

**Enquiries: Mrs J Head**  
**Telephone: 01768 217734**

**Our reference: JAC/jh**

**Date: 25 June 2025**

## **AGENDA**

**TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE**

### **CUMBRIA COMMISSIONER FIRE & RESCUE AUTHORITY - JOINT AUDIT COMMITTEE**

A Meeting of the Joint Audit Committee will take place on **Wednesday 25<sup>th</sup> June 2025** in **The Community Room, Fire HQ Penrith**, at **11.00 am** and **Conference Room 1, Police HQ, Penrith** at **1.00 pm**.

<b>Times</b>	<b>Activity</b>	<b>Location</b>
09:00-09:45	JAC Members private meeting	Community Room, Fire HQ Penrith
09:45-10:45	Private Meeting with Internal Audit	Community Room, Fire HQ Penrith
11:00-12:30	JAC Meeting – Fire	Community Room, Fire HQ Penrith
12:30-13:00	Lunch Break	Conference Room 1, Police HQ Penrith
13:00-15:00	JAC Meeting – PFCC/Constabulary	Conference Room 1, Police HQ Penrith
15:15-16:30	Development Session – Police Specific	Conference Room 1, Police HQ Penrith

**Gill Shearer**  
**Chief Executive**

**Note:** Members are advised that allocated car parking for the meeting is available in the Visitors' Car Park at the Police HQ.

**Note:** If members of the public wish to participate in this meeting please contact Mrs Head via email – [commissioner@cumbria-pcc-gov.uk](mailto:commissioner@cumbria-pcc-gov.uk) by 20 June 2025 for an invitation.

## **COMMITTEE MEMBERSHIP**

Mr Malcolm Iredale (Chair)  
Wing Commander (Retired) Tim Mann  
Mr Jake Cornthwaite  
Mr Mike Roper  
Mrs Susan Giles  
Mr John Barradell

## **AGENDA**

### **PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

Note – Items to be considered by exception, it is assumed that members will have read all papers before the meeting.

Agenda Item	Page Number	Agenda Item	Officer/Lead	Time (Est)
1		<b>APOLOGIES FOR ABSENCE</b>	Chair	11.00
2		<p><b>URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC</b> To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.</p> <p>Items for Exclusion of Press and Public (<b>PART 2</b>)</p> <p><b>INFORMING THE AUDIT RISK ASSESSMENT / STATUTORY ENQUIRIES OF MANAGEMENT:</b> To receive a report from the Chief Finance Officer in respect of the CCFRA responses to informing the audit risk assessment statutory enquiries of management.</p>	Chair	11.00
3		<p><b>DISCLOSURE OF PERSONAL INTERESTS</b> Members are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the agenda. If the personal interest is a prejudicial interest, then the individual member should not participate in a discussion of the matter and must withdraw from the meeting room unless a dispensation has previously been obtained.</p>	Chair	11.00
4	xx	<p><b>MINUTES OF MEETING AND MATTERS ARISING</b> To receive and approve the minutes of the committee meeting held on 26 March 2025.</p>	Chair	11.05
5	xx	<p><b>ACTION SHEET</b> To receive the action sheet from previous meetings.</p>	Chair	11.05
6	xx	<p><b>CORPORATE UPDATE</b> To receive a short briefing note on matters relevant to the remit of the Committee</p> <p>a) Fire &amp; Rescue Service</p>	Chief Fire Officer Chief Executive &	11.10

Agenda Item	Page Number	Agenda Item	Officer/Lead	Time (Est)
		b) PFCC and CFRA	Chief Finance Officer	
7	xx	<b>INTERNAL AUDIT PROGRESS REPORT</b> To receive the Summary Internal Controls Assurance Report for 2024/25.	Director of Audit TIAA Ltd	11.20
8	xx	<b>INTERNAL AUDIT REPORT(S)</b> To receive reports from the Internal Auditors in respect of specific Cumbria Fire and Rescue Service audits conducted since the last meeting of the committee.  (a) <i>Bullying, Harassment &amp; Discrimination</i> (b) <i>Follow Up</i>	Director of Audit TIAA Ltd	11.30
9	xx	<b>INTERNAL AUDIT ANNUAL REPORT</b> To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion.	Director of Audit TIAA Ltd	11.40
10	Xx	<b>EXTERNAL AUDIT ANNUAL AUDIT PLAN:</b> To receive from the external auditors the joint External Audit Plan for 2024/25 including an update on audit fees.	Grant Thorton / CCFRA CFO	11.45
11	Xx	<b>RISK MANAGEMENT MONITORING:</b> To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the Fire Service to account for Risk Management.	PFCC Chief Executive	11.50
12	Xx	<b>ANTI-FRAUD AND CORRUPTION ACTIVITIES:</b> To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption.	PFCC Chief Executive	11.55
13	Xx	<b>COMMUNITY SCRUTINY GOVERNANCE:</b> To receive the Community Scrutiny Panel Annual Report	PFCC Chief Executive	12.00
14	XX	<b>TREASURY MANAGEMENT ACTIVITIES &amp; ANNUAL REPORT</b> To receive for information reports on Treasury Management Activity – Quarters 4 for CFRS	CFRA CFO	12.10
15	Xx	<b>EFFECTIVENESS OF AUDIT</b> To receive a report from the CCFRA CFO in respect of the effectiveness of arrangements for audit	CFRA CFO	12.15
16	Xx	<b>ANNUAL GOVERNANCE STATEMENT</b>  <ul style="list-style-type: none"> <li>Effectiveness of Governance Arrangements: To receive a report on the effectiveness of Cumbria Fire and Rescue Service arrangements for Governance.</li> <li>Code of Corporate Governance: To consider the Codes of Corporate Governance for Cumbria Fire and Rescue Service</li> </ul>	CCFRA CFO	12.20



Agenda Item	Page Number	Agenda Item	Officer/Lead	Time (Est)
		<ul style="list-style-type: none"> <li>Annual Governance Statement: To consider the Annual Governance Statements for the financial year and to the date of this meeting.</li> </ul>		
17	xx	<b>ANNUAL STATEMENT OF ACCOUNTS: Verbal Update</b> To receive the un-audited Statement of Accounts and consider a copy of a summarised non-statutory version of the accounts for the CFRA Group.	CFRS CFO	12.30
18	xx	<b>POINTS FOR CONSIDERATION BY THE COMMISSIONER, AND THE CHIEF FIRE OFFICER</b>		

#### **Future JAC Meeting Dates (For Information)**

24th September 2025 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith  
 26th November 2025 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith  
 25th March 2026 @11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

#### **Future Police, Fire and Crime Panel Meeting Dates (For Information)**

23 July 2025 – venue to be confirmed  
 13 October 2025 – venue to be confirmed

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## Agenda Item No 04

### **CUMBRIA POLICE, FIRE & CRIME COMMISSIONER, AND CUMBRIA FIRE & RESCUE SERVICE – JOINT AUDIT COMMITTEE**

Minutes of a meeting of the Joint Audit Committee (Fire) held on Wednesday 26<sup>th</sup> March 2025, in the Community Room, Fire HQ, Penrith, at 13.30 pm.

#### **PRESENT**

Mrs Fiona Moore (Chair)  
Mr Malcolm Iredale  
Wing Commander (Retired) Tim Mann  
Mr Jake Cornthwaite  
Mr Mike Roper  
Ms Susan Giles

#### **Also present:**

##### **Office of the PFCC**

OPFCC Chief Executive (OPFCC CEX), (Gill Shearer)  
CCFRA Chief Finance Officer (CCFRA CFO), (Steven Tickner)  
OPFCC Administration Support Officer (EC) (Ellen Cannon)

##### **Cumbria Fire & Rescue Service**

Chief Fire Officer - (Paul Hancock)  
Head of Performance and Assurance (HPA), (Mark Clement)

##### **Internal Audit**

Director of Audit (DA), TIAA, (Martin Ritchie)  
Regional Assurance Director (RAD), MIAA (Darrell Davies)

##### **External Audit**

Audit Manager (AM), Grant Thornton LLP, (Hannah Foster)  
Audit Director (AD), Grant Thornton LLP, (Liz Luddington)

## **PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

Mrs Fiona Moore called the meeting to order at 13.30 pm and welcomed everyone to the meeting.

### **50. APOLOGIES FOR ABSENCE**

Apologies for absence were received from John Barradale.

### **51. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC**

There were no items of urgent business or exclusions of the press and public to be considered by the committee.

### **52. DISCLOSURE OF PERSONAL INTERESTS**

There were no disclosures of any personal interest relating to any item on the agenda.

### **53. MINUTES OF MEETING AND MATTERS ARISING**

The notes of previous meetings held Tuesday 4<sup>th</sup> February 2025 were previously circulated with the agenda. The minutes were discussed and accepted as a true and accurate record of the meetings.

**AGREED,** that the minutes of the meeting held on Tuesday 4 February 2025 be approved.

### **54. ACTION SHEET**

An Action Sheet showing any actions discussed in the previous JAC meeting and the progress made was circulated to the members prior to the meeting. No comments were raised.

### **55. CORPORATE UPDATE**

#### **(a) Cumbria Fire and Rescue Service**

Chief Fire Officer Paul Hancock gave an overview of the report providing an update on current local and national issues affecting Cumbria Fire and Rescue Service.

A Professional Standards Board had been established to provide oversight of HR casework enabling the service to comply with recommendations in HMICFRS' Standards of Behaviour Report from August 2024. The second meeting was held this morning and it was showing good progress. A member questioned if the Professional Standards Board would include a staff/ employee representative. The Chief Fire Officer advised a rep would be considered in an external investigation.

Round 3 of the inspection process had recently concluded, with feedback expected to

be received the following day, however the service would be unable to announce until the report was issued in July.

ORH have been awarded the contract to carry out an Operational Fire Cover Review (OFCR) which would run during the course of Summer.

Recent national issues included the readiness to handle the increasing frequency of climate-induced emergencies such as floods, heatwaves and storms. The increasing frequency of wildfires has prompted significant attention. It has been confirmed that from 1 April 2025 the Fire and Rescue Service will come under the purview of the Ministry of Housing, Communities and Local Government (MHCLG). A member of the committee asked in terms of the national issue with climate change what is Cumbria doing around this. The Chief Fire Officer advised with the increase of flooding and wildfires that CFRS have invested heavily with equipment and is confident staff are well prepared.

The National Fire Chiefs Council (NFCC) had launched new webpages dedicated to exploring the on-call firefighter role. The NFCC is aiming to broaden awareness, improve accessibility and encourage a more diverse range of people to consider a role in the fire and rescue service. The Grenfell Tower Inquiry has significant implications for fire and rescue services, CFRS are looking at the impact of response and undergoing improved training.

(b) Cumbria Police Fire and Crime Commissioner

In addition to the report provided to the Committee, the Chief Finance Officer, Steven Tickner advised that the 2025/26 budget was approved by the Commissioner at PAC and has been set. Police Fire and Crime Panel is on Friday 4<sup>th</sup> April with budget and devolution on the agenda.

**AGREED,** that the updates be noted.

## **56. INTERNAL AUDIT PROGRESS REPORT**

MR of TIAA provided an update report on the summary internal controls assurance from the work carried out by the internal auditors. They also referred to the final report which was included later on the agenda. No questions were raised by the members and the report was accepted.

**AGREED,** that the report be noted.

## **57. INTERNAL AUDIT REPORTS**

(a) Key Financial Controls

The review assessed the adequacy and effectiveness of the internal controls in place for managing the following key financial systems: Budgetary Control; Creditor Payments; Payroll; Debtors; and General Ledger. No recommendations were

identified during the audit. It had been decided to use only job titles rather than showing names.

One of the committee members advised that there had been problems accessing the financial regulations. The Chief Fire Officer advised it was accessible on the PFCC website however not on CFRS website. Chief Finance Officer also mentioned that the £12 has now been found and the documents rectified.

(b) Bullying, Harassment & Discrimination

It was agreed that this agenda item be deferred to the next meeting.

(c) Follow Up

Agenda item deferred to the next meeting.

**AGREED,** that,  
(i) the reports be noted  
(ii) two internal audit reports be deferred to the next meeting.

## **58. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS**

It was agreed that this agenda item would be deferred to the next meeting.

**AGREED,** that the report be deferred to the next meeting.

## **59. PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER**

DD from MIAA provided an update on the internal audit plan for 2025/26. The draft plan was based on an initial risk assessment and provides indicative coverage for the organisation. The plan will remain flexible to allow for responses to emerging challenges that the organisation may face.

A member asked for confirmation that any follow up recommendations from work carried out by TIAA Ltd would be picked up by MIAA Ltd. They confirmed that they would be incorporating any open recommendations into their processes.

A member asked if the number of audit days had changed following the change of internal audit provider and were advised that the number of audit days has been reduced. MIAA Ltd assured members that the reduction of audit days would not affect the quality of audit and opinion given.

The Regional Assurance Director of MIAA Ltd provided a brief overview of the internal audit charter.

A member asked if MIAA was planning any self-assessment with regards to the new global internal audit standards that have come into effect. MIAA Ltd advised they have done an internal exercise comparing the old standard and the new standards and there is little change from their perspective in terms of the way they operate. As part of the annual report MIAA will issue to members, they will provide a self-assessment of their compliance of the standards. In addition to this, every three years an external body comes to assess their compliance with the standards as well, which will also be reported to the Committee.

**AGREED,** that the update be noted.

## **60. EXTERNAL AUDIT PROGRESS REPORT**

HF from Grant Thornton issued a report on the work carried out and progress by the External Auditors during 2024/25, issuing a disclaimer of opinion. The CCFRA CFO added that he is confident now CFRS are on their own finance system.

One of the committee members asked about the negatives with returning to MHCLG, the Chief Fire Officer noted that it made sense to return also with devolution. There are no concerns and there will be no change in the relationship with the Police.

**AGREED,** that, the report be noted.

## **61. TREASURY MANAGEMENT STRATEGY STATEMENT AND TREASURY MANAGEMENT PRACTICES**

The Joint Audit Committee is recommended to review the Treasury Management Strategy Statement and Treasury Management Practices to be satisfied that controls are satisfactory and provide advice as appropriate to the CCFRA. This report was taken to the Commissioner's Public Accountability Conference (PAC) in February as part of the budget setting meeting.

**AGREED,** that the report be noted.

## **62. TREASURY MANagements ACTIVITIES & ANNUAL REPORT**

The CCFRA CFO presented the Treasury Management Activity Report for Quarter 3 for CFRS. It was noted that the cashflow balance was at an average daily balance of £23.12m and the £14m was received for the Fire Pensions grant. The current estimate for investment interest is £855k.

**AGREED,** that the report be noted.

## **63. ANNUAL REVIEW OF GOVERNANCE**

### Scheme of Delegation

The Fire, Police and OPFCC schemes of delegation summary was completed, this is a live document which can be updated as and when anything changes.

**AGREED;** that the report be noted.

## **64. STRATEGIC RISK REGISTER**

An updated strategic risk register was provided to the Joint Audit Committee. All risks are considered on a regular basis through the Service Leadership Meeting, and monthly updates on Strategic and Emerging risks are provided to the Exec Board Fire.

Since the last report the number of strategic risks had risen to five. There were three risks still present and two new risks including Programme Management Capacity and National Operational Guidance (NOG) Compliance caused by resources and capacity.

Following discussion, it was identified that the risk registers should have the same formatting across Fire, Police and the OPFCC. It was agreed that the three organisations would use the same format for presenting their strategic risks to the committee.

**ACTION:** To ensure Police risk registers are following the same format.

## **65. JAC ANNUAL WORK PROGRAMME: ASSURANCE FORMAT**

A draft copy of the 2025-26 work programme for the Committee was presented to the members. For ease of the members, it detailed work for Cumbria Fire and Rescue Service and for Cumbria Constabulary

**AGREED,** that the 2025-26 work programme be approved;

## **66. POINTS FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF FIRE OFFICER**

The recommendations from the committee would be provided to Exec Board Fire along with the minutes. The Chairs report was also formally being picked up to go to the Commissioner, Chief Constable and Chief Fire Officer.

