however a view has been taken that this may prove more problematic than a more mature organisation with embedded, long standing processes.

- *Key Financials*

Creditors / Debtors / Payroll
These are standard audits at minimal levels of testing.
In light of the risks associated with the pandemic crisis, it has been agreed with management that as part of these key accounting systems review, Q1 financial transactions, payments (and any income) will be reviewed to
  a. Verify if C19 payments are suitably annotated as C19
  b. Highlight / query any unusual spend
  c. Pay particular attention to contract spend re:
      i. Whether they contain any C19 / PPN elements
      ii. Whether supplier resilience was considered in making payments
      iii. Whether the contracts are on the contracts Register
      iv. Whether additional spend has been agreed by 151 etc
The transactions review is proposed to start in July 2020

Medium Term financial planning (MTFP) / Budget Management
This is a key area of internal audit work designed to provide assurances regarding the operation of financial controls and financial management across NCFRA. It does reflect the findings from 2019/20 but testing levels remain high in the light that Risk Management assessments highlight budget pressures are now being fully recognised. Testing will target that NCFRA spend priorities reflect those financial targets set within operational business as usual.

The audit is proposed to be undertaken in 2 parts
      - Q2 testing its application in the 1st quarter of the 2020/21 financial period, to give confidence or provide highlighted improvements at an early stage to allow any necessary improvements
      - Q3 testing of same (targeting a late Q3 / early Q4 report) to provide sufficient time for any corrective action before year end.

- *Financial Controls Environment*
  This audit review will look at the key processes that contribute to the trial balance which is the basis for the financial statements. It will aim to give management assurance that the financial transactional environment is robust during the year. This audit will undertake on a cyclical basis the following areas will be reviewed
  ➢ Reconciliation of key control accounts on the General ledger
  ➢ Bank Account reconciliation
  ➢ Treasury Management
  ➢ General ledger – coding and journal controls.

- *Risk Management*

  10 days is provided as a baseline annual provision targeting:
  - 1-2 days per quarter support and collation of risk data for a quarterly assurance to JIAC (in simple terms whilst the resource provides support to risk owners, its primary objective is an audit assurance to 151, JIAC etc)
  - 2 days allowance for JIAC support eg report preparation, follow up of queries etc
  - A sample of risk data to be tested as part of each quarters risk review

  Given diary pressures it is possible that 19/20 risk days may not be used by 31/3. NCFRA can exercise its discretion whether to:
  - Allocated those to the 20/21 objectives (with a consequential cost reduction), or
  - Provided to NCFRA in Q1 / Q2 20/21 at no extra cost.

- *ICT Security*

  The 19/20 allocation for IT security and systems audits were an initial estimate. The NCFRA Service Improvement Plan and emerging risks re: IT capacity have influenced an increase in days (from 10 to 20) for 20/21 to provide a basis for additional focus on this area.

4. Quality Assurance

4.1 The Public Sector Internal Audit Standards (PSIAS) requires that the purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit Charter. This includes a strategy that defines how the Service will ensure provision of a robust high quality audit service that delivers honest, evidenced assurance on the Audit plan areas.

4.2 The Charter must be periodically review by the Chief Internal Auditor to ensure it continues to reflect best practice and presented to senior management and the Audit Committee for approval.

4.3 The LGSS Internal Audit Charter and Strategy is presented for approval at Appendix B

Control Assessment Methodology

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 Council 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 Council 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 Council open to low risk. This could have a minor impact on the organisation as a whole.

2020-21 Audit Plan Detail

Audit	Audit Days	Indicative Timing	Scope / Coverage
Financial Controls -Key reconciliations	2	Q2 -Q4	Quarterly review to provide assurance that key reconciliations are being completed and reviewed on a regular timely basis
Financial controls -Bank reconciliations	1	Q2-Q4	Quarterly review to provide assurance that bank reconciliations are being completed and reviewed on a regular timely basis
Financial controls -Treasury Management	1	Q3	To provide assurance on adequacy over administration of TM activities
Financial controls - Journals/chart of accounts	1	Q3	To provide assurance on adequacy of controls over processing of journals and administration of chart of accounts.
Accounting systems (AP/AR)	6	Q4	Transactional testing and review of effectiveness of debt collection
Payroll	4	Q4	Review of controls over processing aspects of payroll to include starters leavers, expenses and deductions
C19 -contracts payment analysis	5	Q2	Analysis of contract payments in Q1 – to confirm adherence to C19 requirements/checks
C19 Spend analysis	5	Q2	Analysis of expenditure in Q1 – to confirm adherence o C19 restrictions.
MTFP/Budgetary controls	5	Q3	To provide assurance over financial management controls, given budget pressures.
Total Audits days	**30**		
Corporate Governance framework	7	Q3	To provide assurance as to adequacy of arrangements for decision making and oversight.
Key Policies	5	Q3	To confirm key policies and procedures are maintained and fit for purpose i.e. reviewed and updated
Target Operational Model – Performance monitoring	8	Q4	Assurance that NCFRA maintains effective monitoring of key performance, controls and target achievement
Total Audit Days	**20**		
HMIRC -outcomes 1	5	Q2	To provide assurance on monitoring of progress on implementation of improvement actions
HMIRC- Outcomes 1	5	Q2	To provide assurance on monitoring of progress on implementation of improvement actions
Asset Management	5	Q2	To provide assurance as to adequacy of process for managing assets – movements; disposals, documenting etc
Grenfell Action Plan	5	Q3	To provide assurance that process for monitoring implementation of improvement actions is adequate

Total Days	**20**		
ICT Review	**20**		To provide assurance as to the security configuration of IT systems
Risk Management	**10**		To provide support and consultancy workshops
Audit management	**4**		
TOTAL DAYS	**104**		

(7B) APPENDIX 2

INTERNAL AUDIT

CHARTER

Duncan Wilkinson – Chief Internal Auditor

1. INTRODUCTION and CONTEXT

1.1. The Northamptonshire Commissioner Fire and Rescue Authority's (NCFRA) Internal Audit service is delivered by LGSS (a Northamptonshire County, Cambridgeshire County and Milton Keynes Unitary Council partnership).

1.2. As austerity continues, the context for local government and for the overall governance, risk and control environment within which it operates is increasingly challenging. Efficiency and transformation programmes are fundamentally altering the nature and structure of Public Sector organisations. Services have become increasingly sophisticated in their understanding of risk management and may accept greater levels of controlled risk in order to achieve their aims. This is accompanied by greater transparency and scrutiny of public expenditure and governance. This context will affect the overall governance, risk and control environment.

1.3. Internal Audit is required to maintain an Internal Audit Strategy and Charter. The core governance context for Internal Audit is summarised below:

The Accounts and Audit Regulations (2015) sets out that:
A relevant authority must ensure that it has a sound system of internal control which—
(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
(b) ensures that the financial and operational management of the authority is effective; and
(c) includes effective arrangements for the management of risk.

And that:

A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

A relevant authority must, each financial year—
(a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
(b) prepare an annual governance statement

The Public Sector Internal Audit Standards (PSIAS) issued in April 2013 and updated 2017 include the need for risk-based plans to be developed for internal audit and to receive input from management and the 'Board' (usually discharged by the Audit Committee). The work of Internal Audit therefore derives directly from these responsibilities, including:

PSIAS : 2010 - "The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."

PSIAS : 2450 – "The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and

effectiveness of the organisation's framework of governance, risk management and control."

1.4. The purpose of the audit strategy and charter is to put in place an approach that will enable Internal Audit to deliver a modern and effective service that:
- Meets the requirements of the Public Sector Internal Audit Standards and the Accounts and Audit Regulations;
- Ensures effective audit coverage and a mechanism to provide independent and objective overall assurance in particular to the Commissioner and Chief Fire Officers and management;
- Provides an independent Annual Opinion on the adequacy and effectiveness of the NCFRA's framework of governance, risk management and control environment;
- Identifies the highest risk areas of the Council and allocates available internal audit resources accordingly;
- Adds value and supports senior management in providing effective control and identifying opportunities for improving value for money; and
- Supports the Chief Finance officer in maintaining prudent financial stewardship for the Authority

1.5. The following definitions apply throughout the Strategy and Charter:

- The Joint Independent Audit Committee (JIAC)– acts as the PSIAS defined 'Board'

- The LGSS Chief Internal Auditor – is the PSIAS defined 'Chief Audit Executive'

- Fire Executive Group (FEG) – is the PSIAS defined 'senior management' team

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

- Assurance Services – an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the NCFRA Egs include financial, performance, compliance, system security and due diligence.

- Consulting Services – Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisations governance, risk management and control processes without the internal auditor assuming management responsibility. Egs include counsel, advice, facilitation and training.

2. STRATEGY / VISION

2.1. Internal Audit will provide the public, Commissioner and Chief Fire officer with confidence that NCFRA operations are properly governed and controlled, risks are effectively managed and service delivery meets customer need. Where confidence is not possible the service will ensure that the implications and risks are understood to ensure proportionate action is taken. Internal

Audit will be responsive to the NCFRA's needs and the risks to which the NCFRA is exposed. The 'Mission' for Internal Audit is therefore:

> 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'

2.2. Internal Audit is not responsible for the control systems it audits. Responsibility for effective internal control rests with the management / executive of NCFRA. The Chief Fire Officer and Assistant Chief Fire officers and Heads of Service are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their services and achieve approved objectives / policy.

2.3. LGSS Internal Audit will provide a robust and high quality audit service that delivers honest, evidenced assurance, by:

- Focusing on what is important
  Deploying its resources where there is most value aligned to the corporate objectives and priorities, the processes to facilitate these and the key risks to their achievement, whilst ensuring sufficient assurance to support the Annual Governance Statement.

- Being flexible and responsive to the needs of the NCFRA
  The Annual Plan will be reviewed quarterly enabling Audit resources to be redeployed as new risks emerge, with the agreement of senior management and the board

- Being outward looking and forward focused
  The service will be aware of national and local developments and of their potential impact on the NCFRA's governance, risk management and control arrangements.

- Providing Assurance
  There is value in providing assurance to senior managers that the arrangements they put in place are working effectively, and in helping managers to improve the systems and processes for which they are responsible.

- Balancing independent support and challenge
  Avoiding a tone which blames, but being resolute in challenging for the wider benefit of the NCFRA and wider community

- Having impact
  Delivering work which has buy-in and which leads to sustained change

- Enjoying a positive relationship with and being welcomed at the 'top table'
  Identifying and sharing organisational issues and themes that are recognised and taken on board. Working constructively with management to support new developments.

- Strengthening the governance of the NCFRA
  Being ambassadors for and encouraging the Authority towards best practice in order to maximise the chances of achieving its objectives, including the provision of consultancy and advice.

2.4. The Internal Audit Service maintains an ongoing and comprehensive understanding of:

- Local Government / Public Sector
- The Fire Authority and its community
- Professional Audit and Corporate Governance standards

2.5. All staff within the audit service hold a relevant professional qualification, part qualification or are actively studying towards a relevant qualification. All participate in continuing professional development, both in relation to specific audit skills e.g. contract audit, and softer skills e.g. communication skills.

3. AUTHORITY

3.1. In accordance with PSIAS, the Chief Internal Auditor has full responsibility for the operation and delivery of the Internal Audit function including the production and execution of the audit plan and subsequent audit activities. The annual audit plan will be agreed in consultation with relevant officers, the Audit Committee, and the senior management team.

3.2. Internal Audit's authority is documented and defined within the NCFRA's Constitution and Financial Regulations. Internal Audit's remit extends across the entire control environment of the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA).

3.3. Internal Audit has unrestricted access to all NCFRA and partner records and information (whether manual or computerised systems), officers, cash, stores and other property, it considers necessary to fulfil its responsibilities. Internal Audit may enter NCFRA property and has unrestricted access to all locations and officers without prior notice if necessary.

3.4. All NCFRA contracts and partnerships shall contain similar provision for Internal Audit to access records pertaining to the NCFRAs business held by contractors or partners.

3.5. All employees are required to assist the internal audit activity in fulfilling its roles and responsibilities.

3.6. The Audit Committee (as the Board) shall be informed of any restriction unduly placed on the scope of Internal Audit's activities which in the opinion of the Chief Internal Auditor prevent the proper discharge of IA functions.

3.7. The Chief Internal Auditor and individual audit staff are responsible and accountable for maintaining the confidentially of the information they receive during the course of their work.

3.8. To provide for independence the day to day management of the Internal Audit Service is undertaken by the Chief Internal Auditor who reports to the Audit Committee. This accords with the Public Sector Internal Audit Standards which requires the Chief Internal Auditor to report to the very top of the organisation.