One of the members suggested to use the same format as the NHS using bullet points and added that double audit days are assuring for the committee going forward. The



OPFCC CEX noted that a template from the NHS would be extremely helpful.

**ACTION:** Look at audits for Police at the next meeting.

JAC Committee Chair, Fiona Moore was thanked for her dedication in the role over the last 10 years and the huge influence she has had on the committee as she embarks on retirement.

**Meeting ended at 15:00 hrs.**

**Signature**\_\_\_\_\_ **Date**\_\_\_\_\_

**Future JAC Meeting Dates (For Information)**

25th June 2025 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

24th September 2025 @ 11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

26th November 2025 @ 11:00– Police HQ Conference Room 1 and Fire HQ Penrith

25th March 2026 @11:00 – Police HQ Conference Room 1 and Fire HQ Penrith

**Future Police, Fire and Crime Panel Meeting Dates (For Information)**

23 July 2025 – venue to be confirmed

13 October 2025 – venue to be confirmed

# Joint Audit Committee – Action Update and Plan (Fire)

Completed

Ongoing within Original Timescale

Ongoing with original timescale extended

Overdue

## Agenda Item No 05

Minute Item	Item and Action to be Taken	Person responsible	Target Date	Action Taken	Status
<b>DATE OF MEETING: 26 June 2024</b>					
11	Proposed Internal Audit Plan / Internal Audit Charter	TIAA Ltd	November 2024	The recovery plan and updated audit plan be circulated to the Committee for comment prior to approval by the Chair out with a committee meeting.	Completed
<b>DATE OF MEETING: 26 September 2024</b>					
24	Corporate Update	CCFRA Chief Fire Officer	May 2025	A presentation to be provided to the Panel regarding high rise buildings in Cumbria and how CFRS would respond to fires at them.  Presentation was provided at the March 2025 Meeting	Completed
25	Internal Audit Annual Report 2023/24	TIAA Ltd	February 2025	A revised version of the annual report to be circulated to the Committee	Completed
<b>DATE OF MEETING: 4 February 2025</b>					
39	CFRS Corporate Update – key highlights from the inspection to be provided to the March meeting.	CFRS Chief Fire Officer	26 March 2025	Update provided in Corporate update, and detailed update to be provided on publication of final report Circa July 2025	Ongoing with original timescale extended
42a	IA Strategic Governance Report – follow up of the outcome of the actions would be carried out and be reported to the next meeting	TIAA Ltd	26 March 2025	Follow up actions reported to 25/06/25	Completed
42e	IA Recruitment & Retention – OPFCC CEX to ensure progress on recruitment is made at the Working Together meetings.	OPFCC CFO	24 March 2025	HR joint working opportunities on workplan for EB-Working Together	Completed
43	Auditors Annual Report 2023/24 –	OPFCC		Discussions have taken place with the unitary	Completed

# Joint Audit Committee – Action Update and Plan (Fire)

Minute Item	Item and Action to be Taken	Person responsible	Target Date	Action Taken	Status
	OPFCC CEX to write to service providers and ask for an official response on the planned course of action CCFRA CFO to provide an update to the June Meeting	CEX CCFRA CFO	June 2025	authorities around SLA's and improvements that can be taken. Dialogue is ongoing but concerns around lack of performance have been highlighted to senior management at the unitary authorities and progress is now being monitored	
47	Annual Statement of Accounts – reference to operation uplift to be removed from final version	CCFRA CFO	March 2025	Removed	Completed
<b>DATE OF MEETING: 26 March 2025</b>					
57	Internal Audit Reports to be deferred to the next meeting:- <ul style="list-style-type: none"> <li>Bullying, Harassment &amp; Discrimination</li> <li>Follow Up</li> </ul>	CCFRA CFO	June 2025	On Agenda for 25/06/25	Completed
58	Monitoring of Audit, Internal Audit and Other Recommendations and Action Plans – be deferred to the next meeting	CCFRA CFO	June 2025	On Agenda for 25/06/25	Completed
64	Strategic Risk Registers – Fire, Police and OPFCC to use the same format to present strategic risk reports to the committee	CCFRA CFO CFRS CFO	September 2025	Ongoing	Ongoing within original timescale



# Joint Audit Committee

Meeting Date: Wednesday 25 June 2025

Agenda Item: 6a

Report of: Chief Fire Officer Paul Hancock

## Corporate Update

### Purpose of Report

1. To provide an overview of local and national issues affecting Cumbria Fire and Rescue Service (CFRS).

### Recommendation

2. That the committee:
  - a. Notes the content of the report.

### Local Issues

#### Service Leadership Team Restructure

3. As part of the service's commitment to strengthening leadership and governance, a restructure of the Service Leadership Team (SLT) is underway to improve clarity of roles and responsibilities, drive accountability, and support strategic delivery of the authority's Community Risk Management Plan (CRMP).
4. To date, two new Assistant Chief Fire Officers (ACFOs) have been appointed. Lauren Woodward, currently the service's Head of Prevention and Protection, has been appointed as the ACFO Service Delivery. She will take up her role on 1 July 2025 following the retirement of the current incumbent Brian Massie. Ben Ryder, currently

with Merseyside Fire and Rescue Service, has been appointed as the ACFO Service Support. Ben will commence his role on 1 August 2025, subject to satisfactory pre-employment checks.

5. A consultation process to appoint to two new (non-operational) roles: Head of Planning and Improvement and Head of Programmes and Risk, will conclude shortly. It is anticipated that these roles will be filled by two existing members of SLT.
6. The restructure, once complete, will deliver £117k of savings.

#### His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

7. The service's recent HMICFRS inspection (round three) has now concluded. Initial verbal feedback from the inspection team was encouraging and recognised several improvements across the organisation.
8. However, the team also highlighted areas for improvement requiring further development, which will be captured and addressed through an action plan.
9. The final report is expected to be published week commencing 14 July 2025. An update will be brought back to the next meeting of the committee.

#### End of Year (2024-25) Performance

10. The annual end of year performance review for 2024-25 has been completed. The review confirms that performance remains strong across several indicators and targets, reflecting the service's continued focus on improvement and providing communities with an effective and efficient service.
11. The attached summary at Appendix 1 provides further detail on the service's performance for 2024-25.

#### Establishment of Service Improvement Board

12. A new service Improvement Board (SIB) has been established to oversee and coordinate key aspects of service improvement, governance and assurance. Its remit includes:
  - Monitoring delivery of the authority's CRMP
  - Overseeing the HMICFRS Action Plan
  - Reviewing and challenging corporate risks, programmes and projects
  - Approving and reviewing contracts and service level agreements

13. The board is a key mechanism for driving improvement and alignment with strategic objectives.

## **National Issues**

### Machinery of Government Change

14. On 1 April 2025 responsibility for the fire and rescue service in England transferred from the Home Office to the Ministry of Housing, Communities and Local Government (MHCLG). The move may result in revised policy direction and/or funding arrangements in due course.

### Fire Sector Lobbying

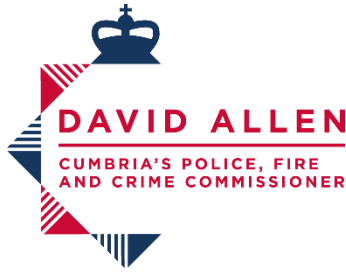
15. The Local Government Association (LGA) and National Fire Chiefs Council (NFCC) continue to lobby government on current and future spending reviews, highlighting growing concerns around firefighter and public safety, long-term resource constraints, unfunded response to flooding, wildfire and other emerging incidents, and infrastructure and estates' needs.

### Bicester Motion Fire – Oxfordshire

16. The committee will be aware of the recent incident in Oxfordshire that resulted in the tragic death of two firefighters and a member of the public. The Chief Fire Officer and Commissioner have written to the Chief Fire Officer of Oxfordshire extending Cumbria's deepest condolences to everyone in Oxfordshire Fire and Rescue Service, including the family, friends and colleagues of the two firefighters killed. Two other firefighters - seriously injured at the incident - remain in hospital.
17. While formal investigations are ongoing, initial learning from the incident is being shared across the sector via the NFCC's National Operational Learning (NOL) arrangements allowing fire and rescue services to take early preventative and safety measures.

**Paul Hancock**  
**Chief Fire Officer**





## **Joint Audit Committee – 25 June 2025**

### **Item 06b Corporate Update – OPFCC**

#### **Executive Summary**

This paper provides a brief corporate update in relation to the OPFCC and has been prepared by the OFCC Chief Executive.

#### **Recommendation**

Joint Audit Committee members are asked to note the contents of the update.

This update provides the Community Scrutiny Panel with a headline summary of recent developments within the Office of the Police, Fire and Crime Commissioner.

#### **1. PFCC – One Year in Office**

On Friday 8 May 2025 the Commissioner celebrated being office for a year. taking up the role in May 2024, Police, Fire and Crime Commissioner David Allen has made significant progress in delivering on his commitment to strengthen neighbourhood policing, improve services for victims, and ensure that local priorities are at the heart of Policing and Fire Service decisions.

Key achievements from the Commissioner's first 12 months include:

- Securing an additional £1.68 million to bolster neighbourhood policing through the Neighbourhood Policing Guarantee, ensuring more visible and accessible policing in communities – this money will deliver an additional 46 Police Staff into Cumbria Constabulary almost doubling the size of the Neighbourhood Policing teams across Cumbria.
- Investing more than £120,000 into community projects via the Commissioner's Community Fund, supporting grassroots organisations which help to ensure crime and anti-social behaviour doesn't occur in the first place.
- Working with the Constabulary to Achieving a 35.9% reduction in anti-social behaviour and a 20.1% reduction in serious violence in hotspot areas through targeted, partnership-led interventions.



- Investing in Cumbria Fire and Rescue Service through new technology and equipment which will keep Cumbrian residents safe.
- Launching Cumbria's Neighbourhood Policing Pledge, setting clear standards for local policing across the county.
- Hosting 24 public surgeries across every area of Cumbria, giving residents a direct voice on local policing and fire service issues and the chance for residents to ask any questions or raise concerns directly with the Police, Fire and Crime Commissioner regarding the quality of service they have had with their Police or Fire Service or any other issues.
- Investing £3.4 million into Commissioned Services, ensuring tailored, trauma-informed help for those affected by crime.
- Launching a new four-year Police, Fire and Crime Plan, built on public consultation and focused on the issues that matter most to local people.
- Making strong progress towards resolving the £16 million deficit within the police budget that was left by the previous administration: reducing this by £5m, helping to secure long-term financial sustainability without compromising frontline services.
- Championing Cumbria at a national level, ensuring that our voice is heard nationally and that we get the funding we deserve.

The Fire Service is on a stable financial footing with the Commissioner securing an additional £1 million worth of funding from the Home Office which has been invested in new equipment and technology to ensure that Cumbrians are kept safe.

## 2. **Corporate Update – Financial Matters**

### Statutory Audit of Accounts

2024/25 – The external auditors (Grant Thornton) have undertaken some interim audit work to support their audit planning. The audit plan for the 2024/25 audit of the financial statements appears on the JAC agenda for June. The deadline for the publication of the draft statement of accounts for 2024/25 is 30/06/25, with the latest publication date for the audited statement of accounts being 27/02/26. Work is currently underway within the Financial Services Team to pull together the financial statements for Fire Authority. We are hopeful that the draft accounts will be published before the deadline of 30 June.

### 2024/25 Budget Monitoring

The quarter 4 revenue budget position (provisional outturn) as at 31<sup>st</sup> March reported a forecast underspend of £327k which represents 1.07% of the budget. Additional grant was received in quarter 4 as well as settlement of the Airwaves contract litigation (a national litigation) which have both contributed to the underspend.

### Internal Audit

The internal audit contract has moved to a new internal audit provider, Mersey Internal Audit Agency (MIAA), from April 2025. MIAA are currently working with leads in relation to the quarter 1 audits.

In relation to TIAA, work has been completed to finalise the internal audit reports for the 2024/25 financial year and the annual audit report and opinion. These documents appear on the agenda for the June meeting.

### Comprehensive Spending Review

On Wednesday 11 June the Chancellor set out the Government spending plans for the remainder of the parliament in her spending review. There was very little mention of Fire and Rescue Services in the Spending Review and associated documents, therefore we will need to await the detail in the Local Government Finance Settlement in December to see the impact on Cumbria.

Gill Shearer

OPFCC Chief Executive



Cumbria Fire and Rescue Service

Internal Audit Annual Report

June 2025

Final

# Executive Summary

## Introduction

This is the 2024/25 Annual Report by TIAA on the internal control environment at Cumbria Fire and Rescue Service. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).' 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model. Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards.

TIAA adopted the IIA Global Internal Audit Standards in January 2025 and performance against the standards will be reported in future reports.

### HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

**TIAA is satisfied that, for the areas reviewed during the year, Cumbria Fire and Rescue Service has reasonable and effective risk management, control and governance processes in place.**

**This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Cumbria Fire and Rescue from its various sources of assurance.**

## Internal Audit Planned Coverage and Output

The 2024/25 Annual Audit Plan approved by the Joint Audit Committee was for 65 days of internal audit coverage in the year including 10 days carried forward from 2023/24.

During the year there were no changes to the Audit Plan.

The planned work that has been carried out against the plan and the status of work is set out at Annex A.

No extra work was carried out which was in addition to that set out in the Annual Audit Plan.

## Assurance

TIAA carried out seven reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Cumbria Fire and Rescue's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	3	1
Reasonable Assurance	4	2
Limited Assurance	0	1
No Assurance	0	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2024/25. The numbers in brackets relate to 2023/24 recommendations.

Urgent	Important	Routine
0 (0)	13 (13)	6 (5)

Audit Summary

**Control weaknesses:** There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance.'

**Recommendations Made:** We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	6	1
Risk Mitigation	0	1	1
Compliance	0	6	3
Delivery			
Performance Monitoring	0	0	1
Sustainability	0	0	0
Resilience	0	0	0

**Operational Effectiveness Opportunities:** One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
4

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with IIA Internal Audit Standards	100%	100%

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	19 <sup>th</sup> June 2025
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## Actual against planned Internal Audit Work 2024/25

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Strategic Governance	Assurance	0	10	Reasonable	Deferred from 2023/24 Final Report Issued
HR - Recruitment and Retention	Assurance	7	7	Reasonable	Final Report Issued
Performance Management	Assurance	6	6	Reasonable	Final Report Issued
Learning and Development	Assurance	5	5	Substantial	Final Report Issued
Prevention and Protection	Assurance	6	6	Substantial	Final Report Issued
Key Financial Controls	Assurance	11	11	Substantial	Final Report Issued
Bullying, Harassment and Discrimination	Assurance	7	7	Reasonable	Final Report Issued
Follow Up	Follow Up	3	3	N/A	Final Report Issued
Annual Planning	Management	2	2	-	Annual Plan Issued
Annual Report	Management	1	1	-	Annual Report Issued
Audit Management	Management	7	7	-	-
Total Days		55	65		



Cumbria Fire and Rescue

Assurance Review of Bullying, Harassment and Discrimination

May 2025

Final

# Executive Summary

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

There is a risk of reputational damage e.g. through negative media coverage of specific cultural issues particularly given the national context with an increased spotlight on the culture of Fire and Rescue Services.

## SCOPE

The review considered the action taken to minimise instances of bullying, harassment and discrimination, the reporting and investigation processes. The review also considered promotion of associated campaigns run by the Service.

## KEY STRATEGIC FINDINGS



The Service has not conducted any specific awareness campaigns on bullying, harassment and discrimination; due to the low number of complaints, it has not been perceived as a significant issue. A campaign could serve as a proactive measure to educate staff and reinforce reporting mechanisms.



Workplace complaints are currently recorded manually on a spreadsheet due to system limitations. A new HR system is due to be implemented in the summer of 2025.



A review of exit interviews revealed that only one out of ten leavers had a recorded interview. The Service has acknowledged this issue and is working on improving the process following a previous internal audit recommendation. However, concerns were raised regarding an instance where a whistleblower felt targeted, which was a historic that the leaver felt had not been formally addressed.

## GOOD PRACTICE IDENTIFIED



The Service has an approved process for handling workplace complaints, directing timely resolutions, clear communication, and appeal rights. Testing confirmed adherence to these procedures.



The 2025 training programme covers topics such as Investigations, Workplace Complaints, and Whistleblowing. Sessions are currently being delivered, with attendance recorded, and further training scheduled to ensure staff competency.

## ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	0



## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Service has not run any awareness campaigns specifically for bullying, harassment and discrimination. Discussions with HR during the audit opening meeting identified that due to the low number of workplace complaints – three in the last year – this was not considered as a wider issue. However, an awareness campaign would serve as a reminder to staff about what is considered bullying, harassment and discrimination and provide information on the reporting avenues. Additionally, this would provide additional assurance to the senior management that this is not a widespread issue within the Service and address any concerns of under-reporting due to a lack of awareness.	An awareness campaign on bullying, harassment and discrimination be run to draw additional awareness to the issue.	2	HR have been working closely with Crimestoppers to develop an animation to highlight how staff can make an anonymous complaint. This is specific to staff working in the fire sector. We plan to share this as part of a forthcoming awareness campaign.	Release date for animation is planned for w.c 17 <sup>th</sup> March 2025.  HR will work with our newly appointed Communications Officer to develop a staff awareness campaign for Spring 2025.	Jemma Taylor / Helen Clark HR Manager (job share)

### PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A sample of ten leavers was selected to verify whether an exit interview had taken place, with evidence found for only one. HR confirmed that no exit interviews were recorded for the remaining individuals. The Service acknowledges that the recording of exit interviews is currently low, an issue that was also highlighted during the recruitment and retention audit.</p> <p>There is now a plan in place to review the exit interview process, including the questions asked, as the current approach does not fully capture the necessary insights into reasons for leaving. This initiative is part of the resourcing and talent delivery plan, with a target to complete the review within six months of the last audit feedback. A review of the one exit interview did flag concerns, however, as one staff member felt they were made a target or an example of to not speak out due to a whistleblowing complaint regarding financial corruption they had made previously. Discussions with HR identified that this had not been actioned further by the manager.</p>	In addition to HR being included in all exit interview responses, any concerns related to bullying, harassment or discrimination should be logged onto the Workplace Complaints spreadsheet and investigated.	2	<i>The exit interview process will be replaced by a Leavers Policy. The planned approach will be to offer a range of different options to encourage staff engagement including an exit interview, separation questionnaire or anonymous leavers form. Managers will be required to undertake training on conducting an exit interview. Where serious concerns are identified it will be flagged with the HR Team for advice and guidance on next steps. Should the case need to progress further it will be logged on our HR tracker / future Firewatch system. We don't feel it is proportionate to include HR with every exit interview response.</i>	<p>To be presented to our Policy Group of JCG on 19 April 2025 for consultation with TU colleagues.</p> <p>Planned launch Summer 2025</p>	Orlanda Wright Resourcing, Talent and Wellbeing Lead

#### PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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# Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Assignment Engagement Details

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TIAA Auditors	Title	Contact Email	Telephone
James Back	Senior Auditor	James.Back@tiaa.co.uk	07814 581890
Martin Ritchie	Director of Audit	Martin.Ritchie@tiaa.co.uk	07717746714

CFRS Staff	Title
Jemma Taylor	HR Manager
Helen Clark	HR Manager

Exit Meeting Date	21/02/2025
Attendees	Jemma Taylor
Chief Fire Officer Comment	I'm confident the work the HR team is undertaking with Crimestoppers, and the new Leaver's Policy will address the recommendations. It will also improve the way the service raises awareness of bullying, harassment and discrimination and how it conducts exit interviews.
Considered for Risk Escalation	N/A

# Findings







## Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2	-

## Other Findings

-  The Service's policy for bullying and harassment is predominantly covered within the Workplace Complaints Procedure but is also referenced within a number of HR policies such as the Equality, Diversity and Inclusion Strategy and Whistleblowing Policy which covers what is considered harassment and what reporting arrangements are in place and who is responsible for them. Additionally, the Service is currently drafting a Sexual Safety at Work Policy which was evidenced for the audit but was in draft and not yet published.
-  There are established procedures that outline expected conduct and provide guidance to staff, addressed in the Bullying and Harassment Procedure and Workplace Complaints Procedure. The Bullying and Harassment procedure is a legacy document from the Service's separation from the local authority which the Workplace Complaints Procedure has now superseded.
-  There are a number of training programmes in place for staff within the Service. The 2025 training programme includes modules such as Investigations, Workplace Complaints, Workplace Concerns, Sexual Harassment and Whistleblowing. Other training is also in place offering robust knowledge to help HR, Managers and staff identify and manage cases of bullying, harassment and discrimination.
-  The Service provides multiple support routes and reporting arrangements for staff to raise concerns and access help. Staff can report issues anonymously through Crimestoppers or via the Workplace Complaints Procedure for matters such as grievances, bullying, or harassment. The Whistleblowing Policy also offers a confidential route for raising concerns that may impact public interest or safety. Additional support is available through Occupational Health, The Firefighters Charity, Able Futures, and Trade Union representatives. For further assistance, staff can contact HR directly via the central HR email.

## Other Findings



Workplace complaints are currently recorded on a spreadsheet as HR advised that the current system does not have the functionality to record the complaints in the effective manner desired. The new HR system is due to be implanted in the summer of 2025.



The workplace complaint process is designed to ensure a robust, fair, and timely resolution. Employees should first attempt informal resolution through open communication or by approaching their line manager. If unresolved, a formal complaint can be submitted in writing, with HR guidance sought as needed. A hearing is held within 10 working days, allowing for evidence presentation and support from a colleague or trade union representative. If further investigation is required, a commissioning manager assigns an investigator to gather facts objectively. Outcomes may include mediation, policy reviews, training, or conduct hearings, with clear communication and appeal rights ensured throughout. Testing confirmed adherence to these arrangements.



The Service's risk registers highlight "There is a risk of reputational damage e.g. through negative media coverage of specific cultural issues particularly given the national context with an increased spotlight on the culture of Fire and Rescue Services" which has identified the organisation's procedures around workplace complaints procedure as one of the mitigating controls.



The training programme for 2025 is currently being actioned and, so far, four sessions on Investigations have been delivered, with attendance recorded and evidenced. Workplace Complaints initial information sessions were conducted as drop-in sessions via Teams, so no attendance list was available. However, procedural training for this has been delivered to eight people, with an additional session planned for July 2025. Chairing a Hearing training has not yet begun, though training on Chairing a Stage 3 Hearing was provided in 2024, with attendance evidenced during testing. Fact Find Meetings have been attended by nine people across two sessions. Whistleblowing training is scheduled for July 2025. Testing confirmed that the training programme was being delivered at a reasonable pace and that there is staff in place with appropriate training while others complete training.



The Service had three cases identified as bullying, harassment and discrimination which were assessed to confirm that the Workplace Complaints Procedure had been followed. It was confirmed that two of the cases were resolved and the process had been followed as outlined within the procedure. The third case was being finalised at the time of the audit however it was satisfied that the process up to the finalisation had been followed as expected.



#### Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

#### Other Findings



The Service provides a Complaints and Misconduct report to the Office for Policing, Fire, and Crime Commissioner which includes the number of disciplinary cases and the total number of workplace complaints, grievances, bullying and harassment. A general summary of the cases is provided including equality data of individuals involved in the case. This is usually presented twice per year but the schedule for 2025 had not been agreed as the new Chief Finance Officer was only recently appointed at the start of February. The work plan is currently being developed in consultation with both CFRS and OPFCC.



Discussions with HR during the audit opening meeting confirmed that due to the low number of complaints that they have the resource to cover these areas. However, staff who have undertaken investigations training can assist HR in cases if resource is limited at the time.

Scope and Limitations of the Review

- 1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- 2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of Arrangements

- 3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- 4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- 5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- 6. The table below sets out the history of this report:

Stage	Issued	Response Received
Audit Planning Memorandum:	30 <sup>th</sup> January 2025	30 <sup>th</sup> January 2025
Draft Report:	11 <sup>th</sup> March 2025	7 <sup>th</sup> May 2025
Final Report:	20 <sup>th</sup> May 2025	





Cumbria Fire and Rescue Service

Follow Up Review

June 2025

Final



# Executive Summary

## Introduction

1. This follow up review by TIAA established the management action that has been taken in respect of the priority 1 and 2 recommendations arising from the internal audit reviews listed below at Cumbria Fire and Rescue Service. The review was carried out in March and April 2025.

Review	Year
Equality, Diversity and Inclusion	2023/24
Estates – Property Compliance	2023/24
Key Financial Controls	2023/24
Strategic Governance	2023/24
Follow Up	2023/24

## Key Findings & Action Points

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	11
Outstanding	7
Superseded	2
Not Implemented	-

## Scope and Limitations of the Review

3. The review considered the progress made in implementing the recommendations made in the previous internal audit reports and established the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
4. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
5. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

## Disclaimer

6. The matters raised in this report are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

## Release of Report

7. The table below sets out the history of this report.

<b>Date draft report issued:</b>	2 <sup>nd</sup> May 2025
<b>Date revised draft report issued:</b>	4 <sup>th</sup> June 2025
<b>Date management responses rec'd:</b>	9 <sup>th</sup> June 2025
<b>Date final report issued:</b>	19 <sup>th</sup> June 2025

# Findings

## Follow Up

8. Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:

9. **Equality, Diversity and Inclusion**

Audit title	Equality, Diversity and Inclusion	Audit year	2023/24	Priority	2
Recommendation	A formal acknowledgement from managers be sought after HR training to ensure understanding and confirm attendance. Timelines be established for new training that is in development.				
Initial management response	<p>SPECIFIC: Compulsory e-learning to be created for all recruiting managers, to be sent to managers once their advert has gone live (before shortlisting and assessment).</p> <p>MEASURABLE: Using Microsoft Forms, resourcing team can check who has completed it and send reminders to all. As recruitment is ad hoc, this will be easily tracked by the team. We will need to consider when it has expired and needs re-taken.</p> <p>ACHIEVABLE: Yes</p> <p>REALISTIC: We know there may be some resistance from managers initially for additional steps to complete, but we will plan a supportive roll-out, explaining the requirement and benefits.</p> <p>TIME BOUND: Resourcing &amp; Talent strategy is currently under review, and this would be launched in line with the new policies and process.</p>				
Responsible Officer/s	Resourcing Talent and Wellbeing Lead	Original implementation date	December 2024	Revised implementation date(s)	
Latest Update	The new e-learning module is still in development and has a provisional launch date of July2025.				
New implementation date	July 2025	Status	Outstanding	Implementation is in progress but the original target date has not been met.	

<b>Audit title</b>	<b>Equality, Diversity and Inclusion</b>	<b>Audit year</b>	2023/24	<b>Priority</b>	2
<b>Recommendation</b>	A formal reporting mechanism for equality, diversity, and inclusion (EDI) data within the senior management team (SMT) meetings be introduced.				
<b>Initial management response</b>	<p>SPECIFIC: Regular recruitment data to be captured across all campaigns and general recruitment, ready to be shared with SMT, and utilised for recruitment reviews and internal learning.</p> <p>MEASURABLE: The data will be measurable (where completed at application).</p> <p>ACHIEVABLE: The current recruitment process is all manual (we don't have a system for it), so this is a considerable resource for the team to complete, and we are still working through moving our application form online. This will be achievable, but we will need some service support to see if any systems can support recruitment data reporting.</p> <p>REALISTIC: Yes.</p> <p>TIME BOUND: Continuous work.</p>				
<b>Responsible Officer/s</b>	Resourcing, Talent and Wellbeing Lead	<b>Original implementation date</b>	May 2024	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	This is still a work in progress. Some EDI data is available however there will have a more complete picture with the introduction of the Firewatch system which will enable the collection of more robust information.				
<b>New implementation date</b>	31 <sup>st</sup> October 2025	<b>Status</b>	Outstanding	Implementation is in progress but the original target date has not been met.	

10. **Estates – Property Compliance**

<b>Audit title</b>	<b>Estates – Property Compliance</b>	<b>Audit year</b>	2023/24	<b>Priority</b>	2
<b>Recommendation</b>	Asbestos survey outcomes be recorded to ensure that any actions required are addressed in a timely manner.				
<b>Initial management response</b>	<p>Links to revised policies and procedures and the role of the responsible person and duty holder.</p> <p>Recruitment is ongoing into the role of estate co-ordinator; they would lead on this work.</p> <p>The Head of Estates OPFCC is assessing asset management, data and record keeping requirements. There is the intention to move towards a new electronic record keeping software.</p>				
<b>Responsible Officer/s</b>	Head of Estates	<b>Original implementation date</b>	Start July 2023	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	A business case to purchase a new asset management system has been approved and the system is currently being procured through a direct award framework. The system provides full functionality for management of data. A project board is overseeing the delivery, and a new post has been established and recruited into for management of the system. The system is expected to go live September 2025.				
<b>New implementation date</b>	September 2025	<b>Status</b>	Outstanding	Implementation is in progress, but the original target date has not been met.	

<b>Audit title</b>	<b>Estates – Property Compliance</b>	<b>Audit year</b>	2023/24	<b>Priority</b>	<b>2</b>
<b>Recommendation</b>	Estates Health and Safety performance reporting indicators be agreed and introduced.				
<b>Initial management response</b>	<p>Recruitment is ongoing into the role of estate co-ordinator, they would lead on this work, specifically the review of actions.</p> <p>The Head of Estates sit on a number of fire station meetings and reports into this.</p> <p>An estates governance board that sits with the OPFCC is now in place. Both chief fire officer and chief constable attend this.</p> <p>The Head of Estates OPFCC is assessing asset management, data and record keeping requirements. There is the intention to move towards a new electronic record keeping software. The aim will be that this can automate some of the reporting.</p>				
<b>Responsible Officer/s</b>	Head of Estates	<b>Original implementation date</b>	September 2024	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	Will form part of the work programme post April 2025 when the estates team is in place.				
<b>New implementation date</b>	December 2025	<b>Status</b>	<b>Outstanding</b>	Implementation is in progress but the original target date has not been met.	

<b>Audit title</b>	<b>Estates – Property Compliance</b>	<b>Audit year</b>	2023/24	<b>Priority</b>	<b>2</b>
<b>Recommendation</b>	Policies and procedures for the management of asbestos, legionella, periodic fixed wire electrical testing and fire risk assessments be agreed and documented to provide appropriate guidance on arrangements with a clear record of the named Duty Holder as required.				
<b>Initial management response</b>	<p>It is recognised a number of policies are out of date and there are gaps in nominated duty holders.</p> <p>The OPFCC Head of Estates has commissioned an audit of statutory compliance, and this will be undertaken in June 2024.</p>				
<b>Responsible Officer/s</b>	Head of Estates	<b>Original implementation date</b>	September 2024	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	The policies and procedures have been drafted and are expected to be approved April 2025 when the estates team is in place.				
<b>New implementation date</b>	September 2025	<b>Status</b>	<b>Outstanding</b>	Implementation is in progress, but the original target date has not been met.	