3.9. The Chief Internal Auditor has direct and unrestricted access to the Police Fire and Crime Commissioner, the Chief Fire Officer, Chief Finance Officer, Assistant Fire Officers, External Audit and Audit Committees at his/her discretion, including private meetings with the Chair of the Audit Committee.

4.   INDEPENDENCE & OBJECTIVITY

4.1. Independence is essential to the effectiveness of the internal audit service; so it will remain free from interference in all regards. This shall include, but not be limited to, matters of audit selection, scope, procedure, frequency, timing or report content.

4.2. Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. They will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

4.3. In addition to the ethical requirements of the various professional bodies, each auditor is required to sign an annual declaration of interest to ensure that the allocation of audit work avoids conflict of interest and declare any potential 'conflict of interest' on allocation of an audit. Any potential impairments to independence or objectivity will be declared prior to accepting any work.

4.4. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, 'approve' procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's judgment. Where auditors have previously been involved in any of these activities or consultancy work they will be prohibited from auditing those areas for at least 2 years. Where appropriate, audits are rotated within the team to avoid over-familiarity and complacency

4.5. The Chief Internal Auditor will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit service.

5.   HOW THE SERVICE WILL BE DELIVERED

5.1. Audit Planning

The audit plan guides the work of the service during the year. The planning principles are:

- Focusing assurance effort on the most important issues, the key obligations, outcomes and objectives, critical business processes and projects, and principal risks; pitching coverage therefore at both strategic and key operational aspects
- Maintaining up to date awareness of the impact of the external and internal environment on control arrangements
- Using a risk assessment methodology to determine priorities for audit coverage based as far as possible on management's view of risk in conjunction with other intelligence sources e.g. corporate risk register, audit risk scores
- Taking account of dialogue and consultation with key stakeholders to ensure an appropriate balance of assurance needs, but recognising in a resource constrained environment there will be situations when not all needs can be met which is where risk management is key
- Being flexible so that the plan evolves through the year in response to emerging risks and issues
- Providing for the delivery of key commitments, such as work done in support of the External Auditor thus reducing the external audit fee, and to deliver governance and anti-fraud

responsibilities

- Including provision for responding to requests for assistance with special investigations, consultancy and other forms of advice from management and sources.

Annex A illustrates the Planning cycle and the processes through which individual assignments are undertaken, reports issued and opinions given.

The number of available audit days to the Internal Audit Service will be reviewed to be sufficient to enable the audit service to deliver the risk based plan in accordance with professional standards. This takes into account the fact that additional resource will be procured as and when necessary e.g. for technical IT audits, when significant resource is diverted through unplanned work. The focus on the high risk areas will reduce the overall coverage required.

In order to deliver the Annual Audit Plan at the required quality and professionalism we strive to ensure that the team has the required mix of skills and experience. The use of external experts e.g. IT auditors compared to employing or developing these expensive resources in house is constantly under review to ensure that the service delivers a high quality product at best value for money. Future recruitment will take into account the expertise and skills required to fill any gaps within the current service.

The breadth of coverage within the plan necessitates a wide range of high quality audit skills. The types of audit work undertaken include:

- Risk based system audit
- Compliance audit
- IT audit
- Procurement and contract management audit
- Project and programme audits
- Risk Management
- Fraud/investigation work
- Value for money audit
- Control self-assessment techniques
- Consultancy and advice

Internal Audit may procure external audit resource to enhance the service provision as necessary.

5.2. Internal Audit Annual Opinion

Each year the Chief Internal Auditor will provide a publicly reported opinion on the effectiveness of governance, risk and control, which also informs the Annual Governance Statement. This will be supported by reliable and relevant evidence gathered though all work undertaken by Internal Audit during the year.

5.3. Conduct of work

The principles of how we conduct our work are:

- Focusing on what is important to the NCFRA and in the ultimate interests of the public
- Striving continuously to foster buy-in and engagement with the audit process
- Ensuring findings and facts reported are accurate and informed by a wide evidence base, including requesting information from ex-employees and other stakeholders where appropriate
- Ensuring that risks identified in planning are followed through into audit work
- Ensuring that the right skills and right approaches are in place for individual assignments,
- Suggesting actions that are pragmatic and proportionate to risk, tailored for the best result and take into account the culture, constraints and the cost of controls
- Focusing as a rule on ensuring compliance with existing processes and systems and reducing bureaucracy rather than introducing new layers of control
- Being resolute in challenging; taking account of views, escalating issues and holding our position when appropriate
- Driving the audit process by agreeing deadlines, meeting these on our part, and escalating non-response promptly in order to complete our work
- Having high standards of behaviour at all times.

5.4. Reporting

The reports produced by the service are its key output. The reporting principles are:

- Providing balanced evidence-based reports which recognise both good practice and areas of weakness
- Reporting in a timely, brief, clear and professional manner
- Ensuring that reports clearly set out assurance opinions on the objectives/risks identified in planning work
- Always seeking management's response to reports so that the final report includes a commitment to action
- Sharing reports with senior management and identifying key themes and potential future risks so that our work has impact at the highest levels
- Sharing learning with the wider organisation with a view to encouraging best practice across the Authority.

A written report will be prepared and issued following the conclusion of each internal audit engagement, including follow up audits; unless in the opinion of the chief Internal Auditor a written report is not necessary.

Each report will:

- provide an evidenced opinion on the adequacy of the governance, risk and control processes;
- identify inadequately addressed risks and non-effective control processes;
- detail agreed actions including explanation for any corrective action that will not be implemented;
- provide management's response and timescale for corrective action

- provide management's explanations for any risks that will not be addressed
- Identify individuals responsible for implementing agreed actions

Senior Management shall ensure that agreed corrective actions are introduced.

All audits and follow ups receiving a weak or limited audit opinion will be highlighted to the senior management team, and the Audit Committee. Regular reports to the Audit Committee shall highlight each weak / limited report until controls have been restored to satisfactory levels at least.

To assist the manager/reader in easily identifying the areas that are well managed and the significance of areas of concern, actions, objectives and overall assurance opinions are categorised using three key elements as summarised below (and set out in detail at Annex B):

1) Assess and test the CONTROL ENVIRONMENT,

2) Test COMPLIANCE with those control systems, and

3) Assess the ORGANISATIONAL IMPACT of the area being audited.

5.5. <u>Actions / Recommendations</u>

Actions are categorised dependent on the risk as follows:

Importance	What this means
Essential	Action is imperative to ensure that the objectives for the area under review are met
Important	Requires actions to avoid exposure to significant risks in achieving objectives for the area
Standard	Action recommended to enhance control or improve operational efficiency

5.6. <u>Follow up</u>

All Essential and Important actions are followed up in accordance with the agreed action implementation dates. Further follow ups are undertaken as required. The Internal Audit Service will review their role in this area with the aim of promoting the action owner to proactively inform Internal Audit and provide evidence when an action has been fully implemented to inform the follow up process. Such an approach emphasises the need for managers to deliver required improvements without prompting, reinforcing their accountabilities.

5.7. <u>Quality Assurance</u>

The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards;
- All Council Policies and Procedures;
- Professional standards and Code of Ethics required by auditor's respective professional bodies;
- Internal Audit Strategy, Charter and Audit Manual; and
- All relevant legislation

The Chief Internal Auditor maintains an appropriate Quality Assurance Framework and reports on this annually. The framework includes:

- An audit manual documenting methods of working
- Supervision and review arrangements
- Customer feedback arrangements
- Quality Standards
- Annual Internal review
- Periodic external reviews
- Performance measures, including:
    o Proportion of Plan completed, including spread of areas covered
    o Proportion of agreed actions implemented
    o Proportion of Weak / Limited Assurance opinion reports that improve to at least satisfactory as at follow up.
    o Productive/direct time as a % of total time
    o Customer satisfaction levels

The completion of every assignment shall be monitored against:

- end to end time
- days taken to complete
- time between key audit stages e.g. draft issue to final report issue
- customer satisfaction

The Audit Committee, Senior Management Team, the chief Finance Officer (S151 Officer) receive regular updates on audits completed, the assurance opinions and actions implemented. Weak and limited opinion reports and key actions not implemented are discussed in more detail as appropriate with FEG, the Section151 Officer and / or JIAC

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of:

- ongoing performance monitoring;

- an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards;

- an external assessment at least once every five years by a suitably qualified, independent assessor;

- a programme of Continuous Professional Development (CPD) for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies;

- the Chief Internal Auditor holding a professional qualification (current Chief Internal

Auditor is a member of CIMA) and being suitably experienced;

- encouraging, and where appropriate acting on, Customer feedback

6. AUDIT COMMITTEE OVERSIGHT

The Chief Internal Auditor will provide regular update reports to the Audit Committee to advise on the progress in completing the audit plan, the outcomes of each internal audit engagement, and any significant risk exposures and control issues identified during audit work.

The Chief Internal Auditor will also provide an annual report giving an opinion on the overall adequacy and effectiveness of the control environment which will be timed to support the NCFRA's Annual Governance Statement. In addition the Audit Committee will:

- approve any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken
- approve, but not direct, changes to the audit plan
- be informed of results from the quality assurance and improvement programme
- be informed of any instances of non-conformance with the Public Sector Internal Audit Standards.

7. ANTI-FRAUD and ASSOCIATED ISSUES

The Chief Internal Auditor will ensure that all work is undertaken and all staff are conversant with the Anti-Fraud policies and culture, including:

- Anti-Fraud and Corruption policy
- Whistleblowing policy
- Anti-Money Laundering Policy

All Internal Audit staff will be alert to possibility of fraud during all work but are not responsible for identifying fraud.

Annual Audit Plan (AAP)

Develop AAP — Dec/Jan

AAP, even when agreed, remains dynamic to be adjusted as risks vary, new issues arise etc

Consult Cabinet Mbrs, Dlrs, AD's Heads of Service — Jan/Feb

Cabinet Mbrs, Directors & AD's agree the level of their personal involvement with individual audits

Draft APP to CLT for review

Individual Routine Audits

Following an election, consult Cabinet Mbrs (if changed) on level of involvement

AAP approved by Audit Committee — Feb/Mar

AAP

Meeting with service area to agree scope/TOR

Draft Scope sent to Cab Mbr if they have requested such involvement

Annual Report tied into AGS — June

Regular progress updates to Audit Cttee

TOR sent to Dir's, AD's and HoS

Terms of Reference (TOR)

Feedback throughout Audit

Audit undertaken

Exit meeting to feedback and agree actions

Findings Summary

Follow up on all audits

Draft Report

Draft Report issued as appropriate to :
- Director (if weak/limited opinion)
- AD
- Service Manager

Final Report & Agreed Action Plan

Final Report issued as appropriate to :
- Director
- AD
- Service Manager
- S151
- CX (if appropriate)
- Cabinet Member

All Reports Published

Cabinet / Audit Committee Mbrs advised of Reports about to be published

CLT updated monthly on reports to be published – further details provided for any with a weak/ limited opinion

INTERNAL CONTROL ASSESSMENT

Control Environment Assurance	
Level	**Definitions**
Substantial	There are minimal control weaknesses that present very low risk to the control environment
Good	There are minor control weaknesses that present low risk to the control environment
Satisfactory	There are 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	
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 some 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 Council 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 Council 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 Council open to low risk. This could have a minor impact on the organisation as a whole.

Where specific compliance reviews are undertaken e.g. grant certification, the following definitions are used to assess the level of compliance in each individual reviewed, albeit each certification usually requires the Chief Internal Auditor and Managing Director to formally certify compliance with grant conditions

Opinion for Compliance Audits – Levels of Compliance	
Level	**Definitions**
High	There was significant compliance with agreed policy and/or procedure with only minor errors identified.
Medium	There was general compliance with the agreed policy and/or procedure. Although errors have been identified there are not considered to be material.
Low	There was limited compliance with agreed policy and/or procedure. The errors identified are placing system objectives at risk.

Individual audits are reported to relevant Assistant Chief Fires Officers / Service area, Finance Director and the Chief Fire Officer. Periodic summary reports are issued to the Audit Committee.

An Annual Audit Opinion is then constructed based upon the years' work and formally reported to the Senior Management Team, the audit committee and relevant stakeholders to inform Annual Governance Statement and Accounts.

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE

29th July 2020

REPORT BY	Business Planning Manager Julie Oliver
SUBJECT	Internal Audit Recommendations Summary Report
RECOMMENDATION	Committee to note report

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on the status of actions arising from recommendations made in internal audit reports.

1.2   The report contains actions arising from audits of both Northamptonshire Fire and Rescue Service and the Office of Northamptonshire Police and Crime Commissioner.

1.3   This report includes an update on recommendations on all internal audit reports which have been issued as final as at the time of writing the report.