<b>Audit title</b>	<b>Estates – Property Compliance</b>	<b>Audit year</b>	2023/24	<b>Priority</b>	2
<b>Recommendation</b>	A review of all current Fire Risk Assessment records be undertaken to identify if action has been taken to address highlighted areas with appropriate action then being taken to address any that have not.				
<b>Initial management response</b>	<p>Recruitment is ongoing into the role of estate co-ordinator, they would lead on this work, specifically the review of actions.</p> <p>A new fire risk assessment has been undertaken for Whitehaven fire station. Actions have been collated and actioned. Work is being undertaken on rolling these FR to the wider estate.</p> <p>Funds have been secured to improve the stations and address some of the gaps in compliance. The highlighted areas of the fire assessments will be undertaken, where possible and subject to resource, within this work.</p> <p>A full condition survey of the fire estate is currently being undertaken. This will highlight areas of high risk and a programme of work to assess these will be undertaken.</p> <p>The Head of Estates OPFCC is assessing asset management, data and record keeping requirements. There is the intention to move towards a new electronic record keeping software.</p>				
<b>Responsible Officer/s</b>	Head of Estates	<b>Original implementation date</b>	September 2024	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	Asset condition surveys are complete and the Estates Working Group is driving forward the future program of works. The new Estate team will have a compliance officer who will review compliance across FRAs.				
<b>New implementation date</b>	September 2025	<b>Status</b>	Outstanding	Implementation is in progress, but the original target date has not been met.	



12. Strategic Governance

<b>Audit title</b>	<b>Strategic Governance</b>	<b>Audit year</b>	2023/24	<b>Priority</b>	2
<b>Recommendation</b>	Ensure the service register of interests is maintained and monitored and potential or actual conflicts recorded in the SLT minutes, along with how they were managed.				
<b>Initial management response</b>	<p>With effect from 12 November 2024, minutes of meetings will record titles of attendees and any conflicts of interest.</p> <p>Standardised report templates for SLT and PFCC (Executive Board - Fire) have been agreed. These will ensure all decisions are supported by written reports.</p> <p>An action/decision log has been introduced for all meetings of SLT (formal and informal). Formal meetings of SLT now take place monthly and feed into monthly Executive Board meetings (Working Together and Fire).</p> <p>SLT meeting agendas will reflect whether items are for information or decision.</p> <p>Programme Board subgroups' reports will be reviewed to ensure consistency of reporting projects' progress.</p> <p>The development of SLT's forward work programme will be reviewed monthly at formal team meetings.</p>				
<b>Responsible Officer/s</b>	Chief Fire Officer	<b>Original implementation date</b>	12 <sup>th</sup> November 2024	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	This recommendation has also been highlighted in the external auditor's annual report. Any potential conflicts of interest are now highlighted in SLT minutes, although to date this has not happened. The Service is in the process of duplicating the approach taken by the OPFCC.				
<b>New implementation date</b>	30 <sup>th</sup> June 2025	<b>Status</b>	Outstanding	Implementation is in progress but the original target date has not been met.	

14. **2023/24 Follow Up**

<b>Audit title</b>	<b>Procurement and Disposal of Vehicles and Major Operational Equipment.</b>	<b>Audit year</b>	2020/21	<b>Priority</b>	2
<b>Recommendation</b>	<p>a) The draft procedures for procurement and disposal of vehicles and operational equipment should be reviewed and updated, and where appropriate, agreed with other Departments involved in the overall process.</p> <p>b) The final procedures should be approved by senior management/SMT and then communicated to relevant staff.</p>				
<b>Initial management response</b>	CFRS has now drafted separate procedures for the procurement and disposal of vehicles and major operational equipment. Internal Audit has reviewed these and provided feedback to management. This includes ensuring that references to other Council procedures, departments and officers are accurate and have been checked with other parts of the Council. The new procedures have not yet been approved by management or circulated to other staff for information and guidance.				
<b>Responsible Officer/s</b>	Nathaniel Hooton, Area Manager – Service Support. Sean Hevey, Station Manager.	<b>Original implementation date</b>	N/A	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	<p><b>2023/24 Update</b></p> <p>The procurement of vehicles and major equipment is under review following the move to the PFCC. Advice has been sought from Sellafeld FRA to review the process map to ensure that it is fit for purpose. An Asset Disposal Strategy has been developed and rolled out to relevant staff. A process map relating to this Strategy is still to be developed.</p> <p><b>2024/25 Update</b></p> <p>The recommendation has been superseded as the Service has now entered into collaboration with the Constabulary to share a procurement function. The ability to access existing expertise ensures that the concerns raised during this audit are addressed.</p>				
<b>New implementation date</b>	N/A	<b>Status</b>	Superseded	The recommendation has been superseded by new arrangements.	

<b>Audit title</b>	<b>Procurement and Disposal of Vehicles and Major Operational Equipment.</b>	<b>Audit year</b>	2020/21	<b>Priority</b>	2
<b>Recommendation</b>	<p>a) CFRS should ensure that evidence of the inspection visits to the Supplier, to check on the build progress of the vehicles, is retained.</p> <p>b) There should be written documentation that agreement has been given by CFRS for the release of the interim and final payments to the supplier.</p> <p>c) These arrangements should also be set out in the CFRS Procedure for procurement of vehicles.</p>				
<b>Initial management response</b>	<p>Payments made in respect of new fire appliances are made by Fleet Services on an interim basis at different points in the build process. We were advised by CFRS that they would normally confirm that payment could be processed following their (CFRS and Fleet) visit to the Supplier to visually check progress to confirm that the build is in accordance with the agreed specification. No record of the interim or final inspection visits was retained by CFRS, though a checklist was said to be completed as part of the inspections.</p>				
<b>Responsible Officer/s</b>	<p>Nathaniel Hooton, Area Manager – Service Support.</p> <p>Sean Hevey, Station Manager.</p>	<b>Original implementation date</b>	N/A	<b>Revised implementation date(s)</b>	N/A
<b>Latest Update</b>	<p><b>2023/24 Update</b></p> <p>Work is underway to use existing decision papers to capture supplier inspection visits and agreement for the release of interim and final payments to the supplier. It was, however, stated that this is not yet complete and operational.</p> <p><b>2024/25 Update</b></p> <p>The recommendation has been superseded as the Service has now entered into collaboration with the Constabulary to share a procurement function. The ability to access existing expertise ensures that the concerns raised during this audit are addressed.</p>				
<b>New implementation date</b>	N/A	<b>Status</b>	Superseded	The recommendation has been superseded by new arrangements.	

15. The following recommendations have been implemented.

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Equality, Diversity and Inclusion	The remaining 11 HR policies be scheduled for an Equality Impact Assessment.	2	HR Manager	December 2024
Equality, Diversity and Inclusion	It be included within the Grey Book Grievance Procedure under Appeals that all questions should be addressed and where this is not possible for reasons be confirmed to the complainant.	2	HR Manager	April 2024
Equality, Diversity and Inclusion	All notes and communications related to complaints be retained for appropriate internal and external reviews.	2	HR Manager	April 2024
Estates – Property Compliance	A review of all current EICR records be undertaken to identify if action has been taken to address highlighted areas with appropriate action then being taken to address any that have not.	2	Head of Estates	May 2024
Key Financial Controls	The SLA in place between the CCFRA and Cumberland Council headed AP/AR, P-2-P (Purchase to Pay) Exchequer Function be countersigned by a relevant Officer of Cumberland Council.	2	Chief Finance Officer	31 <sup>st</sup> May 2024
Key Financial Controls	Reasons for non-compliance with approved counterparty limits be properly documented.	2	Chief Finance Officer	30 <sup>th</sup> April 2024
Key Financial Controls	Breaches of counterparty investment limits be highlighted in any reporting of treasury management activities.	2	Chief Finance Officer	30 <sup>th</sup> April 2024
Strategic Governance	Complete the revision of supporting strategies and policies and finalise the 2024-25 Strategic Plan as soon as possible, publicising widely in line with national requirements.	2	Chief Fire Officer	12 <sup>th</sup> November 2024

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Strategic Governance	<p>Introduce more formality to the governance of Senior Leadership Team meetings:</p> <ul style="list-style-type: none"> <li>Minutes to record titles of attendees and any conflicts of interest, focus more on the discussion on each paper and outcome with reduced use of bullet points, expand the record of discussion to show how option selected and others discounted, and acronyms recorded in full for clarity.</li> <li>Fewer verbal and update reports with all decisions be supported by comprehensive written reports.</li> <li>Maintain an action log.</li> <li>Agendas used to indicate whether an item is for information or decision.</li> <li>Reinstate formal reports from sub-groups with a standard report template.</li> </ul> <p>Develop a comprehensive forward programme for SLT.</p>	2	Chief Fire Officer	12 <sup>th</sup> November 2024
Strategic Governance	<p>The Senior Leadership Team (SLT) decision log to record the officer with delegated authority taking each decision. All decisions to be either taken at formal SLT meeting or brought back to the next formal SLT for ratification if an urgent decision required.</p> <p>A schematic version of the narrative scheme of delegation could be developed, similar to that for financial delegations.</p>	2	Chief Fire Officer	12 <sup>th</sup> November 2024
2023/24 Follow Up	<p>a) The periodic inspection testing policy should be brought up to date, approved and rolled out to staff as soon as possible, with any changes to testing clearly highlighted to them.</p> <p>b) It should be ensured that the spreadsheet of inspection / testing frequencies is updated with any changes following the periodic inspection testing policy review.</p>	2	Group Manager - Service Support Station Manager - Technical Services.	31 <sup>st</sup> October 2024



# **The Audit Plan for Cumbria Commissioner Fire and Rescue Authority**

Year ending 31 March 2025

30 April 2025



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# Key developments impacting our audit approach



# Local Audit Reform

## External factors

### Proposals for an overhaul of the local audit system

On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon OBE, wrote to local authority leaders and local audit firms to announce the launch of a strategy to overhaul the local audit system in England. The proposals were also laid in Parliament via a Written Ministerial Statement.

The government's strategy paper sets out its intention to streamline and simplify the local audit system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. A new Local Audit Office will be established, with responsibilities for:

- Coordinating the system – including leading the local audit system and championing auditors' statutory reporting powers;
- Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- Setting the Code of Audit Practice;
- Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies;
- Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

The Minister also advised that, building on the recommendations of Redmond, Kingman and others, the government will ensure the core underpinnings of the local audit system are fit for purpose. The strategy therefore includes a range of other measures, including:

- setting out the vision and key principles for the local audit system;
- committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- enhancing capacity and capability in the sector;
- strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

### Our Response

Grant Thornton welcomes the proposals, which we believe are much needed, and are essential to restore trust and credibility to the sector. For our part, we are proud to have signed 83% of our 2022/23 local government audit opinions without having to apply the local authority backstop. This compares with an average of less than 30% sign off for other firms in the market. We will be keen to work with the MHCLG, with existing sector leaders and with the Local Audit Office as it is established to support a smooth transition to the new arrangements.

# Key developments impacting our audit approach

## National Position

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The sector faces many challenges, the pandemic along with the cost-of-living crisis has left local government with economic, social, and health challenges to address:

**Staffing:** A key challenge facing fire authorities in maintaining service sustainability is the growing difficulties in relation to workforce recruitment and retention. Authorities struggle to attract and retain qualified staff, especially younger talent. Many authorities have outdated recruitment processes and are heavily reliant on agency staff.

**Funding:** Fire authorities are facing many challenges in securing funding, including declining grant income, slow tax revenue growth, and rising demand for services. These challenges can make it difficult to balance budgets.

**Digital Transformation:** The fast pace of technological advancement poses both opportunities and challenges. The adoption of digital tools and platforms is crucial for improving service delivery, enhancing communication and streamlining administrative processes. However, many communities still lack access or ability to navigate essential technology which creates a digital divide. Fire authorities need to ensure inclusivity in its digital strategies, addressing disparities and ensuring all residents can benefit from the opportunities technology offers.

**Cybersecurity:** Fire authorities need to protect against malware and ransomware attacks. They also need to navigate central government policy shifts and constraints. With increased reliance on digital platforms, they become more vulnerable to cyber threats. Safeguarding sensitive data and ensuring the integrity of critical systems are paramount and Fire authorities must invest in robust cybersecurity measures, employee training and contingency plans to protect themselves.

## Our Response

Building and maintaining public trust is arguably the cornerstone of effective governance. Fire authorities must prioritise transparency, open communication and meaningful public engagement to foster positivity within communities.

Our value for money audit work continues to identify significant weaknesses in all criteria of the Code of Audit Practice for local authorities who are facing increasing pressure to provide services while managing change and reducing costs. Whilst fire authorities may not be experiencing all of the same pressures, the environment in which they are currently operating in is still demanding. We understand that the environment in which our audited bodies operate is dynamic and challenging and this understanding allows us to have insightful conversations and adapt our approach to delivering our audit work accordingly.

We know the difficulties and challenges faced and know there is a focus on improving quality and reducing costs. We will work with you as you strive to deliver these aims.

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# Key developments impacting our audit approach (continued)

## Our commitments

- As a firm, we are absolutely committed to audit quality and financial reporting in local government. Our proposed work and fee, as set out further in this Audit Plan, has been agreed with the Chief Finance Officer.
- To ensure close work with audited bodies and an efficient audit process, our preference as a firm is either for our UK based staff to work on site with you and your staff or to develop a hybrid approach of on-site and remote working. Please confirm in writing if this is acceptable to you, and that your staff will make themselves available to our audit team.
- We would like to offer a formal meeting with the Chief Fire Officer twice a year, and with the Chief Finance Officer quarterly as part of our commitment to keep you fully informed on the progress of the audit.
- At an appropriate point within the audit, we would also like to meet informally with the Chair of your Joint Audit Committee, to brief them on the status and progress of the audit work to date.
- Our Value for Money work will continue to consider the arrangements in place for you to secure economy, efficiency and effectiveness in the use of your resources.
- We will continue to provide you and your Joint Audit Committee with sector updates providing our insight on issues from a range of sources via our Joint Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector.



# Key developments impacting our audit approach

## Our responses

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- With the ongoing financial pressures being faced by local authorities, in planning this audit we have considered the financial viability of the Authority. We are satisfied that the going concern basis remains the correct basis behind the preparation of the accounts. We will keep this under review throughout the duration of our appointment as auditors of the Authority.
  - There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.
  - There is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue – refer to page 15. We have determined that this risk can be rebutted.
  - Under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure – refer to page 15. We have determined that this risk can be rebutted.
  - We identified significant audit risks relating to valuation land and buildings and valuation of the pension fund net asset / liability – refer to pages 16/17.
  - We also identified other audit risks in relation to IFRS 16 implementation, employee costs, cash and cash equivalents and disaggregation from Cumbria County Council – refer to page 19.
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# IFRS 16 Leases



## Summary

IFRS 16 Leases is now mandatory for all Local Government (LG) bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

## Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major change from the requirements of IAS 17 in respect of operating leases.

There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating). However, if an LG body is an intermediary lessor, there is a change in that the judgement, as to whether the lease out is an operating or finance lease, is made with reference to the right of use asset rather than the underlying asset. The principles of IFRS 16 will also apply to the accounting for PFI assets and liabilities.

## Systems and processes

We believe that most LG Bodies will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

## Planning enquiries

As part of our planning risk assessment procedures, we have made enquiries of management in relation to IFRS 16. We would appreciate a prompt response to these enquires in due course.

# The Backstop

## Local Government National Context – The Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- for years ended 31 March 2023 and earlier by 13 December 2024; and
- for years ended 31 March 2024 by 28 February 2025; and
- for years ended 31 March 2025 by 27 February 2026.

The Statutory Instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

## Local Government National Context – Local Audit Recovery

In the audit report for the year ended 31 March 2024, a disclaimer of opinion was issued due to the backstop.

As a result, we anticipate that for 2024/25, we will have:

- no assurance over the opening balances for 2024/25.
- limited assurance over the closing reserves balance also due to the uncertainty over their opening amount.

We are in discussion with the NAO and the Financial Reporting Council (FRC) as how we regain assurance. We will work with the Authority to rebuild assurance over time.