2 OVERALL STATUS

- The report shows 4 actions that have not yet reached their implementation date and remain ongoing.
- 5 actions that have passed their implementation date & are overdue.
- 6 actions have been completed.

3 OVERVIEW

3.1 **2019/20 Audits**

- 3 audits have been completed since the March JIAC raising 10 additional recommendations.
- 4 have not yet reached their implementation date and remain ongoing.
- 5 have passed their implementation date & are overdue.
- 6 actions have been completed.

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

3.3 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 July 2020

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 Council 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 Council 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 Council 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		Impact		
H	S	I	E	
M	S	I	E	
L		S	I	
		L	M	H

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

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	Reported to JIAC	Reported to JIAC	Reported to JIAC	Totals for 20/21
Recommendations Raised					
Complete					
Ongoing					
Overdue					

Internal Audit recommendations v1.7 July 20

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 |

2019/20

Payroll – October 2019

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
2	**WEAKNESS:** NCFRA do not receive reports from LGSS including monthly sign off reports, net pay variance, pay analysis reports, BACS listing or any summaries. **RISK:** Inappropriate payments made to staff. Actuals of staff salaries may not be as budgeted.	NCFRA to liaise with LGSS to obtain monthly reports to aide management review of payroll to ensure the accuracy and completeness of payments made to staff.	Standard	Head of Finance Reports will be requested from LGSS by 31/12/19 If agreed by LGSS, reports will be used and in place from 1/4/20. HK Update 27/5/20 - Completed – A monthly bundle of reports have been received from LGSS which can be used to inform and ensure accuracy and completeness checks. HK Update 14/7/20 – A bundle of all payroll reports available has been received and the Head of Joint Finance will consider with the service and LGSS which reports most appropriately meet the needs and how best to do so. This work has been delayed due to Covid and Statutory accounts pressures, therefore, this recommendation has been picked up in the updated AP/AR/Payroll/Procurement report currently issued in draft. It is proposed that the recommendation will be closed	01.04.2020 New due date 31.10.20	

Internal Audit recommendations v1.7 July 20

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			<td style="background:green"></td>	in this report and monitored as part of the new report. The owner will be the Head of Joint Finance and a proposed completion date, cognisant of revised statutory and audit deadlines will be October 2020, but progressed earlier where possible.		<td style="background:red"></td>

Accounts Payable – October 2019

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	**WEAKNESS:** Evidence of quotations was not provided to support transactions of below £10k or between £10k and £25K. **RISK:** NCFRA could be paying too much for goods, services or works. Reputational risk of accusation of fraud or corruption.	OPFCC/NCFRA management to ensure that all budget holders are reminded of the requirements for evidence to be retained to support every transaction in line with the requirements within the NCFRA Corporate Governance Framework. (It was suggested that a Requisition to Order proforma be devised to support the ordering of goods, services and works).	**Essential**	Chief Fire Officer to task to Project Director of Enabling Services/ Procurement Board guidance notes for purchase orders to be produced and procurement policy reviewed. 22.1.20 PB UPDATE: Procurement policy is contained within the Corporate Governance Framework and that will be reviewed during 2020. Guidance notes for procurement have previously been produced and circulated by EMSCU. This has been followed up since the audit with further inputs at FEG, TLT and in specific training sessions for budget holders. EMSCU and finance monitoring spend and flagging to PB/HK any specific issues. PB 4.5.20 FEG DPB feedback – continue to monitor. **Completed**	31.03.2020	

Accounts Payable – October 2019

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
3	**WEAKNESS:** Order dates on ERP later than the date on the invoice – retrospective orders. **RISK:** Non-compliance with NCFRA Corporate Governance Framework Overspend – no commitment accounting	NCFRA will ensure that all expected expenditure will be committed on ERP at the beginning of the year. NCFRA will regularly review purchase order requisitions against invoice dates to ensure the problem of retrospective orders has improved. (As detailed within the NCFRA Corporate Governance Framework at D3 Ordering of Goods and Services point 2 of the Key Controls it states "All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.")	**Essential**	Chief Fire Officer to task Project Director of Enabling Services/ Procurement Board Guidance notes for purchase orders (identified above) to include this direction. Service wide communications to follow up will be required. 22.1.20 PB Update: Finance colleagues are reviewing this and flagging issues as required. PB 4.5.20 FEG DPB feedback – Continue to monitor PB 15/7/20 Continue to monitor and review progress in AR/AP IA report/actions at Oct accountability.	31.03.2020 New due date 31/10/20	

Accounts Receivable – October 2019

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	**WEAKNESS:** The Chargeable Services Policy dated August 2013 (B33) is out of date. **RISKS:**	NCFRA to review and update the Chargeable Services Policy (B33) to ensure that all special services to be charged are administered correctly in order that income is collected	**Important**	Area Manager Operations to task to Joint Operations Manager to review and update the policy. PP 15/7/20 B33 policy consultation closed today. The policy will need an	31.03.2020 New due date 31/08/20	

Internal Audit recommendations v1.7 July 20

	•This could result in NCFRA not collecting all monies due and income may therefore not be as budgeted. •Reputational risk •Misappropriation	in line with the requirements within the NCFRA Corporate Governance Framework.		update and period of further consultation following the consultation feedback.		

Accounts Receivable – October 2019

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
2	**WEAKNESS:** There is no process in place for checking the details on the FB009 form against the current scale of charges for Special Services, to ensure accuracy, before the forms are entered onto the ERP system. **RISK:** •Reputational risk for NCFRA if charges are not accurate •Possible legal action to challenge the charges made	NCFRA to implement a checklist for use by the Service Information Team that checks the completion of the FB009 in its entirety including the amount detailed for charges for the Special Services and evidence that the customer has been notified of any discrepancy between the FB009 and the sales invoice. This could either be a separate sheet or a modification to the existing FB009 form.	**Standard**	Assistant Chief Fire Officer Corporate Services to task review of checklist and FB009. Due date in line with policy review	31.03.2020 RP May 20 Action completed **Completed**	

ICT – March 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	**WEAKNESS:** NCFRA haven't documented the roles and responsibilities of the Data Protection Officer in "A11 *Information Security and Government Security classifications*."	Update A11 policy with the role and responsibilities of the Data Protection Officers using ICO guidance as a basis.	**Important**	Agreed 9.7.20 – Consultation closed, no changes to policy. Policy published.	ACFO corporate services	

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Internal Audit recommendations v1.7 July 20

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/responsibility	Status
	RISK: If NCFRA are investigated by the Information Commissioners Officer (ICO) for a databreach or subject to periodic audit by the ICO NCFRA won't be able to demonstrate they have understood the enhanced role of the Data Protection Officer under the Data protection Act 2018.			**Completed**	30th June 2020 **Closed**	

ICT – March 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
2	**WEAKNESS:** NCFRA haven't fully reflected in guidance to staff breach reporting requirements of Data Protection Act 2018. **RISK :** Impact of a data breach NCFRA can be increased if data breach reporting requirements of Data Protection Act 2018 not communicated and understood by staff. These could be ICO investigation, fine and subsequent Data Protection audit by ICO.	Breach reporting section in A11 policy to be updated to reflect the suggested wording in the body of this report. Key issues are impact assessment, 72 hour reporting window to ICO and response to affected party.	**Standard**	Agreed 9.7.20 – Consultation closed, no changes to policy. Policy published. **Completed**	ACFO Corporate Services 30 June 2020 **Closed**	

ICT – March 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
3	**WEAKNESS:** NCFRA doesn't obtain the assurance from obtaining penetration testing from an approved external supplier. **RISK:** NCFRA network vulnerabilities not identified resulting in successful Cyberattack.	NCFRA should consider commissioning penetration testing using a CREST approved supplier.	**Important**	Owner - Enabling Services Manager (Head of ICT) 9.7.20 Penetration testing due by 31st July 2020	Penetration testing 30th June Sept 2020 New due date 31/07/20	

Internal Audit recommendations v1.7 July 20

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
					Cyber essentials plus 31st December 2020	

ICT – March 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4	**WEAKNESS:** There isn't a documented IT Disaster Recovery Plan **RISK:** Lack of an IT Disaster Recovery Plan increases the negative impact on frontline and support NCFRA operations in the event of an IT Disaster Event.	NCFRA should create, approve and test an IT Disaster Recovery Plan, using best practice guidance.	**Essential**	Agreed 2.7.20 Update from Paul B recovery plan on schedule to be completed by end of July	Enabling Services Manager (Head of ICT) 31st July 2020	

ICT – March 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
5	**WEAKNESS:** Corporate risk SR21 *"IT Systems and team lack capability and capacity"* does not reflects risks and control weaknesses on the IT Risk register e.g. weaknesses in IT Disaster Recovery arrangement, exposure to cyberattack through continued use of Windows 2008 Servers. **Risk:** Senior management do not take action to mitigate IT Risks because they haven't been not aware of them.	Corporate Risk SR21 should be reviewed to ensure it reflects risks, controls and actions from the IT Risk Register."	**Important**	Agreed 2.7.20 SR21 reviewed. **Completed**	CFO 31st May 2020	

ICT – March 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
6	**WEAKNESS:** two of the risks on the IT Risk Register are specific control weaknesses rather than risks. **Impact**: Wider control environment not considered because IT risk register leads with weaknesses in specific controls.	Review the two control led risks on the IT risk register to ensure the starting point is a risk rather than a specific control -. "IT10 Lack of resilience in systems and hardware (SAN)" and "IT11 New server operating system not in place by 31st December 2009	**Important**	Agreed 2.7.20 Review and training of IT risk register was scheduled in by LGSS. Postponed due to covid 19 & redeployment of LGSS staff. Julie progressing risk register titles with David Lamb & training to be rescheduled following meeting with LGSS 22/7/20. New due date 31st August 2020.	Enabling Services Manager 30th June 2020 New due date 31/08/20	

TOM – June 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	**WEAKNESS:** NCFRA are not publishing the latest figures of its strategic objectives as outlined on page 33 of the IRMP on their website **RISK:** Reputational	The IRMP states "We will regularly publish the latest figures against these measures on our website during the lifetime of this plan". **RECOMMENDATION:** Appropriate information should be published in order that members of the Northamptonshire communities are able to understand how NCFRA are delivering against its outcome measures.	**Standard**	ACFO Corporate Services to task it to AM Business Services. Completion end of July 2020	31/07/20	

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Internal Audit recommendations v1.7 July 20

MTFP - June 2020

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
1	**WEAKNESS:** A Collaborative Agreement, Northamptonshire Police and Fire Collaboration Arrangements (NPFCA), has been drafted but has not yet been agreed by all parties. **RISK:** Improvements to efficiencies and effectiveness of NCFRA could be impacted.	**RECOMMENDATION:** The Collaborative Agreement should be agreed by all parties. **MANAGEMENT COMMENTS:** Agreed – this is a requirement of the Home Office Financial Management Code of Practice and needs to be in place.	**Important**	Chief Finance Officer 30 September 2020	30/09/20	

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
2	**WEAKNESS:** The OPFCC CFO and the Finance Technician raised some concerns relating to not all budget holders having the skills and competencies to manage their budgets under the existing arrangements. This includes being ready for monitoring visits, understanding the reports, the importance of effective and evidenced forecasting and the implications of not managing their budget adequately. **RISK:** Overspend on budgets, budget volatility prevents effective and informed decision making.	**RECOMMENDATION:** Ensure all budget holders have the skills and competencies to manage their budgets. Training should be provided as appropriate. **MANAGEMENT COMMENTS:** Agreed. Delegated budgets are a responsibility and within the existing arrangements, it is essential a budget manager understands their	**Important**	Joint Head of Finance and Director of Enabling Services September 2020	30/09/20	

Internal Audit recommendations v1.7 July 20

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
	expenditure plans, opportunities and pressures and that accurate forecasting					

	Weakness/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
3	**WEAKNESS:** Although there is some evidence during the year of the budget being discussed at TLT, it is not a standing agenda item **RISK:** That decisions could be made at TLT without appropriate consideration of budget limitations.	**RECOMMENDATION:** Update the standing agenda of TLT to include budget monitoring. **MANAGEMENT COMMENTS:** Agreed. The Assistant Chief Fire Officer has instructed for there to be a standing item on each agenda.	**Standard**	Assistant Chief Fire Officer Completed		

Report to the Joint Independent Audit Committee
29 July 2020

Internal Audit Recommendations Summary Report

RECOMMENDATION

The Committee is asked to note this report.

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on the status of actions arising from recommendations made in internal audit reports.

1.2   The report contains actions arising from audits of Northamptonshire Police and the Office of Northamptonshire Police, Fire and Crime Commissioner and also East Midlands Collaboration Units.