## Our Work

Our initial focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances for 2024/25. Our objective is to begin a pathway to recovery, by providing assurance over the in year 2024/25 transactions and movements, where possible, and those closing balances which can be purely determined in isolation without regard to the opening balance, such as payables and receivables. As guidance is received from the NAO and the FRC, we will formulate a more detailed strategy as to how assurance can be gained on prior years.



# Introduction and Headlines



# Introduction and headlines



## Purpose

- This document provides an overview of the planned scope and timing of the statutory audit of Cumbria Commissioner Fire and Rescue Authority ('the Authority') for those charged with governance.

## Respective responsibilities

- The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Authority. We draw your attention to these documents.

## Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Joint Audit committee); and we consider whether there are sufficient arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Joint Audit Committee of your responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority's business and is risk based.



# Introduction and headlines (continued)

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- Closing valuation of land & buildings
- Valuation of pension fund net asset/liability position

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Materiality

We have determined planning materiality to be £747k (PY: £440k) for the Authority, which equates to 2% of your prior year gross operating costs for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £37k (PY: £22k).

## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified risks of significant weakness in cyber security and disaster recovery. We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

## Audit logistics

Our planning audit took place in March and April 2025 and our final accounts audit will take place in September to December 2025. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £111,586 (PY: £105,879) for the Authority, subject to the Authority delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.


We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements

# Identified risks

# Significant risks identified


Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Risk relates to	Audit team’s assessment	Planned audit procedures
Management override of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	We will: <ul style="list-style-type: none"><li>• review accounting estimates, critical judgements and significant decisions made by management;</li><li>• evaluate the design and implementation of controls;</li><li>• review accounting policies and any changes to those policies;</li><li>• test journals entries for appropriateness; and</li><li>• review unusual significant transactions.</li></ul>



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).



Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

# Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	<p>We have completed a risk assessment of all revenue streams for the Authority. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition;</li> <li>• opportunities to manipulate revenue recognition are very limited;</li> <li>• most of the revenue received by the Authority comes from government grants; and</li> <li>• the culture and ethical frameworks of public sector bodies, including the Authority, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore, we do not consider this to be a significant risk for the Authority.</p>	<p>We do not consider this to be a significant risk for the Authority and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p> <p>We will:</p> <ul style="list-style-type: none"> <li>• review and test, on a sample basis, revenue transactions, ensuring that it remains appropriate to rebut the presumed risk of revenue recognition; and</li> <li>• design and carry out appropriate audit procedures to ascertain the recognition of income is in the correct accounting period using cut-off testing.</li> </ul>
The expenditure cycle includes fraudulent transactions	Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.	<p>We have identified and completed a risk assessment of all expenditure streams for the Authority. We have rebutted the presumed risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams.</p> <p>This is due to the low fraud risk in the nature of the underlying nature of the transactions. Employee costs account for 70% of expenditure and therefore we deem the overall risk that expenditure may be misstated due to improper recognition of expenditure to be low.</p> <p>We have identified a higher risk of error in the recognition of other service expenditure for the completeness of this expenditure stream. We have identified the risk to be a higher risk of cut-off of expenditure accruals at year-end.</p>	<p>As the risk has been rebutted, we do not consider this to be a significant risk for the Authority and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p> <p>We will:</p> <ul style="list-style-type: none"> <li>• review and test, on a sample basis, expenditure transactions, ensuring that it remains appropriate to rebut the presumed risk of expenditure recognition.</li> <li>• design and carry out appropriate audit procedures to ascertain the recognition of expenditure is in the correct accounting period using cut-off testing.</li> </ul>

# Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Closing valuation of land and buildings	The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value at the financial statements date.	<p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved, £44.2m as at 31 March 2024 and the sensitivity of this estimate to changes in key assumptions.</p> <p>We have therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;</li> <li>• evaluate the competence, capabilities and objectivity of the valuation expert;</li> <li>• write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the CIPFA code are met;</li> <li>• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding;</li> <li>• evaluate the valuer's report to identify assets that have large and usual changes and/ or approaches to the valuation – these assets will be substantively tested to ensure the valuations are reasonable;</li> <li>• test a selection of asset revaluations performed during the year to see if they have been input correctly into the Authority's asset register, revaluation reserve and Comprehensive Income and Expenditure Statement; and</li> <li>• evaluate the assumptions made by management for those assets not revalued during the year and how management have satisfied themselves that these are not materially difference from current value at year-end.</li> </ul>


# Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Valuation of pension fund net asset / liability  (Local Government Pension Scheme – LGPS and Firefighters' Pension Scheme – FPS)	The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents significant estimate in the financial statements.	<p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved, £227.5m at 31 March 2024 and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls;</li> <li>• evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;</li> <li>• assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;</li> <li>• test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;</li> <li>• undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report, including confirmation of the scope of the actuary's work and whether the application of IFRIC 14 has been considered;</li> <li>• obtain assurances from the auditor of Cumbria Local Government Pension Scheme as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the LGPS pension fund and the fund assets valuation in the pension fund financial statements (this relates to the LGPS liability only); and</li> <li>• perform appropriate data checks in respect of Firefighters' membership data and test the accuracy and validity of movements since the most recent triennial valuation, where material changes were identified.</li> </ul>

# Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for another risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
IFRS 16 Implementation	<p>IFRS 16 Leases is now mandatory for all Local Government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p> <p>In the public sector, the definition of a lease has been extended to include the use of assets for which little or no consideration is paid, often called “peppercorn” rentals. This is one instance where the right of use asset and its’ associated liability are not initially recognised at the same value. For peppercorn rentals, the right of use assets are initially recognised at market value. Any difference between market value and the present value of expected payments is accounted for as income. This has similarities with the treatment of donated assets.</p> <p>Key judgements include</p> <ul style="list-style-type: none"><li>• determining what is deemed to be a low value lease. This is based on the value of the underlying asset when new and is likely to be the same as the authority’s threshold for capitalising owned assets;</li><li>• determining whether an option to terminate or extend the lease will be exercised. This is important as it affects the lease term and subsequently the calculation of the lease liability based on the expected payments over the lease term; and</li><li>• the valuation of the right of use asset after recognition. An expert valuer may be required to support management in this.</li></ul> <p>We have therefore identified completeness of the identification of relevant leases and valuation as a risk.</p>	<p>We will</p> <ul style="list-style-type: none"><li>• review the processes and controls put in place by management to ensure that the implementation of IFRS 16 complete, accurate and not materially misstated. We will also evaluate the design of the associated controls;</li><li>• review the proposed accounting policy and agree disclosures presented in the financial statements to underlying accounting records and calculations; and</li><li>• review management’s lease accounting calculations and assess the accuracy and appropriateness of the inputs and assumptions used including lease term, discount rate and annual rentals</li></ul>



“The auditor determines whether there are any risks of material misstatement at the assertion level for which it is not possible to obtain sufficient appropriate audit evidence through substantive procedures alone. The auditor is required, in accordance with ISA (UK) 330 (Revised July 2017), to design and perform tests of controls that address such risks of material misstatement when substantive procedures alone do not provide sufficient appropriate audit evidence at the assertion level. As a result, when such controls exist that address these risks, they are required to be identified and evaluated.” (ISA (UK) 315)

# Other risks identified

Risk	Description	Planned audit procedures
Employee costs	<ul style="list-style-type: none"> <li>Payroll was processed by Cumberland Council during the year using the legacy Cumbria County Council payroll system. Payroll costs were paid out of Cumberland Council's bank account on behalf of the Authority.</li> <li>In 2023/24, overpayments were identified as being made by the Authority during the year due to issues with the allocation of disaggregated payroll costs to successor bodies.</li> </ul>	<p>We will:</p> <ul style="list-style-type: none"> <li>understand the Authority's processes and controls in place for payroll, particularly occurrence and accuracy, during the year;</li> <li>consider whether use of audit data analytics are appropriate to gain level of assurance required and if not, conduct substantive procedures designed to give assurance over payroll costs included within the financial statements; and</li> <li>understand how payroll costs are posted into the ledger and ensure total payroll costs per payroll system reconcile to those posted to the ledger at year end.</li> </ul>
Cash and cash equivalents - bank reconciliations	<ul style="list-style-type: none"> <li>No cashbook management processes in place or bank reconciliations completed during the year.</li> <li>Year end bank reconciliation completed at 31 March 2025.</li> </ul>	<p>We will review the March 2025 bank reconciliation to ensure the appropriate controls were in place by the year-end. Reconciling items included in the reconciliation will be considered and followed up as necessary.</p>
Disaggregation from Cumbria County Council (CCC)	<ul style="list-style-type: none"> <li>Following Local Government Re-organisation, the Authority opening balances were disaggregated from the Balance Sheet of CCC to form the opening balances of the Authority as at 1 April 2023.</li> <li>Disaggregation can be a challenging process and there is a risk of error in this process. As a result, we are required to perform procedures to gain assurance.</li> <li>These opening balances should have been subject to audit in 2023/24 in order to gain assurance over accuracy and completeness. However, as the 2023/24 audit went to the backstop, we did not carry out any audit procedures over the opening balances at 1 April 2023.</li> </ul>	<p>We will:</p> <ul style="list-style-type: none"> <li>review the conclusions reached on the disaggregation of opening balances of the Authority from CCC;</li> <li>test whether the agreed disaggregated balance sheet has been accounted for appropriately; and</li> <li>agree that the disaggregated balances for each of the Authority's, reconcile back to the total closing balance for CCC.</li> </ul>



# Other matters

## Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
  - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
  - issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act);
  - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
  - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

## Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

# Our approach to materiality

# Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
01	<b>Determination</b> We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Authority, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements	<ul style="list-style-type: none"> <li>We determine planning materiality in order to:               <ul style="list-style-type: none"> <li>establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements</li> <li>assist in establishing the scope of our audit engagement and audit tests</li> <li>determine sample sizes and</li> <li>assist in evaluating the effect of known and likely misstatements in the financial statements</li> </ul> </li> </ul>
02	<b>Other factors</b> An item does not necessarily have to be large to be considered to have a material effect on the financial statements	<ul style="list-style-type: none"> <li>An item may be considered to be material by nature when it relates to:               <ul style="list-style-type: none"> <li>instances where greater precision is required</li> </ul> </li> </ul>
03	<b>Reassessment of materiality</b> Our assessment of materiality is kept under review throughout the audit process	<ul style="list-style-type: none"> <li>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality</li> </ul>
04	<b>Matters we will report to the Joint Audit Committee</b> Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	<ul style="list-style-type: none"> <li>We report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</li> <li>In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £37k (PY: £22k).</li> <li>If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Audit Committee to assist it in fulfilling its governance responsibilities.</li> </ul>



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

# Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Headline materiality for the financial statements	747,000	<p>This equates to 2% of the Authority’s prior year gross operating expenditure. This reflects that we did not receive prior year draft financial statements until 15 January 2025, and as a result the 2023/24 audit was backstopped.</p> <p>The Authority operates in a generally stable, regulated environment, although in recent years government policies have reduced the funding available, and this has increased the financial pressures. There has been no change in key stakeholders, and no other sensitivities have been identified that would require materiality to be reduced.</p>
Performance materiality for the financial statements	485,000	<p>The Authority is in it's second year of operations and the first being on a separate accounting system from the two unitary councils and therefore to cover the risk that the control environment could be weak due to this, we have determined a performance materiality of 65%.</p>
Materiality for specific transactions, balances or disclosures – Senior Officer Remuneration	21,000	<p>This reflects public sensitivity in the pay of senior officers in the public sector.</p>

# IT audit strategy

# IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications were in scope for IT controls assessment based on the financial statement audit approach, we have performed the indicated level of assessment and provided the following overall ITGC ratings.

IT application	Audit area	Level of IT audit assessment	Overall ITGC rating	Management response
Civica	Financial reporting	<ul style="list-style-type: none"><li>Detailed ITGC assessment (design effectiveness only)</li></ul>	Significant deficiencies identified in IT controls relevant to the audit of the financial statements in relation to segregation of duties conflicts.	<p>The highlighted risks are acknowledged and have been considered during the implementation of the system, however, whilst the situation is not ideal, having a finance team of only 3 this creates a requirement for all team members to have administrative access and be involved in the processing of payments in order to ensure resilience and capacity. We do not have the capacity to have the luxury of a single system administrator.</p> <p>Since providing the evidence to the Auditors in Jan/Feb 25 we have removed the Company Access to the named Civica users on the appendix – this was always the plan following the implementation phase.</p> <p>The organisation structure is also compact from a user access perspective and all requests for access are considered as to whether they are appropriate in the context of the role they undertake but we accept this should be more formally reviewed (refer assessment 2).</p> <p>A process has been documented that sets out the processes and procedures that are actively followed, which seeks to mitigate the fact that within the system individuals have multiple roles. The system records an audit log of changes and shows preparer and authorisers for the majority of key tasks. This report will be monitored and signed off by the Chief Finance Officer on a monthly basis.</p> <p>This will be completed by 30 June 2025 by the Financial Accountant.</p>
Active Directory	User authentication (network level)	<ul style="list-style-type: none"><li>Detailed ITGC assessment (design effectiveness only)</li></ul>	IT controls relevant to the audit of the financial statements judged to be effective at the level of testing in scope.	N/A

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

# IT audit strategy

In addition, due to the significant changes during the period, specifically the new system implementation, additional audit procedures were completed to address the additional risks of material misstatement identified.

IT application/event	Relevant risks	IT audit procedures	Result	Management response
Civica – New system implementation	Post migration data completeness and accuracy; system functionality operating to design.	<ul style="list-style-type: none"><li>Obtained an understanding of the process used for new system implementation</li><li>Audit of data migration activity and results</li></ul>	Deficiency identified in relation to lack of documentation over user access review during implementation.	<p>A report will be developed to extract information on a monthly basis that will detail current users and any enacted changes to privileges. A spreadsheet log of all requests to create or amend or disable user access will be maintained alongside this report for reconciling, with the expectation that the changes identified on the month to month comparison of the Current user reports will be able to be checked to the log of requests – any discrepancies will be investigated and commented on. This will be signed off by the Chief Finance Officer.</p> <p>On a Bi-annual basis a review will be undertaken of all users access levels to ensure that this is still commensurate with the role they undertaking within the organisation and the scheme of delegation and will identify that all users are still relevant to have access to the system.</p> <p>This will be completed by 30 June 2025 by the Financial Accountant.</p>

### Planned response to deficiencies identified

In response to both deficiencies identified above, we will:

- incorporate the unique users identified when selecting samples for our journals testing;
- perform a manual check to identify whether any of the user accounts identified posted manual journals during the period;
- set expectations around which accounts users would commonly post to as part of their role and where postings have been made to unusual accounts, these will be incorporated into the journals sample; and
- where the level of postings made by a user is high due to their role, we will seek to identify whether there are journal approval controls and account reconciliation controls.

Assessment

Significant deficiencies identified in IT controls relevant to the audit of financial statements

Non-significant deficiencies identified in IT controls relevant to the audit of financial statements / significant deficiencies identified but with sufficient mitigation of relevant risk

IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

Not in scope for testing

# Value for Money Arrangements



# Value for Money Arrangements

## Approach to Value for Money work for the period ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



### Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



### Governance

How the body ensures that it makes informed decisions and properly manages its risks.

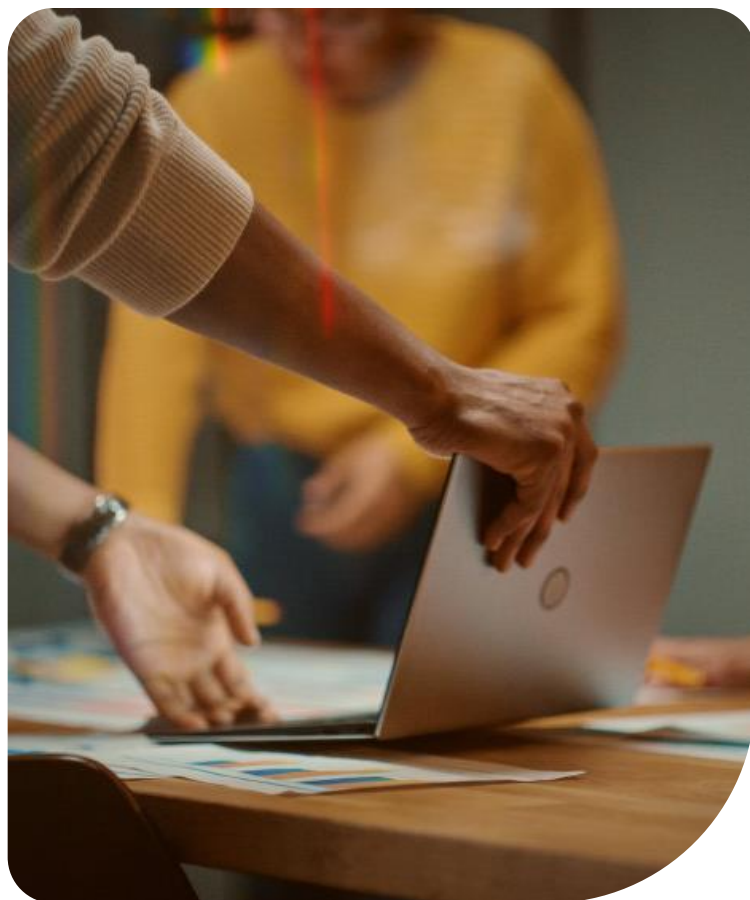


### Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



# Risks of significant VFM weaknesses



As part of our initial planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we have identified are detailed on the table overleaf along with the further procedures we will perform. We will continue to review the body's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

## Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



### Statutory recommendation

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



### Key recommendation

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



### Improvement recommendation

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

# Risks of significant weakness in VFM arrangements (continued)

## Initial Risk assessment of the Authority’s VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor’s work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2024/25. We will continue to evaluate risks of significant weakness and if further risks are identified , we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2023/24 Auditor judgement on arrangements		2024/25 risk assessment	2024/25 risk-based procedures
Financial sustainability	A	No risks of significant weakness reported, but five improvement recommendations made.	No risks of significant weakness identified.	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in prior years.
Governance	R	Risk of significant weakness identified, and six improvement recommendations made.	Risk of significant weakness identified in relation to cyber security and disaster recovery.	<ul style="list-style-type: none"><li>• We will assess whether arrangements for IT security and disaster recovery have been strengthened;</li><li>• We will review documentation including: papers from the Cumberland Council Information and Cyber Security group (where the Authority is represented), results of Information and Cyber Security audits completed by Cumberland Council, papers from the Authority’s newly established Digital Board and the ICT disaster recovery plan.</li><li>• In addition, we will discuss progress with the Head of Transformation.</li></ul>
Improving economy, efficiency and effectiveness	A	No risks of significant weakness reported, but one improvement recommendation made.	No risks of significant weakness identified.	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in prior years.

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor’s annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor’s Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor’s Report and included within our audit opinion.

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

# Logistics

# Logistics

## The audit timeline



# Our team and communications

## Grant Thornton core team

**Liz Luddington**  
Engagement Lead

- Key contact for senior management and Audit Committee
- Overall quality assurance

**Hannah Foster**  
Audit Manager

- Audit planning
- Resource management
- Performance management reporting

**Sean Russell**  
Audit Assistant Manager

- Audit team management
- Day-to-day point of contact
- Audit fieldwork

**Lisa Mackenzie**  
Value for Money Manager

- Value for Money (VFM) planning
- Main contact for the review of VFM arrangements
- Development of the VFM commentary in the Auditor's Annual Report

Pool of financial reporting specialists and other technical specialists (e.g. IT audit, property valuations, actuarial valuations)

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none"><li>• Quarterly meetings with the Chief Finance Officers</li></ul>	<ul style="list-style-type: none"><li>• The Audit Plan</li><li>• Audit Progress and Sector Update Reports</li><li>• The Audit Findings Report</li><li>• Auditor’s Annual Report (VFM)</li></ul>	<ul style="list-style-type: none"><li>• Audit planning meetings</li><li>• Audit clearance meetings</li><li>• Communication of issues log</li></ul>	<ul style="list-style-type: none"><li>• Technical updates</li></ul>
Informal communications	<ul style="list-style-type: none"><li>• Open channel for discussion</li></ul>		<ul style="list-style-type: none"><li>• Communication of audit issues as they arise</li></ul>	<ul style="list-style-type: none"><li>• Notification of up-coming issues</li></ul>

# Fees and related matters

# Our fee estimate

Our estimate of the audit fees is set out in the table across, along with the fees billed in the prior year

### Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC’s [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

### PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audit for Cumbria Commissioner Fire and Rescue Authority to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2024/25 audit is £111,586.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor’s annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

### Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

	Audit Fee for 2023/24	Proposed fee for 2024/25
	(£)	(£)
PSAA scale fee	105,879	111,586
Additional IT related procedures for new ledger implementation	N/A	10,000
IFRS 16	N/A	TBC
*Reduction in fee due to backstop	(46,082)	N/A
<b>Total (Exc. VAT)</b>	<b>59,797</b>	<b>121,586</b>

### Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Authority will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:

- Land and buildings valuations
- Valuation of pension fund

### Previous year

\*In 2023/24 the scale fee set by PSAA was £105,879. The actual fee charged for the audit was £59,797, this was reflective of the work performed in relation to the audit backstop.

As the opinion on the 2023/24 audit was disclaimed due to the imposition of a backstop date, we will need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you in due course.



# Independence considerations

# Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers). In this context, we disclose that there are no matters that we are required to report.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard.

## **Other services**

There are no other services either audit related, or non-audit related provided by Grant Thornton.

# Independence considerations

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

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

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council’s Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office’s Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Following this consideration we can confirm that we are independent at planning and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

# **Communication of audit matters with those charged with governance**

# Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the Authority's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

## Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

# **Delivering audit quality**

# Delivering audit quality

## Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:

### Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.

### Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.

### Working with premium clients

We work with great public sector clients that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

## How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of journals

## The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service. By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting. The audit partner always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

## Digital differentiation

We're a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

## Oversight and control

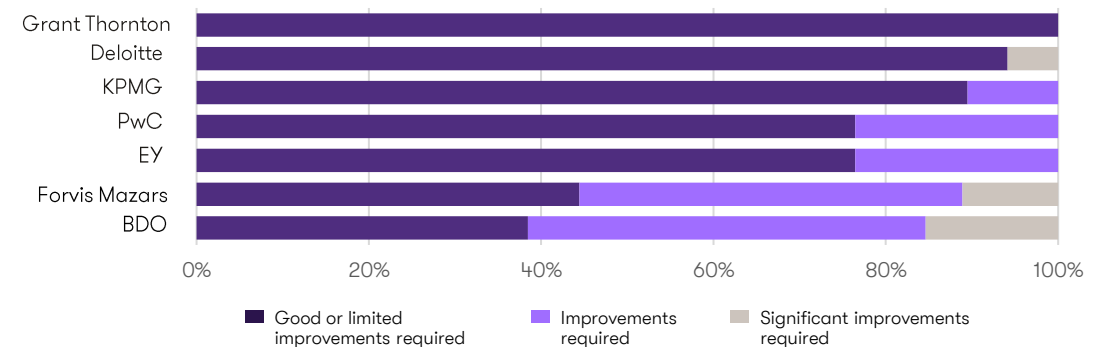
Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become "issues", we give our clients the time and space to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We're growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It's why we will only commit to auditing clients where we're certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You're in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell  
Partner, UK Head of Audit



FRC's Audit Quality Inspection and Supervision Inspection  
(% of files awarded in each grading, in the most recent report for each firm)



# Appendices



# IFRS reporters New or revised accounting standards that are in effect

## First time adoption of IFRS 16

Lease liability in a sale and leaseback

- IFRS 16 was implemented by LG bodies from 1 April 2024, with early adoption possible from 1 April 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.
- This year will be the first year IFRS 16 is adopted fully within Local Government.

## IAS 1 amendments

Non-current liabilities with covenants

- These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

## Amendment to IAS 7 and IFRS 7

Supplier finance arrangements

- These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

# IFRS reporters Future financial reporting changes

## IFRS reporters future financial reporting changes

These changes will apply to local government once adopted by the Code of practice on local authority accounting (the Code).

## Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are expected to be adopted by the Code from **1 April 2025**.

## Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the Code **in future years**.

## IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 provides reduced disclosure requirements for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary standard for eligible subsidiaries and is expected to be adopted by the Code **in future years**.

## IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 is expected to be adopted by the CIPFA Code **in future years**.

# The Grant Thornton Digital Audit – Inflo

A suite of tools utilised throughout the audit process

## 01 Collaborate

Information requests are uploaded by the engagement team and directed to the right member of your team, giving a clear place for files and comments to be uploaded and viewed by all parties.

### What you'll see

- Individual requests for all information required during the audit
- Details regarding who is responsible, what the deadline is, and a description of what is required
- Graphs and charts to give a clear overview of the status of requests on the engagement

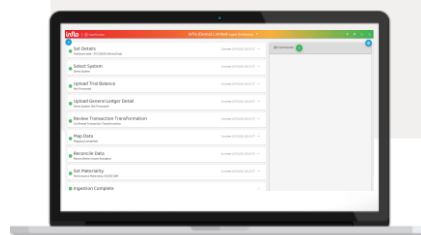


## 02 Ingest

The general ledger and trial balance are uploaded from the finance system directly into Inflo. This enables samples, analytical procedures, and advance data analytics techniques to be performed on the information directly from your accounting records.

### What you'll see

- A step by step guide regarding what information to upload
- Tailored instructions to ensure the steps follow your finance system

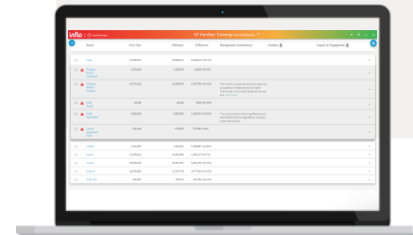


## 03 Detect

Journals interrogation software which puts every transaction in the general ledger through a series of automated tests. From this, transactions are selected which display several potential unusual or higher risk characteristics.

### What you'll see

- Journals samples selected based on the specific characteristics of your business
- A focussed approach to journals testing, seeking to only test and analyse transactions where there is the potential for risk or misstatement





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# Joint Audit Committee



## Title: Effectiveness of OPFCC Risk Management Activity Monitoring

**Date: 25 June 2025**

**Agenda Item No: 11**

**Originating Officer: Joanne Head, Governance Manager**

Report of the Chief Executive

### 1. Introduction and Background

1.1 The Police, Fire and Crime Commissioner has a statutory responsibility to provide policing and fire services for Cumbria. This takes place in a constantly changing and challenging environment and therefore the Office of the Police, Fire and Crime Commissioner (OPFCC) must ensure that it has robust systems and processes in place to identify, monitor and react appropriately to risk.

1.2 This report details the effectiveness for Risk Management within the OPFCC for the period 1 April 2024 to 31 March 2025.

### 2. Effectiveness of Arrangements for Risk Management

2.1 In order to ensure that the OPFCC's arrangements for Risk Management are effective a number of areas of business are monitored to ensure compliance and identify any risks to the organisation.

#### Risk Management Strategy

2.2 The OPFCC Risk Management Strategy is reviewed on a three-year cyclical basis with the latest review taking place in March 2023 where a number of updates were included. The strategy was reviewed and updated to ensure that the OPFCC has a robust risk management process and to highlight the Commissioner taking on responsibility for Cumbria Fire and Rescue Service. The strategy was presented to the Joint Audit Committee where no alterations or additions were recommended.

2.3 The strategy continues to contribute to the overall governance arrangements in place for the Office of the Police, Fire and Crime Commissioner (OPFCC). It allows strategic and operational risks to be identified and provides guidance to enable staff to deal with these appropriately and effectively. Being a dynamic document, it assists the consideration of risk to permeate throughout the OPFCC's

business when making decisions.

## Risk Monitoring

2.4 During 2024-25 all the OPFCC risk registers were reviewed and updated on a quarterly basis. The strategic and operational risk registers have a mechanism to enable risks to be moved between the two, allowing risks to be appropriately monitored and reviewed. Any projects being carried out by the OPFCC have their own individual risk registers. These are monitored on a more frequent basis and if necessary any risks escalated to the strategic risk register.

2.5 Within the reporting period, and in line with the OPFCC's Risk Strategy, JAC were presented with the updated strategic risk register twice during the year to enable them to have oversight in line with their terms of reference. Throughout the year the strategic risks have been reviewed with some risks being elevated from the operational register due to their risk scores.

2.6 During the reporting period there were seven risks identified within the strategic risk register. These being Strategic Finance; Fire & Rescue Service Corporate and Support Services; Fire & Rescue Service Hosted Service Arrangements; Estates Resource; Fire Pensions Remedy; CFRS Reserves and Development of the Estate were as a result of identified risks to the OPFCC which were and continue to be actively managed. The OPFCC's Executive team retains oversight of the progression of risks on both the strategic and operational risk registers.

2.7 The OPFCC correlates its risks with the priorities contained within the Police, Fire and Crime Plan in both the strategic and operational risk registers as appropriate. Although the objectives within the plan are predominantly for the Constabulary and Fire & Rescue Service to fulfil, as it is the Commissioner's plan and he holds the Chief Constable and the Chief Fire Officer to account for the provision of policing services in Cumbria, it is essential that the plan is achieved.

2.8 The OPFCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faced during 2024/25. A review of the operational risk register is carried out on a quarterly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPFCC Executive Team regularly consider both the strategic and operational risk registers as part of their meetings.

2.9 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, Risk 5 Asset management and Risk 6 Insurance. They remain to show illustrated monitoring of these areas of business which are important to the OPFCC's overall Governance regime.

2.10 Assurance from the Joint Audit Committee continues through the reporting of both strategic risks in full, supported by a high-level summary for operational risks. This provides the Committee with oversight that all expected risks are captured and being appropriately scored and monitored.

2.11 During 2024-25 a total of 33 decisions were made, either by the Commissioner and/or Executive Team Gold. All were based on information provided including any areas of risks which need to be considered. The Executive Support Officer when receiving and logging decision forms ensures that this section of the form is completed to enable the Commissioner to make an informed decision. No forms have been received where this section has not been completed.

## Oversight of Constabulary Strategic Risks

2.12 In addition to monitoring OPFCC risks, monitoring of Constabulary Risks also takes place at Executive Board Police meetings. The strategic risk register is presented to the Board on a quarterly

basis when the Police, Fire and Crime Commissioner is able to hold the Constabulary staff/officers who have responsibility for the Constabulary's Strategic Risk Management to account for their risk management. The meetings provide an opportunity to identify and discuss those risks which impacted upon both organisations and seek assurance from the Constabulary that they had correctly identified risks, had appropriate mitigation in place to deal with and monitor the risk, and no areas of concern were identified. Risks between both organisations are also discussed to ensure risks of concern have a solution identified and its progression monitored.

2.13 During 2024/25, again the risk of a implications of longer-term reduction in budget and the level of savings required was on the Constabulary's strategic risk register. Other risks included ISO accreditation and Airwave Comms. The 2024/25 grant settlement was in line with expectations although additional flexibility was afforded to Police and Crime Commissioner's to increase council tax by up to £13 was provided. However, the additional funding was inadequate to cover the recent increases in inflation and as a result there is a significant savings requirement over the MTFF period. Further development and refinement of savings options in conjunction with the Constabulary is being carried out. In response to the increased risk the Constabulary has committed to preparing an enhanced savings and efficiencies plan headed by the DCC.

2.14 Risks continue to be added and removed on the Constabulary's strategic risk register as they are identified and mitigated or dealt with. All of these have been reported upon to the Joint Audit Committee during the year.