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

1.4   The Force Assurance Board has oversight of all outstanding audit actions and directs the activities required to complete any actions that have passed their targeted implementation date.

2   NORTHAMPTONSHIRE AUDITS

2.1   **Overall Status**

- The report shows 16 actions that were open following the last JIAC meeting or have subsequently been added.
- 8 actions have been completed.
- 6 actions not yet reached their implementation date and remain ongoing.
- 2 actions have passed their implementation dates and are overdue.

3   OVERVIEW

3.1   **2017/18 Audits**

- 11 audits were completed making 93 recommendations.
- 3 actions remained open following the March JIAC.
- 2 actions have subsequently been completed and are closed.
- 1 action has passed its implementation dates and is overdue.

OFFICIAL

3.2 **2018/19 Audits**

- 9 audits were completed making 39 recommendations.
- 1 action remained open following the March JIAC.
- 0 actions have subsequently been completed and are closed.
- 1 action has not yet reached its implementation date and remains ongoing.

3.3 **2019/20 Audits**

- 5 audits had been completed prior to the March JIAC making 12 recommendations.
- 4 actions remained open following the March JIAC.
- 3 further audits have been completed making another 8 recommendations.
- 6 actions have subsequently been completed and are closed.
- 5 actions have not yet reached their implementation date and remain ongoing.
- 1 action has passed its implementation dates and is overdue.

4 COLLABORATION AUDITS

4.1 **2018/19 Audits**

- 3 audits were completed making 13 recommendations.
- 1 actions remained open following the March JIAC.
- 2 actions remain ongoing.

4.2 **2019/20 Audits**

- 3 audits were completed making 11 recommendations.
- Final reports have not yet been issued for these audits and all actions remain ongoing.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS
None

HUMAN RESOURCES IMPLICATIONS
None

RISK MANAGEMENT IMPLICATIONS
None.

ENVIRONMENTAL IMPLICATIONS
None

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Chief Officer Portfolio Holder: Simon Nickless, Deputy Chief Constable

Background Papers: Summary of Internal Audit Recommendations for JIAC July 2020

INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

Summary of Audit Outcomes

Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance or Significant Assurance. Some thematic audits are advisory only and not graded. Recommendations are prioritised as Priority 1 (Fundamental), Priority 2 (Significant) or Priority 3 (Housekeeping) to reflect the assessment of risk associated with the control weaknesses.

Northants Audits

2017/18

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Audit Committee Effectiveness	June 2017	Not Rated	0	7	4
Seized Property	July 2017	Limited Assurance	4	4	0
Victims Code of Practice	July 2017	Not Rated	0	5	1
Fleet Management	August 2017	Satisfactory Assurance	0	4	0
Procurement Follow-up	November 2017	Satisfactory Assurance	0	4	0
Core Financial Systems	December 2017	Satisfactory Assurance	0	7	3
Data Quality	January 2018	Satisfactory Assurance	0	3	3
Financial Planning	February 2018	Satisfactory Assurance	0	2	4
Estates Management	March 2018	Limited Assurance	1	4	1
Crime Management	May 2018	Substantial Assurance	0	0	4
Counter Fraud Review	May 2018	Not Rated	3	14	11

2018/19

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Absence Management & Wellbeing	July 2018	Limited Assurance	1	2	2
Northants Police – IT Strategy	August 2018	Satisfactory Assurance	0	1	1

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Victims Voice	October 2018	Satisfactory Assurance	0	2	2
Seized Property	November 2018	Limited Assurance	2	4	0
MFSS Contract Management	December 2018	Limited Assurance	2	2	0
GDPR	February 2019	Limited Assurance	4	0	4
Service Delivery Model	February 2019	Satisfactory Assurance	0	4	0
Risk Management	April 2019	Satisfactory Assurance	0	3	2
Performance, Skills & Talent Management	14 May 2019	Satisfactory Assurance	0	1	0

2019/20

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Business Continuity	31 May 2019	Satisfactory Assurance	0	1	0
Complaints Management	04 June 2019	Satisfactory Assurance	0	1	2
Project / Benefits Realisation	22 August 2019	Satisfactory Assurance	0	2	0
Absence Management & Wellbeing	22 July 2019	Satisfactory Assurance	0	4	0
Force Management of MFSS Arrangements	21 January 2020	Satisfactory Assurance	0	2	0
GDPR Follow Up	04 June 2020	Limited Assurance	2	0	0
Core Financials - Draft	16 March 2020	Satisfactory Assurance	1	2	2
Balance Transfers - Draft	16 March 2020	Significant Assurance	0	0	1

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.

Position as at 11 March 2020

Previous Years Audits	Totals for 2017/18	Totals for 2018/19
Recommendations Raised	93	39
Complete	90	38
Ongoing	0	1
Overdue	3	0

2019/20 Audits	Reported to JIAC 26 Jul 19	Reported to JIAC 30 Sep 19	Reported to JIAC 11 Dec 19	Reported to JIAC 11 Mar 20		Totals for 2018/19
Recommendations Raised	4	6	0	2		12
Complete	4	4	0	0		8
Ongoing	0	0	0	2		2
Overdue	0	2	0	0		2

Position as at 12 July 2020

Previous Years Audits	Totals for 2017/18	Totals for 2018/19
Recommendations Raised	93	39
Complete	92	38
Ongoing	0	1
Overdue	1	0

2019/20 Audits	Reported to JIAC 26 Jul 19	Reported to JIAC 30 Sep 19	Reported to JIAC 11 Dec 19	Reported to JIAC 11 Mar 20	Reported Since 11 March 2020	Totals for 2018/19
Recommendations Raised	4	6	0	2	8	20
Complete	4	5	0	2	2	14
Ongoing	0	0	0	0	6	5
Overdue	0	1	0	0	0	1

OUTSTANDING RECOMMENDATIONS

Key to Status	Action completed since last report (green)	Action ongoing (amber)	Action outstanding and past its agreed implementation date (red)	Action no longer applicable or superceded by later audit action (grey)

2017/18

Data Quality – January 2018

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Niche Governance** *Observations:* When the Force adopted the Niche system a Niche Governance Board was set up to monitor any issues that the Force were facing in regard to the new system. Audit were informed that the Board meet on a quarterly basis and discuss wide ranging issues, from local governance to more operational issues such as data quality. Audit confirmed this through the Action Log that is maintained for this group. Whilst the Board does have a documented Terms of Reference in place it has not been reviewed or updated since its creation in 2014. In addition to the Niche Governance Board, a quarterly Data Quality Working Group meeting is held with leads of departments attending, including the Crime Management and Intelligence department, to discuss the operational issues. Whilst an action log is maintained to track the work this group is undertaking, there is no Terms of Reference in place that clearly sets out the role and responsibility that this group has. Moreover, there are two further groups who have a role in managing data quality in respect of Niche – the Regional Data Quality Team and the Local Data Quality Team. However, it is unclear on the remit and role of each team in dealing with data quality issues relating to Niche. *Risk:* There is a lack of clear governance underpinning the management and maintenance of Niche.	The Force should put in place clear terms of reference for the Niche Data Quality Working Group. The Terms of Reference should include but not be limited to: • Purpose • Scope • Membership • Decision making authority • Reporting Requirements • Frequency of meetings • Review period for terms of reference Moreover, the roles and responsibilities for data quality of the system should be clearly stated within the Terms of Reference of all Governance Groups for the Niche System, including the Regional & Local Data Quality Teams.	2	Agreed. It would be best practice to update the Terms of Reference for the Niche Governance Board and review the remit of the Niche Working Group to ensure no duplication of responsibilities. Update - The terms of reference will be for review and update/resign off when the next governance board happens. Update - The Niche team, and interested parties, are working together to decide on ownership, format and frequency of ongoing meetings, and what that will look like is yet to be determined. There have been no further Niche governance boards to revisit or agree terms of reference, and the Business user group, which is looking to become a core part of the ownership of the strategy is also currently looking at how it will be run, governed etc. in the future with a new chair. The Data Quality strategy will not be updated to dictate what has been done so far, but will be based on the new models once agreed. There is also national strategic prioritisation regarding data quality emerging which may also influence Northants next steps.	Niche Operational Lead Jim Campbell 30th April 2018 Revised date 30 June 2018 Advised June 2019 that Mark Manning is now the lead for this.	(green)

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
			Update Jan 19 - Due to significant capacity challenges, our limited size team has focused on priorities agreed through the Change Board to improve transparency and solutions to data quality issues: • Pronto – delivery of this middleware solution provides the opportunity to define and mandate inputting to agreed business rules, resulting in the greatest likelihood of improving data quality. • Qlik (proof of concept, business case and implementation of an enterprise solution) – this Visual Analytics platform provides self-serve access to near real time visualisations that allow better resource management, improved performance, a reduction in harm, mitigation of risk and a potential future reduction in more manual data mining work and associated software licences. There will be much greater transparency of data quality issues, empowering individuals and supervisors to take more ownership in addressing these and avoiding common mistakes. Update – The Regional Data Quality Team have produced a document outlining their roles and responsibilities. Det Supt Vernon has arranged to meet with key staff to review and formalise the internal governance arrangements. Update – A new Niche Governance Board is being established with relevant individuals informed and a first meeting to be arranged. Update October 2019– The First Force Niche Strategy Meeting has taken place and a schedule of future meetings planned. Representation from key business area's are present.		

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				This will provide the forum to ultimately resolve this risk. ➢ The Force has met with the Home Office and is in the process of setting up the Data quality dashboard for the force. This will inform our decisions in this area. ETA November 2019. This can be used to inform Regional and Local Data Quality Responsibilities. ➢ A Draft National Data Quality Strategy is about to enter consultation, an early version has been obtained by the force. Update – Dec 19 – The Terms of Reference have been reviewed and will be signed off in January Update Feb 2020 - The Draft ToR is to be circulated to the group ahead of the meeting on 19 March. Update Apr 2020 – The ToR has been finalised and signed off.		
4.2	**Niche Data Quality Strategy** *Observations*: A Data Quality Strategy for the Niche system was been completed and signed off by the Deputy Chief Constable in February 2017. The aims of the Strategy is "to ensure that Northamptonshire has a system that can best protect people from harm, with consistently applied standards that deliver accurate statistics that are trusted by the public and puts the needs of victims at its core". The strategy sets out a number of tasks that it would like to achieve and the next steps that should be taken to deliver these. However, it was found that there is currently no monitoring of these next steps to ensure the aims of the strategy are being achieved. *Risk:* Failure to achieve the aims of the Data Quality Strategy.	The Data Quality Strategy for the Niche system should be owned by the Niche Governance Board and it should be reviewed at each meeting to ensure that the achievements and next steps set out in the strategy are being delivered.	2	Agreed. The performance monitoring on the strategy had yet to be completed although this has been identified and will be carried out. Update – EH is updating the strategy ahead of handover as business as usual. Update – as per 4.1 Update - December 2019. The National Data Quality Strategy is about to be signed off. We will then need to develop a local strategy to cover implementation and monitoring/governance We have not yet been able to secure our Data Quality Dashboard, (awaiting ISD	Niche Operational Lead Jim Campbell 30th April 2018 Revised date 30 June 2018 Advised June 2019 that Mark Manning is now the lead for this.	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				change) will be pressed in 2020 to attempt to raise the priority. A Data Maturity Assessment is planned Mid Feb 2020 for the force. Both of these actions will assist in informing the local strategy. An initial Data Quality meeting took place on 30/10/19, where to above two points were discussed, Pauline Sturman has been appointed the lead for Data Quality. Update February 2020 - The software has been successfully installed and the relevant data tables created. We will receive our PND dashboard shortly before the 16th March 2020. Update Apr 2020 – There are wider data quality issues than just Niche. Proposals are being prepared for a Force Data Quality Board which will address the wider issues and this will be reflected in a forcewide Data Quality Strategy.		
4.6	**Performance Reporting of Data Quality** *Observation:* The Force have developed a number of monitoring tools for data quality, including an application that reviews data quality issues within Niche, as well as a dashboard for individuals to see data quality issues. The data quality application allows an oversight of the data quality issues by volume, however there is no regular reporting of this performance data. Audit were informed that a Business Objectives reporting tool can summarise the data but is unable to track it over time to show the trend of issues being reported. Moreover, as the version of Niche used by the Force is the same as the regional partners, there is an opportunity for being able to benchmark the Force's data quality performance against other Forces to provide a contrast in data quality performance. *Risk:* The data quality performance of the Force is unknown by key decision makers.	The Force should develop the reporting functionality of the data quality application to allow for effective performance reports on data quality issues to be utilised by those charged with governance of the system.	3	The performance team at the Force are already developing the reporting functionality across the Force systems. Liaison will be done with the Performance Team to ensure appropriate reports can be utilised in the management of data quality within Niche. The business intelligence tool we are looking to implement shortly will help increase the visibility of data quality issues. A project team is being established to progress a proof of concept and we have a good case study from another force to develop from.	Niche Operational Lead Jim Campbell 30th June 2018 Advised June 2019 that Mark Manning is now the lead for this.	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				Update Jan 19 - The Data Quality App developed in ISD as a temporary measure to monitor key data quality issues is not the forces long term solution. Development resources are being recruited to support the rollout of more advanced functionality within Qlik, learning lessons from the Qlik Data Quality App and Dashboards developed in Avon & Somerset. In the interim, The Regional Niche Data Quality Team manage key data quality issues on a daily basis, resolving duplicates and providing feedback in force. Summary statistics are then made available to assess ongoing trends. The Performance Team will also highlight and escalate Data Quality issues on a regular basis through to the Force Strategy Board. Update October 2019 – Discussions to take place with Qlik leads to review the Force Data Quality Dashboard (once available, ETA November 2019) to review and potentially present data quality issues to the end users to generate better awareness of the causes and hopefully task the correction of. Update December 2019 - We have not yet been able to secure our Data Quality Dashboard, (awaiting ISD change) will be pressed in 2020 to attempt to raise the priority. Update February 2020 - The software has been successfully installed and the relevant data tables created. We will receive our PND dashboard shortly before the 16th March 2020. Update Apr 2020 - The Data Quality App is the lowest in Northants for the region, and Covid-19 has allowed us to gain the support		