## Oversight of Cumbria Fire and Rescue Service Strategic Risks

2.15 Cumbria's Fire and Rescue Service's strategic risks are monitored at Executive Board Fire meetings and this has taken place on a quarterly during 2024/25. Risks between both organisations are discussed to assure the Commissioner that risks of concern have been identified and suitable solutions put in place with effective monitoring.

2.16 Risks continue to be added and removed on the Fire and Rescue Service's strategic risk register as they are identified and mitigated or dealt with. These have included Budget Management, Delivery of HFSV, Use of PPE, Pension Remedi, Recruitment and NWFC CAD System. All of these have been reported upon to the Joint Audit Committee during the year.

## Risk Training

2.17 The Governance Manager, as OPFCC lead officer for risk management, attended a 2-day refresher training course on the 13<sup>th</sup> and 14<sup>th</sup> October 2022 facilitated by our insurance risk control consultant Gallagher Bassett. The OPFCC Governance Officer attended a 2-day risk management training course on 17<sup>th</sup> and 18<sup>th</sup> September 2019. This now affords the OPFCC additional resilience with regards to risk management.

2.18 Risk management training sessions for OPFCC staff were held in September 2024 and February 2025, highlighting everyone's responsibility for risk management, how to identify, analyse and evaluate risks taking into account the OPFCC's risk appetite. No areas of concern have been raised or identified by staff with regards to risk management. Further risk management sessions have been incorporated within the OPFCC's 2025-26 Training Plan and is scheduled for September 2025 and February 2026.

## Joint Audit Committee

2.19 During 2024/25 the OPFCC's Chief Executive presented the OPFCC's strategic risk register to the Joint Audit Committee on two separate occasions. This afforded the OPFCC the benefit of the

committee testing the validity of the recorded risks and mitigations; reviewing the current arrangements and ensuring the integration of risk management into governance and decision making processes. Areas of concern or issues identified by the committee have been noted and addressed earlier in this report.

## Lead Officer

2.20 The Governance Manager is the OPFCC lead officer for risk and carried out this role throughout 2024/25. On a quarterly basis they have ensured that the OPCC's strategic and operational risk registers were updated by those members of staff who have responsibility for individual risks. No areas of concern or issues have been identified by the Governance Manager during 2024/25.

## 3. Internal Audit

3.1 As part of the annual audit programme for 2024/25 Internal Audit carried out reviews over a number of areas of business within the OPFCC and Cumbria Constabulary. Each review evaluated any exposures to risks relating to the organisation through its governance, operation and information systems. Audit reviews undertaken during 2024/25 did not identify any new or unidentified risks to the OPFCC.

## 4. Conclusions

4.1 From the monitoring which has taken place during 2024/25 by the Office of the Police, Fire and Crime Commissioner, no unidentified risks have been identified or occurred. When taking this into consideration assurance can be gained that the strategy, policy, systems and processes in place are working effectively.

## 5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPFCC's processes and monitoring of risk.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements



**Financial Implications:** the inability of the OPFCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPFCC but Cumbria Constabulary and other partner organisation which are financially dependent upon it.

**Risk Management Implications:** if the OPFCC does not identify and mitigate risks then it may mean that it cannot carry out its statutory function efficiently and effectively.

**Legal Implications:** the OPFCC could face legal challenge on some areas of its business, therefore it is essential that these are identified at an early stage and effectively mitigated and managed.

Contact points for additional information

Joanne Head – Governance Manager  
Tel: 01768 217734  
E Mail: [joanne.head@cumbria.police.uk](mailto:joanne.head@cumbria.police.uk)

# Joint Audit Committee



## Title: Effectiveness of CCFRA Anti-Fraud and Corruption Activity Monitoring

**Date: 25 June 2025**

**Agenda Item No: 12**

**Originating Officer: Joanne Head, Governance Manager**

Report of the Chief Executive

### 1. Introduction and Background

1.1 The Police, Fire and Crime Commissioner has a statutory responsibility to provide policing and Fire services for Cumbria. The Office of the Police, Fire and Crime Commissioner (OPFCC) must ensure that effective processes and procedures are in place to deliver that service in an environment free from fraud and corruption.

1.2 To safeguard against fraud and corruption the Commissioner and OPFCC and CCFRA staff operate in an open and transparent environment. This is achieved by a variety of methods including making decisions in public, publishing information on its website including registers of interests, decisions, declarations of gifts and hospitality and expenses.

1.3 Arrangements to prevent and detect Fraud and Corruption are reviewed and approved by the Police, Fire and Crime Commissioner on a cyclical basis. These arrangements provide clear definitions of fraud, corruption, theft and irregularity within the strategy. They were reviewed and updated in November 2021 and January 2023 following which a copy was provided to the Joint Audit Committee. The arrangements mirror much of the Constabulary's policy, although there are differences in relation to reporting, monitoring and any disciplinary procedures.

1.4 The OPFCC and CCFRA Arrangements for Anti-Fraud and Corruption provides clarity over roles, responsibilities and duties of staff within the OPFCC and CCFRA. The Deputy Monitoring Officer undertakes a review between the gifts and hospitality registers, the contact with supplier register and decisions made by the Commissioner. During 2024/25 no irregularities, issues or concerns have been identified.

### 2. Effectiveness of Arrangements for Anti-Fraud and Corruption

2.1 In order to ensure that the OPFCC's and CCFRA's arrangements for Anti-Fraud and Corruption are effective a number of areas of business are monitored to ensure compliance and identify any fraudulent or corrupt practices.

2.2 During 2024/25 and in compliance with arrangements covering gifts and hospitality the Governance Officer has issued a notice on a monthly basis to all OPFCC staff formally requesting the documentation of any gifts and hospitality offered during the previous month. Staff identify what the gift or hospitality was; who it was offered to and whether it was accepted or declined. They have made two notifications of offers of hospitality during the reporting period. As detailed within the OPFCC's Arrangements for Anti-Fraud and Corruption only offers over the value of £10 will be recorded by staff. Upon completion the registers are published on the OPFCC website at the beginning of the following month. The Governance Officer has not identified any areas of concern or irregularities. These arrangements have also been extended to cover all staff in Cumbria Commissioner Fire and Rescue Authority and no concern or irregularities have been identified there either.

2.3 The Commissioner also identified any gifts or hospitality which has been offered and again indicates whether this is accepted or declined. During 2024/25 the Commissioner made 2 notifications of either hospitality or gifts. Again, upon completion the registers are published on the OPFCC website at the beginning of the following month. The Chief Executive has not identified any areas of concern or irregularities.

2.4 In accordance with guidelines set by the Secretary of State, the Commissioner is eligible to claim allowances and expenses whilst carrying out his role. The Commissioner on a monthly basis will complete a form which includes a declaration stating that the expenses being claimed have been necessarily incurred. They are then approved or declined by the Chief Executive. During 2024/25 the Commissioner claimed expenses during 9 of the 12 months. Where any claims are made, the Constabulary's Central Services Department will re-check the claims against the Home Office criteria before making payment where any claims are made providing an additional level of assurance. In line with the Elected Local Policing Bodies (Specified Information) Order 2011 authorised expenses are published on the OPFCC website - <https://cumbria-pfcc.gov.uk/finance-governance/allowances>.

2.5 OPFCC members of staff, CCFRA members of staff, Independent Custody Visitors, members of the Joint Audit Committee and members of the Community Scrutiny Panel are eligible to claim expenses in line with approved policies and procedures. Each individual must sign a declaration stating that the expenses claimed were necessarily incurred during the course of their agreed duties. All claimed expenses are checked for accuracy and signed off by the Chief Executive or the Governance Manager whichever is the appropriate authority to approve the expense claim. Throughout 2024/25 no irregularities or fraudulent claims were made by any of those mentioned above.

2.6 On the 06 May 2024 following his election as PFCC, the Commissioner submitted a signed declaration of interest setting out any business and personal interests for which the Office should be aware in the context of the integrity of decision making. This form was published on the Commissioners website on 07 March 2024 to ensure public transparency of declarations. During 2024/25 the Commissioner and OPFCC Exec Team made a total of 33 decisions, of which the decision forms recorded that there were no personal and prejudicial interests. The Governance Manager has undertaken a review during the year of each decision form against the published declaration of interests and has confirmed that no conflicts of interests have been identified regarding any decisions the Commissioner has made during 2024/25.

2.7 During 2024/25 and in compliance with the arrangements governing supplier contacts, the Governance Officer has issued a notice on a monthly basis to all OPFCC staff formally requesting the documentation of any supplier contacts that have taken place in the previous month. Staff have made notification of 40 supplier contacts during the year through this process. These notifications form a supplier contact register that has been reviewed by the Governance Officer to provide assurance during procurement processes that there are no conflicts of interest at contract award. The Governance Manager has confirmed that during 2024/25 no issues or areas of

concern have been identified in relation to this area of work.

These practices have also been extended to all members of staff of CCFRA and no issues or irregularities have been identified during 2024/25.

2.8 On behalf of the Commissioner the Community Scrutiny Panel at their quarterly meetings review the CCFRA's performance in relation to Anti-Corruption. Reports provide information on the number, categories of reported incidents, officer and staff suspensions, ongoing cases and investigations which are being dealt with by CCFRA. This enables the Panel to identify emerging trends or patterns which the Panel can then ensure that preventative measures are put into effect. In addition, the Panel also dip sample police officer and police staff misconduct cases which have been finalised on a six- monthly basis. The Panel report their findings to the OPFCC Chief Executive at their Panel meetings, on the OPFCC website via the Panel minutes and within their Annual Report. During 2024/2025 the Panel did not identify any issues or areas of concern to be raised with the Commissioner.

2.9 CCFRA participates, on the OPFCC's behalf within the National Fraud Initiative having completed fraud risk assessments for the financial year. As this process is undertaken following the compilation of this report the OPFCC is not able to report on the outcome of the 2024/25 process at this time. No incidents of fraud were identified to the Chief Finance Officer during the 2024/25 processes. In terms of wider fraud and corruption there have been no frauds identified against CCFRA or the OPFCC in the last year.

2.10 To encourage reporting by OPFCC staff and CCFRA staff of anything they are concerned about sessions on Integrity were included at Extended Team Meetings in June and November in 2024; and how to report it to their line manager. The OPFCC have not been advised of any issues being raised with external organisations. The OPFCC website contains information on how members of the public could report any concerns.

2.11 The OPFCC and CCFRA has a Confidential Reporting (Whistleblowing) Policy which enables staff and members of the public to raise a concern but also be protected by the Public Interest Disclosure Act 1998. The policy is brought to the attention of staff and is also available on the OPFCC website. During 2024-25 the OPFCC did not receive any notifications from either staff or members of the public via it's Confidential Reporting process.

### **3. Internal Audit**

3.1 As part of the annual audit programme Internal Audit carry out reviews of a number of areas of business within the OPFCC and CCFRA. Each review evaluates any exposures to risks relating to the organisations governance, operation and information systems. Audit reviews undertaken during 2024/25 did not identify any risks to the OPFCC or CCFRA in relation to fraud or corruption.

### **4. Conclusions**

4.1 From the monitoring which has taken place during 2024/25 by the Office of the Police, Fire and Crime Commissioner, no instances of fraud or irregularity have been identified or reported. No allegations have been made against any member of staff or the Police, Fire and Crime Commissioner. When taking this into consideration assurance can be gained that the policy, systems and processes in place are working effectively.

### **5. Recommendations**

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPFCC's monitoring of Anti-Fraud and Corruption Activity.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

**Gill Shearer**  
**Chief Executive**

**Legal Implications:** the OPFCC has a statutory obligation with regard to preventing and dealing with fraud and corruption as outlined within the report.

**Financial Implications:** If the OPFCC does not actively manage any potential or actual fraud and corruption then there is the potential for the organisation to suffer financially, therefore having an impact upon its ability to provide policing services in Cumbria.

**Risk Management Implications:** there is a potential for the organisation to suffer not only financially, but with regard to its reputation leading to a loss of public confidence. The OPFCC could be open to legal challenge if it does not actively identify and manage fraud and corruption.

**Human Rights Implications:** None Identified

**Race Equality / Diversity Implications:** None Identified

Contact points for additional information

Joanne Head – Governance Manager  
Tel: 01768 217734  
E Mail: [joanne.head@cumbria.police.uk](mailto:joanne.head@cumbria.police.uk)

2024



**COMMUNITY SCRUTINY PANEL**

**ANNUAL REPORT**

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## Foreword from the Panel Chair

Welcome to the Community Scrutiny Panel Annual Report for 2024. This joint Panel promotes and influences high standards of ethical performance across the Office of the Police, Fire and Crime Commissioner, Cumbria Constabulary and Cumbria Fire and Rescue Service. Being entirely independent it provides robust assurance to the residents of Cumbria by investigating, dip sampling, constructively challenging and reviewing a broad range of aspects of policy, process and performance, through the lens of ethics and integrity.

I have had the pleasure of being Chair of the Community Scrutiny Panel since the beginning of 2024, having been a member of the Panel since 2022 and prior to that volunteering as an independent custody visitor.

Over the last 12 months we have continued to see challenge and change for the people of Cumbria. This can be attributed to many reasons, not least us still dealing with legacy issues from the pandemic; the increasing challenges of the cost-of-living crisis, and of course societal issues and political instability that affect us all in both the UK and abroad. The Panel have been hugely impressed by each organisations' resilience, commitment, focus and determination to serve our county; constantly striving to offer both the fire and rescue and the policing services that the public expect. This is of great credit to the organisations and their officers and staff.

While 2024 has been an incredibly challenging year, we have enhanced our work programme, adapted to look at a number of thematic areas and recruited additional members to the Panel broadening our capability, insight and diversity. The information in this, and our other quarterly reports, helps to promote a wider understanding and awareness of performance and ethical approach of both Fire and Rescue and the Constabulary.

We hope that you find the report useful and informative and on a personal level I would like to thank all colleagues I have worked with over the last few years in developing, evolving and growing the role of the panel, and our work.

*Jane Scattergood*

Community Scrutiny Panel Chair



The Police, Fire and Crime Commissioner,  
David Allen



2024 has been a year of change not only for my office but for the Community Scrutiny Panel. From 1 April 2023 we took on Fire Governance and the Panel are now encompassing this area of business into their annual work programme. I am incredibly grateful for the commitment, professionalism, independent and pragmatic

approach taken by the Community Scrutiny Panel in their work. They provide effective and sensible challenge which enables my office, the police and the fire and rescue service to take stock and indeed to change practice where necessary in order to improve the service we are all here to deliver to the public of Cumbria. The ability of the panel to evolve and undertake in-depth scrutiny of specific areas provides not only myself but also the communities of Cumbria with additional assurance. It seeks to achieve this by acting as a critical friend in the work it oversees.

Whilst we are blessed with highly professional, dedicated and committed police officers, staff, firefighters and fire staff we must always be ready to examine performance to ensure that each organisation maintains the highest possible standards, when often faced with difficult and challenging circumstances. I look forward to working with the Panel in 2025.

David Allen  
Police, Fire and Crime Commissioner for Cumbria

Chief Constable, Rob Carden



As a Constabulary we strive to provide members of the public with an outstanding police service to keep Cumbria safe. The ongoing transformation of the force has delivered significant improvements in performance and service delivery to communities across Cumbria over the last 12 months. The breadth of these

improvements covers a range of areas including call handling, response to calls, crime data integrity, standards of investigation, outcome rates, proactivity and crime prevention. However, in order to build public confidence in policing, it is imperative that our police officers and staff continue to demonstrate the highest ethical and moral standards.

The important work of the panel provides us with the independent scrutiny to ensure that we demonstrate the highest standards of ethical performance and continue to respect a national model of policing based on the principle of ‘policing by consent’.