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				Update Jan 19 - The Data Quality App developed in ISD as a temporary measure to monitor key data quality issues is not the forces long term solution. Development resources are being recruited to support the rollout of more advanced functionality within Qlik, learning lessons from the Qlik Data Quality App and Dashboards developed in Avon & Somerset. In the interim, The Regional Niche Data Quality Team manage key data quality issues on a daily basis, resolving duplicates and providing feedback in force. Summary statistics are then made available to assess ongoing trends. The Performance Team will also highlight and escalate Data Quality issues on a regular basis through to the Force Strategy Board. Update October 2019 – Discussions to take place with Qlik leads to review the Force Data Quality Dashboard (once available, ETA November 2019) to review and potentially present data quality issues to the end users to generate better awareness of the causes and hopefully task the correction of. Update December 2019 - We have not yet been able to secure our Data Quality Dashboard, (awaiting ISD change) will be pressed in 2020 to attempt to raise the priority. Update February 2020 - The software has been successfully installed and the relevant data tables created. We will receive our PND dashboard shortly before the 16th March 2020. Update Apr 2020 - The Data Quality App is the lowest in Northants for the region, and Covid-19 has allowed us to gain the support		

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				of the Enquiry Desk Team, who are currently fixing some of the themes in the Data Quality App. and have reduced it by over 1000 issues in the week they have been assisting.		

2018/19

Risk Management - April 2019

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.5	**4Risk** *Observation:* Both the Force and OPCC have utilised the IPSO software package for the recording and managing of risk for a number of years. As the system is now no longer supported, and is felt to no longer be fit for purpose, a procurement exercise was carried out and 4risk, a risk management solution provided by RSM, was selected as the proffered to new system. The benefits of using 4risk, as set out on the RSM website, include: • *"enables reporting on profiling, categorisation and prioritisation of enterprise-wide risks;* • *provides visibility of the enterprise controls environment;* • *allows for enterprise wide assurance mapping and production of a board assurance framework;* • *tracks progress of actions through to implementation and outcome;* • *reduces risk management administration costs."* At the time of the audit, 4risk was still going through user testing and, as such, IPSO was still being used to manage risk. It was envisaged that 4risk would be in place early in the new financial year.	A post-implementation review of 4Risk should be carried out to measure whether the perceived benefits of the new system are being realised and an action plan be established where appropriate.	2	A post implementation review of the effectiveness of 4Risk will take place within 6 months of implementation. Update – Due the delayed full implementation of 4Risk the PIR will now take place in March 2020 Update – Due to the Covid19 outbreak the PIR did not take place in March and will be rescheduled Update – The PIR has been scheduled for 23 July 2020.	November 2019 July 2020	

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
From discussions with the Risk & Business Continuity Advisor, it was envisaged that 4risk would address many, if not all, the issues currently being encountered with IPSO, a number of which are highlighted in this report. As such, a fundamental action that will be need to be addressed once 4risk has been in place for a defined time will be a post-implementation review of the system. This would aim to measure whether the perceived benefits of the new system are being realised and, if not, what further action is required. *Risk:* The 4risk system does not deliver the anticipated benefits, leading to risks to the Force and OPCC not being effectively managed.					

2019/20

Absence Management & Wellbeing – July 2019

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.2	**Wellbeing Strategy & Monitoring.** *Observation:* The Wellbeing Strategy was refreshed in November 2018 and includes aims, goals, principles and strategic objectives. The Force have a Wellbeing Plan in place that supports the delivery of the Strategy. The Wellbeing Plan documents four facets of wellbeing identified by the College of Policing and, under each facet, it is outlined how they will be achieved. Additionally, the Force Strategy Board has identified five actions within the plan that would be taken forward as a priority. Whilst audit noted that verbal reporting of progress against delivery of the Wellbeing Plan to the relevant forums, including the FSB, is conducted, it is not reported formally by way of a documented report outline progress against target. *Risk:* Lack of appropriate monitoring leading the Force to fail to achieve its strategic aims. Failure to monitor the delivery of the action plans leading the Force to fail to achieve the desired outcomes.	There should be a formally documented agreed monitoring process within the Wellbeing Governance structure to demonstrate the delivery of all strands of the Wellbeing Strategy at a strategic and operational level. There should be a formally documented action plan for the wellbeing plan to monitor progress and achievements of the future progress of the plan.	2	The wellbeing strategy is being re-vamped and re-launched in November with timescales and outcomes will be measured via the people board. Update: 16/10/19 Wellbeing Plan to be re-launched in November. Wellbeing and Attendance tasking group set up to ensure that appropriate action is taken where required. Will report to the Culture and People Board – first meeting has taken place on 15/10 Wellbeing Action Plan.xlsx Update: 12/2/20 Wellbeing Plan revised and to be presented at the Culture and People Board on 24 February 2020. Resources have been limited to deliver the new plan as the responsibility lies with as part of a role within People Services. New	Head of HR Autumn 2019	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				part time wellbeing adviser started on 12/2, this will assist with the monitoring and meeting the requirements of the plan. Update 05/05/20 – The plan is still being drawn up and will be presented to the next Leadership and Culture Board. Update – The strategy was reviewed at FEM and sent to the Culture and People Board on 15 June, where it was agreed. Due to go to FEM for final sign off, Friday 26 June. Once final sign off had been agreed then the action plan to be finalised.		
4.3	**Special Leave** *Observation:* The Force have a Special Leave policy that provides guidance to line managers on the approach to take when granting special leave for staff. It covers instances such as Compassionate Leave, Care Leave and Time Off for dependents. Following a recommendation raised during the 2018/19 audit, the special leave policy was updated to provide clarity to managers. As per the updated policy, managers are allowed to approve a maximum of five days. Requests for additional paid days will need to be referred to the head of department by the line manager for their consideration and authorisation. The head of directorate/department should email the	Staff and line managers should be reminded of the process for applying and approving special leave.	2	The updated special leave policy has been in place since January and this audit found one example of a manager who had disregarded the process and authorised an extended period of paid leave for their member of staff without going to the Head of Department. HR were made aware that the correct process was not followed in this case and provided strong advice to the Head of Department around the procedure that should have been followed. There is a plan in place to provide guidance and training to the planning team to assist	Head HR Plan rolled out when the new role starts, anticipated by Sept 2019 Head HR End August 2019	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	HR Policy and Service Team to advice of their decision and the absence recorded on DMS. Audit carried out testing on a sample of five cases where special leave was granted and found: • In one case nine days of special leave was granted by the line manager and had not been referred to the head of department for approval. *Risk:* Special leave is applied incorrectly / inconsistently.			them in advising managers around correct levels. Additionally, we have produced an electronic form which formally record decisions made by Heads of Department where they have authorised days over and above the 5 days. This will be publicised to update the force around the new form and the procedure that must be followed. Update:16/10/19 Guidance being worked on in relation to special leave and working with planning. Concerns will be taken to wellbeing and attendance tasking group. Update: 12/2/20 Guidance has been produced. Special leave is covered as part of the second line managers course. Review to be undertaken by Mid March 2020 to identify those individuals who have been granted special leave and whether this sits within policy. If further support is required then will contact the supervisors directly for advice and guidance. Update 05/05/20 – The review due to take place in March was suspended due to the Covid19 outbreak. Trade unions are		

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				reporting no current issues with Special Leave so this action can be closed.		

Force Management of MFSS Arrangements

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status

4.1	**Performance Management**
	Observation: During the previous audit the Force acknowledged that there were no agreed service level agreements or key performance indicators between the Force and MFSS. Audit were informed work was on-going to finalise these and put them in place. The follow up audit has confirmed that service levels have yet to be agreed and work is still ongoing to establish a performance Framework that is able to be regularly produced, reviewed and scrutinised.
	A performance pack has been provided to the September 2019 Management Board meeting however audit noted that of the 72 performance indicators included:
	  - 12 were listed as unable to be produced
	  - 12 were listed as Targets Yet to be agreed
	  - 38/72 did include a target and of these 24 were below target.
	Therefore it is evident further work needs to be undertaken before an effective performance management framework for MFSS is established.
		The Force should develop an appropriate Performance Framework for MFSS.
		Once established, this should be effectively monitored to ensure the Force are receiving the required level of service from MFSS.
		Areas of poor performance should be identified, raised and appropriate challenges made to MFSS to address the identified issues.
		The Force should ensure that the Complaints that are raised against MFSS are included in the Performance Framework.
			2	All Partners have supplied their top 5 measures in each functional area to MFSS which is now being developed into a performance document aligned to minimum SLAs.
				
				Complaints have been included and will report on the number of Complaints Received by Category i.e. Service/data etc, number still open, sources of complaints, average working days to final response and the number of breaches.
				
				This should be available in due course and areas of poor performance will be challenged with resolutions sought. The aim is to operate to a minimum SLA standard.
					June 2020 MFSS contract lead	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	Some performance information is provided to the Force at their Service Review meeting with MFSS, however the data provided was of limited use and does not allow the Force to review MFSS performance effectively. During the previous audit it was highlighted that MFSS have a complaints process that should be followed when individuals are not happy with the level of service received but these complaints were not being reported at any governance forum. Audit confirmed that this was still the case. *Risk:* Poor performance by the shared service is not identified in a timely manner to allow appropriate actions to be put in place to address the issue. The shared service fails to deliver the expected service to the Force.			A local dashboard is currently in development which will assist with this once implemented. This should be available in due course. Update 29/04 – The local dashboard is updated monthly and reports through to the MFSS Board where it is presented by the Head of Finance. The top 5 SLAs have now been established and a report is being developed to be presented at the next MFSS Management Board in May. Once this format has been accepted, work will take place to develop further SLAs for reporting.		
4.2	**Governance** *Observation:* During the previous audit a number of reviews of the governance structure were underway. It is noted that a proposed governance structure and draft terms of reference was circulated to partners and is now in operation. Under the new proposed governance structure the Service Improvement Sub Committee have the objective to "prioritise the Forward Schedule of Change (FSoC)". Whilst the Schedule includes a prioritisation assessment, together with an action owner, target dates for completion are not included and this increases the risk that actions are not completed in a timely and effective manner. Audit also noted that, due to the issues since the new system has gone live, a 'Defects List' is being managed to correct the issues that have been highlighted. However the Force are not currently regularly sighted on the progress of these and the impacts that the defect lists may have on progressing the Forward Schedule of Change. *Risk:* Failure of the partners and MFSS to complete improvement activities leading to a poor quality service.	The Schedule of Changes should be updated to include target completion dates for activities to ensure action owners, at both MFSS and Partners, are held to account for non-delivery of activities. Moreover the Force should seek clarity on the management of the 'Defects List'. The Force should raise this at the Service Improvement Sub Committee. Poor performance in the delivery of actions should be escalated to the Management Board for consideration.	2	All defects result in a service request that we enter and track and we have and are further developing a performance dashboard to track the progress of service requests as a whole and against functional areas. A review is taking place of all Release, Project, External and Internal Requests for Change so this work can be prioritised, feedback was returned on the 10th January 2020 and we await the outcome. Completion dates should be added to the prioritised work. This work was initiated at the Service Improvement Sub Committee and will be tracked through that, exceptions will be raised to Management Board. A new Internal Board has been set up, complete with a terms of reference, which brings all involved parties in the Force and OPFCC together so that there is overall governance and the posts previously	June 2020 MFSS contract lead	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	Failure of the Board to hold individuals to account for non-delivery.			mentioned have and will provide a key role in this. Update 29/04 – The review of the Forward Schedule of Change and priority defects has taken place and a MFSS Pipeline document has been produced. Tracking of progress will take place through the Service Improvement Sub Committee and issues escalated to MFSS Management Board. A local SRO for MFSS has been appointed.		

GDPR Follow Up

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
4.1	**Resources** *Observation*: The team has been provided with additional temporary resource until July 2020 to address the information requests back-log. Good progress has been made reducing the back-log of requests, however, we emphasise the need for increased resource levels to continue and that additional resource may be required beyond July 2020. *Risk*: The organisation has insufficient long-term resources to manage the demand for disclosures and may be at risk of not achieving the statutory time limit.	The organisation should continue to actively monitor resource requirements and if required temporary staff provision should be extended beyond July 2020.	1	The business continues to look at resourcing. A recruitment process had been completed to fill the outstanding SAR vacancy, unfortunately this had to be re-advertised as the candidate found alternative employment outside of Northamptonshire Police. There are five candidates awaiting to be processed through to interview, however this has proved more difficult due to the Covid restrictions. Authorisation had also been given to appoint two agency staff for a period of time. Due to Covid-19 and the associated agile working we have been unable to bring anybody new into role as there would be difficulties in training them, we continue to monitor the Government guidance for opportunities to address this. Unfortunately there are no roles within the unit that are so linear which would lend themselves to strict guidance being issued, and new staff working in isolation.	Completed	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				One additional officer and one staff member have temporarily joined the unit to provide assistance, these commenced in April 2020. Two agency staff contracted to another internal department have been offered as support dependant on their own demand. This opportunity is currently being explored. Despite the above efforts, one officer has recently retired from the team, with a second due during May 2020. A more robust, permanent solution will be re-visited when restrictions start to lift and we are able to bring people back into FHQ. An analyst has been appointed to produce a report focussing on backlog management, current and future demand, and comparison data from similar forces. This will hopefully assist in mapping out the needs of the department moving forward		
4.2	**Ongoing Issues** *Observation:* Whilst the organisation has made good progress there continues to be a back-log of information requests to resolve and it remains under review by the Office of the Information Commissioner, with a requirement for regular reporting and monitoring. *Risk:* The organisation fails to maintain improvement levels and falls back to previous levels	As the organisation has done in the last 12 months, the Force must continue, through the IAB, to actively monitor workloads, issues and resources to ensure that previous areas of concern do not re-occur.	1	IAB continues to meet and work through force issues relating to Information Security and Management, including workloads, resource levels, policies and other business needs. The force continues to communicate and engage with the ICO and are due to hold further discussions in the next couple of weeks in relation to a pending audit. Levels of FOI backlog are reducing although not at the speed that was hoped for. The number of SAR requests are unfortunately increasing, this appears to be as a result of the change in practice of other organisations due to Covid. In general, demand on the team continues to increase.	Complete	

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Core Financials – Draft Report

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Policies & Procedures** *Observation*: MFSS have a number of detailed procedure documents in place that provide guidance to staff on how they should carry out certain tasks i.e. the creation of a new supplier. During our audit we reviewed a number of these procedures and it was noted that the sales invoice credit notes and adjustments process map did not include version control. Additionally, the procedure for processing credit notes states that approval is required however it was not clear from whom approval should be sought. Audit testing of credit notes found that it was "retained finance" who were providing the approval. For clarity the procedure should be updated. Also, it was noted that the process for debtor invoices included an authorisation step which was not being followed in practice. The force has accepted the risk of the reputational damage that may be incurred by incorrectly sending out invoices, or by sending out incorrect invoices. Therefore it would be prudent to update the process and guidance notes at both the Force and MFSS. *Risk*: Inconsistent approach taken to processing credit notes and adjustments. Inconsistent approach taken to recovery of outstanding debts.	The Force should request that MFSS update sales invoice credit notes and adjustments process maps to include version control and approval processes. Force should update sales invoice process documentation and guidance notes in respect of changes in working practices. [MFSS/Force]	3	Agreed – Cheryl Scott MFSS Accounts & Purchasing Team Leader tasked with updating documentation by 30ᵗʰ June 2020 Agreed – Cheryl Scott MFSS Accounts & Purchasing Team Leader tasked with updating documentation by 30ᵗʰ June 2020	Cheryl Scott Complete Cheryl Scott Complete	
4.2	**Reconciliations** *Observation:* MFSS carry out a number of control account reconciliations at the end of each month, including Accounts Payable, Accounts Receivable, Net Pay and Payroll to ensure the general ledger is correctly stated. Audit noted that the Net Pay and Payroll Suspense reconciliations for the months of May, July and September 2019 were prepared and/or reviewed more than 1 month following period end. This resulted in a number of reconciliations being prepared and reviewed as a batch. This nullifies the purpose of performing control account reconciliations.	The Force should request that MFSS ensure that all reconciliations are completed and reviewed in a timely manner, i.e. within 1 month of the period end. The Force should liaise with MFSS to ensure that historic balances are investigated and cleared down.	2	Agreed – Complete, following the transition to Oracle Cloud and the issues encountered initially within the GL Team relating to reporting and the payroll costing set up which have been resolved MFSS are now completing all control account reconciliations within 1 month of the period end. Agreed – Fiona Aston MFSS Compliance Manager tasked to work with Debbie Clark to clear historic balances.	Fiona Aston Complete Fiona Aston and Debbie Clark September 2020	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	Additionally, the Force is not notified when reconciliations are going to be completed, reviewed or distributed late. They also have not provided authorisation for these reconciliations to be performed late and/or in batches. Furthermore, it was noted that for the Payroll Suspense account, there are a large number of unreconciled items, increasing from 68 in May to 163 in September, with the respected value increasing from £30k to £57k. Audit also noted that MFSS complete a monthly reconciliation of the General Ledger against the Force bank statements for Income, Payments and Salaries. Audit noted that for the months of May, July and September, the reconciliations were not completed in a timely manner. Through discussion with retained finance, it was noted that no reconciliations were produced by MFSS for the first six months of the financial year. The first set of reconciliations received was in October 2019. This was as a result of the implementation of Oracle Fusion. *Risk*: Inefficient use of MFSS time in compiling historic data to enable monthly reconciliation. The Net Pay and Payroll statements are inaccurate. Reconciliations are inappropriately and/or incorrectly completed.	The Force should request that MFSS seek authorisation from the Force when looking to perform reconciliations more than one month after the period end and provide notice to the Force when this is unarranged. [Force/MFSS]		Agreed – MFSS will advise the Force if reconciliations will not be completed within one month of period end.	Fiona Aston June 2020	
4.3	**Approval of Overtime/TOIL claims** *Observation*: Payment of overtime and TOIL claims currently take place prior to any approval and all other controls (line manager and DMS checks) are retrospective. This allows for false/invalid claims to be made and not picked up until after they have been paid. This has been highlighted recently where an individual, who is being processed through disciplinary procedures, was found to make invalid claims. This was for invalid mileage claims from March 2017 to February 2018 and invalid overtime/TOIL claims from February 2017 to April 2018. Although these have been picked up by the current (retrospective) controls, these payments could have been prevented with detective/approval controls.	The Force should consider implementing a preventative control for overtime/TOIL authorisations to ensure that these are appropriate and accurate. This should be considered in light of the new system. A simple solution could be to move the current retrospective review by line managers to prior to payment, therefore acting as a preventative approval.	2	There are controls within the overtime app to prevent duplicate claims and to highlight unusual claims at double time for review by the planning team. This happens at the time of the claim, prior to payment. A report is being devised that will allow further manual checking of overtime claims for anomalies prior to being submitted for payment. This will include checking against leavers reports which would prevent occurrences such as the example given. Management information on overtime payments has been enhanced for 2020/21	In place Vaughan Ashcroft August 2020	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	From our work at other Forces we noted a different way of working using the DMS software. The rates and scenarios for overtime/TOIL are included within the system and this allows for an automatic calculations of entitlements based on when employees book on and book off. Then weekly line managers approve the time submitted which acts as approval of the overtime and toil recorded. *Risk*: Invalid Overtime/Toils is claimed and paid/awarded	[Force]		and managers are required to review claims in more detail than previously (albeit this will still be after payment). There is also work ongoing to report on overtime trends via Qlik which will make it even easier for managers to scrutinise more deeply and to be held to account by budget holders. Use of DMS for overtime payments will be considered as part of the work-stream for future system development.		
4.4	**Reporting of Payroll Performance Data** *Observations:* MFSS currently report performance data for purchasing, payables and receivables to the Force which highlight key data, including: • No. of requisitions transferred to orders within 3 days. • % of invoices paid on time. However, at present there is no review of performance for payroll processing. The review of this performance data would identify any issues or concerns in the payroll processing and allow actions to be taken in a timely manner. This issue was raised in 2017/18 audit, but audit has not been able to confirm if any changes have been made, as access to payroll performance reports were not available. *Risk*: Poor performance is not identified in a timely manner. Errors in payroll processing result in financial loss for the Force	The Force should liaise with MFSS to ensure that appropriate performance data is provided with regards payroll processing. This could include, but not be limited to, the following: • No. of overpayments & underpayments. • Value of overpayments & underpayments. • Reasons for overpayment i.e. late notification by Force, MFSS missed SLA for Payroll Date etc. [Force/MFSS]	1	Agreed - MFSS Payroll will provide the data as recommended, in the form of an excel spreadsheet, by the 1st working day of the month following the period in which the transactions took place. i.e. June payroll data will be provided by 1st July	Steve Gall July 2020	
4.5	**Debtor Recovery Letters** *Observation:* Debt recovery letters are sent out by MFSS to customers where debts are more than 31 days past due. Further letters are issued at regular intervals, again by MFSS. Letters can be sent by email or post, depending on the preference selected by the debtor when set up. Audit noted that a control weakness where debt recovery communications would not be recorded on the system, if this communication method was set to	The Force should request that MFSS ensure that all debt recovery actions are recorded including email communications, either in Oracle or an offline method.	3	Challenge – The dunning letter process is an automated process and MFSS carry out checks to ensure that this process completes without any errors or warnings. Recording information manually in relation to letters or emails automatically sent out would not add any value to this process as it would not provide any proof that the letters / emails had been sent.	Challenged Pam Rourke	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	via email. Therefore staff should be reminded to ensure they record all debt recovery actions on the Oracle system. Furthermore, audit also noted that the Debt Recovery process document does not include time frames for the different debt recovery actions, including debtors' letters. *Risk:* The Force suffer financial losses from non-recovery of income from debtors	The Force should request that MFSS update Debt Recovery guidance notes to include time frames for debt recovery actions. [MFSS]		Agreed – Cheryl Scott MFSS Accounts & Purchasing Team Leader tasked with updating documentation by 30th June 2020	Cheryl Scott Complete	

Balance Transfers

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Reporting from DMS** *Observation*: The Force has not yet transferred balances related to areas outside of Accounts Payable, Accounts Receivable and Inventory. This is due to delays in the 2018/19 external audit and finalisation of closing balances for areas such as Property, Plant & Equipment; Cash; and, Reserves. *Risk*: Balances will be incorrectly transferred or may be erroneously adjusted	The Force should ensure that reconciliations are carried out on balances that they transfer to provide assurance that this has been correctly completed. The Force should ensure that a reconciliation is carried out over all balances following the final transfer to provide assurance that the transfer has been correctly completed and agrees to closing balances and signed accounts.	3	Balances for the financial year end have now been updated in Fusion to align to the current Financial Statement position. It is assumed that in accordance with the draft ISA260 no further actions will be required.	Nick Alexander June 2020	

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Regional Collaboration Audits

2018/19

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Strategic Financial Planning	February 2019	Satisfactory Assurance	0	4	0
Risk Management	February 2019	Satisfactory Assurance	0	3	3
Business Planning	March 2019	Satisfactory Assurance	0	2	1

2019/20

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Performance Management (Draft Report)	February 2020	Satisfactory Assurance	0	1	4
Health & Safety (Draft Report)	February 2020	Satisfactory Assurance	0	3	3

2018/19

Strategic Financial Planning

	Recommendation	Priority	Timescale/ responsibility	Update	Status
4.4	The Resource Board should determine a consistent approach to budget underspends and efficiency savings to ensure each collaboration unit is engaged and incentivised to deliver efficiency savings. Moreover, there should be clarity when savings are being prepared and proposed so that it is understood what type of saving are being proposed and the impact for all stakeholders.	2	CFOs/FDs April 2019	This has been discussed but it is subject to a proposal that will be tabled to the Resources Board and then agreed with PCCs/CCs.	

Risk Management

	Recommendation	Priority	Timescale/ responsibility	Update	Status
4.3	Collaborations should consider adopting a standard risk scoring matrix. Mazars should recommend a consistent risk register format and scoring matrix.	3		Jon Peatling- Leics and Derby's have recently implemented a new Risk Management Software (Keto). Demo of the system has taken place with the collaborations to consider the relevance and appropriateness of implementing in the respective Units to ensure a consistent approach to the recording and scoring of risks. Discussions with respective leads in Derbys are Leics are taking place to pursue this opportunity. Kerry Smith- Our risk scoring matrix has been shared with Jon Peatling. To assist in compiling a single agreed matrix. Nov 2019 - No force update received. Mark Lunn looking into this action regarding Mazars recommending a consistent risk register format and scoring matrix.	

Business Planning

	Recommendation	Priority	Timescale/ responsibility	Update	Status
4.2	The Collaboration Units should ensure that there is an agreed business planning process that is scheduled annually. The planning process should include: • Coverage of both the current year but also includes future year considerations. • The assessment of resources to achieve the stated objectives / priorities.	2	Regional Collaboration Manager April 2019	As with 4.3 this will need to be a Force lead process and as such discussions are taking place regarding the allocated lead to ensure this person can progress that action. Update - The planning cycle has been shared across collaborations	
4.3	The Forces should consider if a template/format for collaboration business plans should be established.	3	Regional Collaboration Manager April 2019	Elaine Grocock requested the existing business plans from collaboration units with a view of considering the current position prior to considering a template and awaits these being provided. It will	

	Recommendation	Priority	Timescale/ responsibility	Update	Status
				be a Forces decision on whether a template/format should be established and discussions are currently taking place on where this decision and consideration should be tabled. Feb 2020 - While this action was originally allocated to the Regional Collaboration Manager to co-ordinate the consideration to implement a template/format for collaboration business plan needs to be a force based one. A request has been made for this audit agenda item to be tabled at the DCC board for discussion for a way forward. I is due to be discussed at the March board and a renewed target date for 4.2/4.3 to be discussed then. Update - Update - The planning cycle has been shared across collaborations	

2019/20

Performance Management (Draft Report)

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Governance** *Observation*: As part of the audit review into the performance management frameworks in place, audit reviewed the terms of reference of the governance forums responsible for managing performance. It was noted at a number of the collaboration units that were reviewed that the terms of reference had not been reviewed for some time or did not contain some key details.	EMSOU should review and update the Performance Management Group and Strategic Governance Group terms of reference on a regular basis to ensure they remain up to date.	3	EMSOU The requirement to review is agreed. A 12 monthly review cycle will be established for both of these meetings.	EMSOU DSU Kirby 12 monthly from May 2020	
	Two forums that review performance at EMSOU are the Strategic Governance Group and the Performance Management Group. It was noted that the terms of reference for these groups had not been updated since July and October 2018 respectively. The Board terms of reference for the EMCHRS L&D does not include the Chair, Core Membership, Frequency of Meeting, Key Information Sources, Interdependencies or Administration Support. *Risk:* Responsibility for managing performance is not clearly stated or carried out effectively.	EMCHRS L&D should update the Management Board terms of reference to ensure key details are included. These should be reviewed and updated on a regular basis.		EMCHRS L&D Terms of Reference for all governance will be reviewed and a review cycle established	EMCHRS L&D	
4.2	**EMCHRS L&D: Performance Data** *Observation:* Audit reviewed the monthly performance packs that are produced by the unit, which focus upon the percentage of officers/staff who have completed mandatory training within each of the four Forces that the unit covers. Whilst this is an indicator that the unit is delivering the service for the Forces, other factors affect these figures such as Forces releasing the officers and staff to attend the courses that are available. Through discussions with the collaboration unit, other unit specific performance data could be used to manage performance including the utilisation levels of trainers and number of training places available for the Forces. Therefore the unit should consider adding additional performance metrics to the current performance packs to provide a more detailed review of performance.	EMCJS should consider updating its performance process to save the source data so a clear audit trail for performance is maintained. EMCJS should consider ensuring a secondary quality check on performance figures prior to them being issued. EMCJS should consider documenting the procedures for producing its performance scorecards to provide resilience in the event existing staff are	3	EMCHRS L&D In light of the new structure established in April 20 a new set of performance measures will be agreed at the next Regional L&D Management Board. The effectiveness of these measures will be reviewed as part of the review cycle and will align to stakeholder expectations.	EMCHRS L&D Regional Board 23rd June 2020	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	Audit reviewed the processes in place for collating the performance data within the unit and it was noted that this currently involves collating up to 200 paper evaluation forms each month and then entering these into electronic format. The evaluation of training is key performance data for the collaboration unit, consideration of a more effective and efficient way of collating this data should be considered. From audit testing on the accuracy of performance data it was noted that one minor error in the data was found. It did not change the KPI. *Risk:* Ineffective use of resources in the production of performance data.	unavailable to carry out the process.				
4.3	**EMCJS: Performance Data** *Observation:* Audit carried out testing on the accuracy of the performance data included within the EMCJS regional scorecard which contains a lot of different performance metrics within it. It was noted from testing that in a number of the metrics tested, the exact figures for the month could not always be reproduced, this was due to changes that could have been made since the original data was produced. The source data for performance packs is not retained when it is produced. Moreover audit also identified one case where the incorrect figures were used and there were some formula errors within the scorecard that displayed incorrect averages. These errors were corrected when highlighted by audit, however to ensure no repeats quality checks should be considered. Audit noted that one individual carried out the process of collating the performance scorecard, and the process is not documented. Therefore the unit needs to consider resilience should the individual be unavailable to complete the performance data processing. *Risks:* The performance data produced by EMCJS does not reflect the true position. EMCJS are unable to produce its performance reports in a timely manner.	EMCJS should consider updating its performance process to save the source data so a clear audit trail for performance is maintained. EMCJS should consider ensuring a secondary quality check on performance figures prior to them being issued. EMCJS should consider documenting the procedures for producing its performance scorecards to provide resilience in the event existing staff are unavailable to carry out the process.	3	EMCJS The source data will be retained within excel and saved as a matter of course and the data will be checked by a secondary person prior to its circulation with immediate effect. The scorecard can be replicated by the other audit and performance officer and the information and templates are to be saved on a share drive on the EMRN to facilitate this.	EMCJS Samantha Lilley-Brown and Paul Naisby – with immediate effect Paul Naisby – as of 27th April 2020	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	**Performance Measures** *Observation:* Each collaboration unit carries out a variety of functions and services for the Forces and due to this it can be difficult to assign performance targets or measures that clearly demonstrate what good performance looks like. Whilst targets may not be applicable in all the performance metrics, indicators of good or bad performance should be included to provide those charged with managing performance with a better understanding of the performance metrics being presented. Examples include: • EMCHRS L&D KPI's relate to % of Force's staff who have undertaken mandatory training, some RAG ratings are applied but these have not been reviewed and updated for some time. • EMCJS the custody metrics are recorded but no indication of what good should look like e.g. a downward trend or upward trend or an expected percentage. • EMSOU have no performance targets in most areas due to the nature of the work they undertake, however trend analysis is utilised where possible to demonstrate performance but it was unclear what trend demonstrated good performance. Once a better understanding of levels of performance are in place this will allow those charged with managing performance to put in place appropriate actions in areas of underperformance. *Risk:* Lack of clarity on levels of collaboration performance. Actions are not set to address areas of underperformance.	When presenting performance metrics EMCJS, EMCHRS L&D and EMSOU should consider what good performance should look like to provide users with a better understanding of how well the unit is performing in that area.	2	EMSOU EMSOU have commissioned a performance project to review existing performance reporting, strip out unnecessary bureaucracy and make better use of the gathered data. All departments will report via a standard template and all data will be held in one, bespoke database. That database will be capable of being queried via Power BI, allowing a far more agile approach to performance monitoring. Whilst targets would not be helpful for most EMSOU work, this system will allow us to see our effect in many ways, such as commodities seized and offenders imprisoned, but also important information on the effect of our operations in communities, such as the overall reduction of risk from an OCG. The data can be separated out for departments, teams, threat areas and so on, allowing for questions to be answered in different ways to cater for changing contexts. This deals with the issue of good performance, and how that is defined, given that stakeholders will have a range of views.	DCS Kirby June 2020	
				EMCJS There are a few areas within the scorecard that targets could be attributed to. However, a lot of the data is for information only and can't be targeted i.e. throughput. The scorecard will be reviewed and targets will be included where deemed appropriate.	EMCJS Samantha Lilley-Brown and Paul Naisby – as of 22nd May 2020	
				EMCHRS L&D	EMCHRS L&D	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				A Performance Management Group is in place and will benchmark L&D performance measures to ensure that these ultimately drive improved performance.	Already in place	
4.5	**Performance Information versus Management Information** *Observation:* Each unit has a lot of data that it utilises when creating performance packs or reports. However audit noted in a number of instances that there is a separation between management information and what could be considered pure performance data. For example: • The EMCJS Regional Scorecard includes a number of different tabs that include demographics of those in custody, number of mental health assessors called etc. Whilst this is important data for the management of the service, these are not performance indicators and therefore could be clearly separated out so a clear list or dashboard of the performance indicators are displayed. • The EMCHRS L&D performance pack shows the reasons for non-attendance at the training courses it runs but this is a management information tool not a performance measure. • The EMSOU performance packs contain some demand data such as number of reviews done by the regional review unit. To ensure the performance of the unit is clearly presented in management reports the units should review how the information is presented. *Risk:* Lack of clarity in performance reporting	When presenting performance metrics EMCJS, EMCHRS L&D and EMSOU should consider the separation of management information from performance information	3	EMSOU The new performance system described above will be able to show demand data and so on, but also data that points towards the effectiveness and efficiency of any given unit. It will be flexible enough to combine and separate management data and performance data as required. Importantly, performance data can be looked at across departments, which is crucial for the integrated nature of EMSOU's work. For example, a SOC operation will not be completed by a SOC syndicate alone, the input of the SIU and other teams needs to be understood.	DSU Kirby June 2020	
				EMCJS On the completion of the review of the scorecard as detailed in section 4.4, the areas where performance targets can be included will be separated onto a specific performance tab on the scorecard. This will make the performance information easier to identify.	EMCJS Samantha Lilley-Brown and Paul Naisby – as of 29ʰ May 2020	
				EMCHRS L&D The performance Management Group will consider Management Information v Performance Information to help inform overall performance data for the function.	EMCHRS L&D In place	

Health & Safety (Draft Report)

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**EMCHRS OHU: Health & Safety Policy & Procedure** *Observation:* Audit were informed that the collaboration unit has adopted Leicestershire Polices' Health and Safety Policy and were operating in line with this. However it was noted that there was no formal record of this adoption of policy by the EMCHRS OHU Management Board. Therefore for clarity it should be formally adopted. Also as the Force policy is reviewed and updated the unit should ensure that the changes do not affect the unit. *Risk:* The responsibilities for health and safety are not understood and are therefore not carried out.	EMCHRS OHU should formally adopt their Health and Safety Policy & Procedure. EMCHRS OHU should ensure when the Force H&S Policy is updated that any changes made do not impact upon their approach.	3	OHU to attend the Leics Executive Health and Safety committee meeting moving forward. Peter Coogan to check with DCC Nixon about reviewing the Leics Executive Health and Safety Committee terms of reference to include OHU.	Head of OHU May 2020 Chair of the Leics Executive H&S Committee.	
4.2	**EMCHRS OHU: Roles & Responsibilities** *Observation:* As noted in rec 4.1 above, the unit adopt the policy and procedures of the Force, whilst this appears to be a reasonable approach to prevent the duplication of work it is noted that differences will be present. For example the responsibilities set out in the Forces procedure cover the OPCC, the DCC, Director of H&S etc. These roles differ to the collaboration unit set up and therefore it needs to be considered how this is to be formally recorded to ensure accountability is clearly set for H&S. It was also noted from review of the H&S Procedures that the unit have adopted from Leicestershire that it states "Regional units are required to have support managers in place to co-ordinate health and safety within their unit." The OHU does not currently have a support manager filling this role and it is being undertaken by the Head of OHU. *Risks:* The responsibilities for H&S are not clearly stated for the collaboration unit.	EMCHRS OHU should review the Force Health and Safety Policy and Procedure and ensure they record where their approach differs from the policy and procedure, for instance the responsibilities assigned to roles across the collaboration unit.	2	The OHU would benefit from a Business Support Manager. The Leics Principle Health & Safety Advisor said it would be useful to have a SPOC in the OHU unit, The Force Health and Safety terms of reference request for review as in 4.1.		
4.3	**EMSOU: Health & Safety Policy/Protocol** *Observation:* EMSOU has its own H&S Protocol in place that sets out the means by which the Unit will	EMSOU should ensure a schedule is in place to review and update	3	This will sit alongside the review arrangements that are already in place for EMSOU Standard Operating Procedures	Head of Finance and Corporate Services.	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	manage risks to the health and safety of its staff and those that are affected by their work. It was noted that the current format of the protocol does not include version control, policy owner and date of review. Audit also noted that in comparison to some of the Forces' H&S Procedures, it was noted that one omission from the EMSOU protocol is the clearly defined legal responsibilities for H&S. Whilst it is noted that the EMSOU H&S Protocol is currently under review, consideration should be given to the format and setting a schedule for regular review. *Risk:* The H&S protocol does not align with the current operations of the unit. The roles and responsibilities for H&S as stated in the protocol are not aligned with the current structure of the unit.	the H&S Protocol on a regular basis. EMSOU should confirm where legal responsibilities for H&S lie for their collaboration unit and define this within their protocol. EMSOU should update the format of the Protocol to ensure it includes but not limited to: • Document Owner • Version Control • Last Review Date • Date of next review • Officer/Board Approval		(SOP's). An annual review will take place to ensure that it remains relevant and applicable. The Lead Force for each collaboration is set out with Schedule 4 of each S22 Agreement. So for H&S it will be either Leics or Derby's. The H&S Protocol will be updated to include the requested formats – this will then be incorporated within the annual review arrangements	Next Review Jan 2021. May 2020 June 2020	
4.4	**Governance** *Observations:* The governance structure for H&S at EMSOU rests with the Risk, Assurance & Compliance Meeting. A review of the Terms of Reference for this forum confirmed the responsibilities of this group, however it was noted that the ToR was last reviewed and updated in October 2018. To ensure it remains up to date this should be reviewed and updated regularly. As a small collaboration unit, OHU does not have a separate Health & Safety governance forum but any issues or actions needed would be discussed at the Senior Leadership Team meeting. Audit noted that H&S is not a standard agenda item, therefore to ensure it is still considered at each meeting an item should be added. Audit were also informed that it had been agreed that the H&S Advisor at the Force had agreed to attend these meetings as requested, to provide further support for the unit. *Risks:* The governance of Health and Safety at EMSOU and EMCHRS OHU is not clearly and correctly stated.	EMSOU should review and updated the Risk, Assurance and Compliance Meeting Terms of Reference to ensure it remains up to date with the operations of the unit. OHU should include Health & Safety as a standard agenda item at the Senior Leadership Team meeting.	3	<u>EMSOU</u> Terms of Reference for the Risk and Assurance Board are to be reviewed and updated. Future reviews to be conducted on an annual basis. <u>OHU</u> Health and Safety has now been added as a standard agenda item at the OHU SLT meeting and the OHU SLT terms of reference have been updated to include H&S.	EMSOU Head of Unit June 2020	
4.5	**Accident Reporting**		2	EMSOU		

		Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
		Observation: The EMSOU Health & Safety Protocol outlines the process to be followed for accident reporting. It makes clear references to the individual Forces being responsible for recording H&S incidents: "*Managers of staff who have been injured or made ill through work related causes will ensure that the Health and Safety Advisor of that individual's Force has been made aware.*" EMSOU maintain records of incidents that have occurred at their premises however it was noted that EMSOU do not maintain records of when such incidents have been passed to the Force to deal with. Therefore if staff have not reported the incident to the Force there is a risk it will go unreported. The OHU adopt Leicestershire reporting process for H&S incidents, however it was noted in some scenarios where OHU Staff are operating on other Force premises and an incident occurs there is an expectation that the Force would record the incident where it occurs. Similarly to EMSOU, the OHU do not keep records of this therefore no audit trails to confirm incidents have been captured. *Risk:* Accidents or incidents are not reported	EMSOU & OHU should consider maintaining records of incidents and near misses for their staff that are passed to the Forces to ensure a clear audit trail is maintained and no incidents are missed.		Reports of accidents and near misses are currently recorded within each of the respective areas of EMSOU (SOC/CT/MC/FS).		
					OHU Reports of accidents, incidents and near misses are now recorded on a spreadsheet.	Head of OHU April 2020	
4.6		**Training: EMSOU** *Observations:* Both EMSOU and the OHU align with Leicestershire Polices' approach to H&S training, with a number of H&S training levels in place to provide staff with the training they need to fulfil their health and safety responsibilities, dependent on their role within the organisation as noted below. When staff join the organisation they undertake induction training, which includes a basic level of health and safety training. If staff hold a managerial post then they are required to undertake a Managerial Health & Safety Training course. This should be completed via an e-learning package via NCALT. Audit carried out testing on 10 managerial posts across EMSOU-SOC and it was noted that 6/10 had not completed the e-learning course. It was noted that the Training Administrator does not have access to the e-learning system and therefore cannot monitor and report on the levels of up to date	EMSOU should review the training records of managerial posts and then remind those who have not completed the H&S training package to do so. EMSOU should ensure the Training administrators are able to review levels of completion and report this into SMT to ensure H&S training is being completed across the unit. EMSOU should consider setting a refresher training expectation to ensure staff complete H&S training on a regular basis.	2	Training records are maintained and reviewed on a regular basis. 5 year refresher training is recommended by the Executive Health and Safety Committee. Managers and supervisors are reminded of their training responsibilities. Management training is managed through Leicestershire Police on H&S Duties and Responsibilities. This level of training is considered to be more relevant and applicable than the NCALT training. A significant amount of time has been spent on developing and delivering this course and the levels of attendance are reported to the Executive Health and Safety Committee each quarter (a representative from EMSOU attends this).		

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	H&S training. This had to be done via individuals training records which is a timely manual process. It was highlighted that, at present, there is no refresher training required for staff who complete the managerial training package. From audit testing, of the four staff that had completed the course, the most recent was in 2017 with the oldest being in 2013. *Risk:* Staff with legal responsibilities for health and safety have not received appropriate training to carry out these duties.			This is consistent with Leics H& S Training.		

Joint Independent Audit Committee

29 July 2020

REPORT BY	Chief Finance Officer
SUBJECT	**Joint Independent Audit Committee (JIAC) - Agenda Plan – Updated July 2020**
RECOMMENDATION	To discuss the agenda plan

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	27 November 2019 Workshop	11.12.19	February FP20 Workshop 26 February 2020	11 March 2020	29 July 2020	Date TBC Accounts Workshop	7 October 2020	November 2020 Workshop TBC	16 December 2020
Confirmed agenda to be circulated	Agenda:22.02.19		28.06.19	02.09.19		12.11.19			1.7.20		1.9.20		6.11.20
Deadline for papers to be submitted to OPFCC (KO)	Papers Due: 06.03.19		12.07.19	13.09.19		26.11.19			17.7.20		25.9.20		4.11.20
Papers to be circulated	Papers Circulated: 13.03.19	01.06.19	19.07.19	23.09.19		03.12.19			22.7.20		30.9.20		9.12.20

Proposed Changes, Discussion of Timing/Content

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19	February FP20 Workshop Date TBC	11 March 2020	29 July 2020	Date TBC Accounts Workshop	7 October 2020	November 2020 Workshop TBC	16 December 2020
	Apologies		Apologies	Apologies		Apologies		Apologies	Apologies		Apologies		Apologies
	Declarations		Declarations	Declarations		Declarations		Declarations	Declarations		Declarations		Declarations
	Meetings log and actions		Meetings log and actions	Meetings log and actions		Meetings log and actions		Meetings log and actions	Meetings log and actions		Meetings log and actions		Meetings log and actions
		Meeting of members and Auditors without Officers Present									Meeting of members and Auditors without Officers Present		
	Capital Prog 2019/20 PFCC & CC NCFRA		Budget & MTFP process and plan update & Timetable PFCC & CC NCFRA		Enabling Services Update		FP25, Demand and Force Management Statement Workshop				Budget & MTFP process and plan update & Timetable PFCC & CC NCFRA		
	Treasury Mgmt Strategy 2019/20 PFCC & CC NCFRA	Statement of Accounts Review: PFCC & CC NCFRA	Statement of Accounts Update: PFCC & CC NCFRA	Statement of Accounts Update: PFCC & CC NCFRA	Seized and Found Property Update	Corporate Governance Framework Review PFCC & CC NCFRA		Treasury Mgmt Strategy 2019/20 PFCC & CC NCFRA		Statement of Accounts Review: PFCC & CC NCFRA	Statement of Accounts Update: PFCC & CC NCFRA		
	Capital Strategy 2019/20 PFCC & CC NCFRA	JIAC annual report review	JIAC Annual Report and Terms of Reference Review	Treasury Management outturn 2018/19 & 2019/20 Update NCFRA PFCC							Treasury Management outturn 2019/20 & 2020/21 Update NCFRA PFCC		
											JIAC Self Assessment		
	HMIC VFM												
	HMIC reviews – update CC NCFRA					HMIC reviews – update CC NCFRA					HMIC reviews – update CC NCFRA		

Proposed Changes, Discussion of Timing/Content

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19	February FP20 Workshop Date TBC	11 March 2020	29 July 2020	Date TBC Accounts Workshop	7 October 2020	November 2020 Workshop TBC	16 December 2020
	Update on: MFSS		Update on: MFSS	Update on: MFSS		Update on: MFSS & LGSS		Update on: MFSS & LGSS (In restricted)	Update on: MFSS & LGSS		Update on: MFSS & LGSS		Update on: MFSS & LGSS
	Update on: Fire Governance			Update on: Business Continuity and Disaster Recovery PFCC CC NCFRA				Update on: Performance Frameworks NCFRA CC					Update on: ICT Governance, Behavioural Change and Finance Arrangements
	Update on : Fire Governance					Update on: Estates Strategy PFCC NCFRA							Update on Processes in Place for how Complaints and Ethics are overseen (not detail)
				Dates of Meetings and Workshops 2019							Dates of Meetings and Workshops 2019		
	Update on PFCC Monitoring Officer Arrangements			Update on Key Roles		Member Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)					Update on: Fraud & Corruption Controls and Processes PFCC & CC NCFRA		Update on: Business Continuity and Disaster Recovery PFCC CC NCFRA
	PFCC Risk Register			Force strategic risk register		PFCC Risk Register		Force strategic risk register	Force strategic risk register				PFCC Risk Register
	NCFRA Risk Register			NCFRA Risk Register				NCFRA Risk Register			NCFRA Risk Register		

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19	February FP20 Workshop Date TBC	11 March 2020	29 July 2020	Date TBC Accounts Workshop	7 October 2020	November 2020 Workshop TBC	16 December 2020
	Internal Audit Plan 19/20 PFCC & CC		Internal Audit Plan 19/20 NCFRA					Internal Audit Plan 20/21 PFCC & CC NCFRA					
			Internal Audit Annual Report 18/19 PFCC & CC						Internal Audit Annual Report 19/20 PFCC & CC NCFRA				
	Progress report PFCC & CC		Progress report PFCC & CC NCFRA	Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA	2019/20 Progress/ Plan report PCC & CC NCFRA		Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA
	Implementation of recommendations PFCC & CC		Implementation of recommendations PFCC & CC	Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA	Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA
	External Audit Plan 18/19 NCFRA		External Audit Update: PFCC & CC NCFRA	Update on External Audit ISA260: PFCC & CC NCFRA				External Audit ISA260)Reports to those Charged with Governance) 2018/19			External Audit ISA260: PFCC & CC NCFRA		External Audit Annual Audit Letter
	External Audit Verbal Update PFCC & CC NCFRA		External Audit proposed Fee Scales 2019/20 PFCC & CC NCFRA					External Audit Plan & Proposed Fee Scales 19/20: PFCC & CC NCFRA					External Audit Verbal Update PFCC & CC NCFRA
	Agenda plan		Agenda plan	Agenda plan		Agenda plan		Agenda plan	Agenda plan		Agenda plan		Agenda plan
									Members Training/ Updates		Members Training/Updates		Members Training/ Updates
	AOB		AOB	AOB		AOB		AOB	AOB		AOB		AOB
	Next meeting		Next meeting	Next meeting		Next meeting		Next meeting	Next meeting		Next meeting		Next meeting

Proposed Changes, Discussion of Timing/Content