Rob Carden  
Chief Constable, Cumbria Constabulary

Chief Fire Officer, Paul Hancock



The Vision of Cumbria Fire and Rescue Service is to be a community focussed, professional and trusted Fire and Rescue Service that makes Cumbria a safer place for all. Over the last twelve months the Service has gone through a significant change process and moved

from the governance of Cumbria County Council to the Police Fire and Crime Commissioner (PFCC). This has involved a significant amount of work, that has included the creation of new departments, a large number of policies and procedures to be rewritten and the introduction of new IT systems. Despite this, front-line performance to the people of Cumbria continues to be excellent.

The scrutiny work of the panel provides us and the public with the reassurance that we are delivering within a framework based on the National Fire Chief Councils Core Code of Ethics and enables us to continue to embed within the PFCCs governance structure with confidence.

Paul Hancock  
Fire Service Lead, Cumbria Fire and Rescue Service

## About the Community Scrutiny Panel

During 2024 the Panel changed its name from the Ethics and Integrity Panel to the Community Scrutiny Panel as it was felt that this would more accurately reflect the role and work of the Panel. The Community Scrutiny Panel challenge, encourage, support and promote and influence high standards of professional work and ethics within Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police, Fire and Crime Commissioner (OPFCC); ensuring that these are effective in all organisations. This report provides an overview of the work that the Panel has carried out during 2024.

The Panel meets privately on a quarterly basis to enable open and frank discussions. The agenda and reports are published on the Commissioner's website following each meeting, with only sensitive or confidential information being excluded. Notes from the meetings are provided by the Panel to the Commissioner to provide information about the Constabulary, Fire Service and OPFCC's performance in areas that relate to ethics and integrity. The purpose of this is to promote openness, transparency and public confidence.

A programme of work is developed and agreed on an annual basis enabling the Panel to fulfill its terms of reference and scrutiny role. Where necessary the Panel will also provide scrutiny for areas identified during HMICFRS inspections to enable the implementation of recommendations to be monitored. In addition, they have critical and important thematic issues referred to them by both Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police, Fire and Crime Commissioner. This enabled the Police, Fire and Crime Commissioner and the Chief Officers to be provided with independent reassurance.

Further information regarding the Panel, its membership, and the work it carries out can be found on the Commissioner's website:  
[Community Scrutiny Panel](#)



**The membership of the  
Panel in 2024 was:**

**Jane Scattergood  
Andrew Dodd  
Eloise Abbott  
Penny Walker  
Alison Ramsey**

**Alex Rocke  
Megan Masters  
Shaun Thomson  
Ben Phillips**



# Work of the Panel During 2024

## Code of Ethics and Code of Conduct



The Panel's role is to ensure that both the Constabulary, Fire Service and the Police, Fire and Crime Commissioner have embedded within their organisations their respective **Code of Ethics** and **Code of Conduct**.

The Panel have been provided with assurance whilst carrying out their role that all organisations take the ethos of the Code of Ethics and Code of Conduct seriously and this has been evident in the reviews and dip samples they have undertaken in other areas of business. During their various dip sample sessions, the Panel saw first-hand that policies and procedures within the Constabulary and Cumbria Fire and Rescue Service had the ethos of the Code of Ethics embedded within them.

Similarly, the Commissioner upon election in May 2024 swore an oath to act with integrity and signed a Code of Conduct and Ethics. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows transparency in all areas of the work of the Police and Crime Commissioner. These principles encompass the Commissioner's work locally and whilst representing Cumbria in regional and national forums.

Equally importantly, all the OPFCC members of staff adhere to a **Staff Code of Conduct** which is based upon the model Code of Conduct for Local Government Employees and incorporates the principles arising from the Nolan Report, providing a framework for all employees in terms of official conduct. During 2024 the Panel did not identify any complaints received from either members of staff or the Commissioner regarding conduct or integrity.

## Public Complaints



At their quarterly meetings the Panel received performance data from the Constabulary on the number of complaints received, how these have been managed and whether they were within the required timescales. From these reports there were areas which had again seen an increase in complaints being received, these being 'Police Action following Contact', 'Police Powers (Policies and Procedures) and Use of Force. The Panel undertook to specifically review some of these complaints to see if there were any trends or concerns during their two dip sample session in 2024. During these sessions within the Constabulary's Professional Standards Department (PSD) they reviewed a total of 60 files directly via the Centurion system enable members to view all information, actions and outcomes on the live system. Panel members spoke directly with case workers regarding any issues or concerns.

## Quality of Service Issues



The Office of the Police, Fire and Crime Commissioner received 789 letters, emails and telephone calls from members of the public who wished to raise issues or dissatisfaction with the Commissioner, highlighting issues that were concerning local communities. Many of these related to operational policing and the OPFCC liaised with the Chief Constable's Staff office to provide information or a solution for the individual. The types of issues raised are varied and detailed below are some of the categories:

- Police Service Dissatisfaction regarding the standard of service provided or received
- Firearms Licensing
- Fox Hunting
- Anti-Social Behaviour
- Anti-Social Driving
- Crime – drug dealing, rural crime, knife crime and ongoing 'in progress' issues.
- Welfare concerns

Many of the solutions were provided by the Constabulary in conjunction with local policing teams, local focus hubs and partner agencies, including local educational establishments, to see to identify the underlying causes of crime or behaviours and seek to support and deter individuals from going on to make further adverse life choices. The information gathered is used to look at how assistance or changes can be provided not only locally but throughout Cumbria. The Commissioner also uses the information to implement local initiatives to make a difference to local communities. Some of these included Safety of Women at Night (SWAN), Safer Streets Projects in Whitehaven and Workington, and funding for local projects through the 'Property Fund'.

The Commissioner also has responsibility for Fire governance and the OPFCC received twelve contacts from the public which related to:

- Fire Resources (buildings and fire fighters)
- Fire Consultation
- Miscellaneous/general issues
- Workforce complaints

The OPFCC also received a number of compliments thanking the Commissioner, Constabulary and Fire & Rescue Service for all their excellent work.



## Complaint Reviews

From 1 February 2020 the Office of the Police, Fire and Crime Commissioner (OPFCC) has carried out **Public Complaint Review** outcomes of when requested by the complainant. During 2024 the OPFCC received 49 review requests, which 11 (22.4%) of those carried out were upheld and recommendations made. The Constabulary had carried out further work providing the complainant and OPFCC with their findings and outcome. Identified learning from the upheld reviews was collated and disseminated within local teams and more widely across the force. The Commissioner is sighted on this information and monitors force progress and learning at his Executive Board meetings with the Chief Constable and other senior officers.



## Misconduct - Police Officer & Police Staff

The Panel received information on a quarterly basis relating to **Police Officer** and **Police Staff Misconduct** from the Constabulary's Professional Standards Department. This enables the Panel to monitor performance in relation to these areas of business and consider any patterns or trends across the whole organisation. During 2024 there were 80 conduct allegations made and the outcomes ranged from dismissal, written warnings and reflective practice. As part of their work programme the Panel have reviewed 13 gross misconduct files during two dip sample sessions in 2024. During the session the Panel reviewed all completed files, providing views and recommendations for any improvement in the way information was provided, how cases were handled or the public perception of the handling of such cases. The conduct matters related to the use of Constabulary systems without a policing purpose; discreditable conduct (including sexual harassment and other sexual conduct; unprofessional behaviour (respect and courtesy); honesty and integrity; and assault. During 2025 the Panel will look to review completed accelerated misconduct hearing cases as part of their work programme.

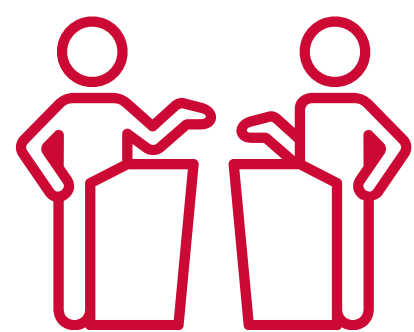


## Misconduct - Fire Employees



The Panel carried out a dip sample session of **Fire Employee Misconduct** cases in October, reviewing 10 of the 13 recorded cases which had been dealt with during previous 12 months. The cases had been dealt with a timely and professional manner. The use of an external investigator had produced clear and concise reports, providing consistency for the service. The Panel were particularly pleased to see that following the conclusion of each misconduct case it was internally reviewed to ascertain where improvements could be made in future cases or within the service.

## Grievances



On a six-monthly basis the Panel have reviewed **Police Grievances** being processed by the Constabulary. Although the Constabulary's HR Department dealt with all grievances, they link in with the Anti-Corruption Unit to ensure matters were cross referenced. In April and October 2024, the Panel reviewed a total of 9 finalised cases and discussed each one in turn with the HR Manager. Generally, the grievances were regarding policies and procedures or action taken against an individual. For any officer or member of staff leaving the organisation the Panel were keen that detailed conversations were held with individuals to help understand the issues and make improvements to officer and staff employment. The Panel also reviewed three **Fire Workplace Complaints (Grievances)** members found that the outcomes were appropriate. They recommended that further training for managers be provided to enable them to deal with such matters.

## Civil Claims



On behalf of the Police, Fire and Crime Commissioner the Panel also monitor **Civil Claims** being processed by the Constabulary and the Fire and Rescue Service. They received information about the types of claims being made, the stage the proceedings had reached and about the claims that had been resolved. As part of this oversight the Panel seek assurance that any trends are being identified and how the organisation has learnt from particular cases; disseminating such information throughout the organisation to avoid future risks and claims. For the Constabulary 85 claims had been made for a wide variety of issues; whilst the Fire and Rescue Service had 3 live cases being dealt with. Any identified learning was subsequently disseminated across the relevant organisation.

## Young in Service Officers



**Young in Service Officers** continued to be an area which the Panel reviewed across a number of areas of business including complaints, misconduct and officers leaving the organisation. As part of their 2025 work programme the panel would be reviewing sickness absence and exit interviews

## Recruitment – Fire Fighters



The Fire and Rescue service continued to carry out '**On-Call**' **Recruitment** throughout the year. Following feedback from the Panel in 2023 the service had changed the process which had received many positive responses. The process was now open all-year round to enable the service to build up a relationship and support potential candidates. Work had been carried out to speed up the different elements to allow candidates to understand whether they had been successful and move to the next element. The diversity of the workforce continued to developed, seeing more females joining and work being carried out to support neurodiverse and dyslexic candidates.

## Police Officer & Staff Wellbeing



During 2024 the Panel monitored **Officer and Staff Wellbeing and Sickness**. In November 2024 the total headcount for Police Officers was 1,359; Police Staff 704 and 60 PCSOs. Further recruitment would be carried out during 2025 and the Panel would be monitoring this as part of the 2025 work programme. During the second half of the year officer absence rates had increased from 3.6% at the same point in 2023 to 5.3%; with staff absence falling from 4.4% to 3.6% at the end of September 2024. Officer retention was a cause of concern to the Panel with the number of officers leaving the organisation increasing (7.3% during 2023/24) and a prediction that this would continue to rise during 2025. As part of the 2025 work programme the Panel would be dip sampling Constabulary employee absence and exit interviews.

## CFRS Employee Absences



The Fire and Rescue Service had taken the decision to combine the firefighter and staff sickness procedures into one. This would benefit both the organisation and its staff. The new Firewatch System would ensure that there was a clear and consistent policy and approach for all staff, enabling CFRS to obtain data and trends information. A Mental Health App was being developed and would be available for everyone to download and use. The Panel dip sampled 9 cases and identified that on occasions the cases lacked accurate records of discussions and agreed actions which was essential for both the organisation and individual. They recommended that the sickness process would benefit from having a timeline identifying the different stages and options for to assist in managing absence.

## Police Custody Detention



As part of the Government framework to monitor **Custody Detention Scrutiny** the Panel moved from an annual to quarterly performance reports and dip sample sessions where they reviewed 14 cases and provided feedback. They found that cell insertions were controlled and well managed; use of force forms were not completed by all officers; and raised concerns on the average time of detention disparity between white women and Asian women. It was understood that this was due to time taken for interpreters to attend police stations particularly for police interviews.

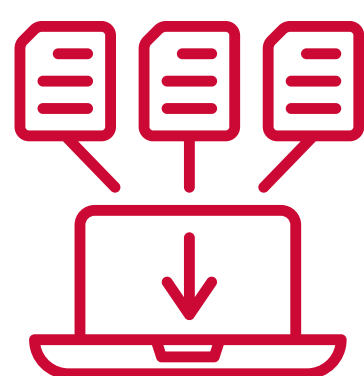
## Stop & Search and Use of Force



During 2024 the Panel undertook quarterly reviews of **Stop and Search and Use of Force**, enabling the implementation of HMICFRS recommendations to be monitored. The Panel carried out reviews of incidents via body worn video and completed forms, reviewing 53 separate incidents, some of which included incidents where the use of **TASER** had also been a factor. The Constabulary were using Stop and Search as a key tool by the proactive policing teams to help prevent and detect crimes. During some of the Stop and Search cases it was noted that young in-service officers were often quick to apply handcuffs leading individuals to become agitated, more resistant and non-cooperative. Although it ensured that officers remained safe, the Panel felt that the use of softer and verbal skills could achieve the same outcome and this was something that the force was developing with officers.



## Information Management



During 2024 the Panel received six monthly reports on how the Constabulary, Fire and Rescue Service and Office of the Police, Fire and Crime Commissioner were complying with their statutory duties in relation processing and managing data. This included Freedom of Information Requests, Subject Access Requests and data processing. Both the OPFCC and Constabulary continued to see a year-on-year increase in the number of requests being received. The reports also identified whether any data breaches had occurred and how these were dealt with, including whether or not they had been reported to the Information Commissioner's Office and the subsequent outcomes. CFRS also had responsibility to respond to planning applications within 14 days and during the first 6 months they responded to 247 applications with a 94.1% completion rate within the 14-day period.

## Violence Against Women and Girls



In May, the Panel was provided with an update on the work being carried out by the Constabulary to deliver an array of services in response to offences such as domestic abuse, sexual crime and patterns of behaviour. Cumbria was sixth nationally for positive outcomes or conviction rates, although there was some disproportion in how crimes were recorded and their outcomes. This had led to a domestic abuse trained sergeant and inspector reviewing each case to ensure everything that could have been done had been, to provide the best possible service.

## Race Action Plan



The Police Race Action Plan was initiated in May 2022 and sets out changes across policing to improve outcomes for Black people who work within or interact with policing. The Plan was split into four workstreams and the Panel were briefed on the work being carried out by the Force. Training was being provided and rolled out across the workforce, identifying how to address anti-racism, support staff and report issues to maintain the Code of Ethics. Good work was being carried out in Barrow where a sergeant had been working with black and minority groups, embedding PCSO's into different communities and setting up a desk within a multicultural organisation.



## Property Store

In 2022 the Panel had raised concerns about the number of civil claims being received in relation to lost or damaged property which had been held by the police. A review of all property stores had been carried out with a number of new storage and working practices being implemented. A significant step forward of inventory management had been realised with bar coding of all property locations to enable accurate accounting and auditing of property. Work was being carried out to identify different methods the force could use to dispose of digital devices. Cannabis dismantling was being developed to ensure a consistent approach to the dismantling and seizure of items from cannabis cultivations. The Panel would continue to monitor this work through reports and any reduction in civil claims being made.



## Right Care, Right Person

From May 2024, the Constabulary launched a new approach when dealing with vulnerable people who had health or social care needs to ensure that the right person with the right skills, training and expertise met their needs; and where the force did not have a legal responsibility to deal with the matter. This approach included signposting callers to contact the appropriate agency especially if the responsibility for a duty of care lay with another organisation. Collaborative work with partner organisations had been developed with testing of the designed toolkit taking place at the end of 2023 and early 2024 in preparation for the launch. As part of the 2025 programme the Panel will receive an update on the impact of the implementation.

# Thematic Sessions

Since its inception, the Panel has delivered a significant programme of work on a planned, dynamic and responsive basis. Detailed below are some of the areas the Panel reviewed during 2024.



**Police Officer/Police Staff Vetting** - during 2024 the Panel once again sought assurance from the Constabulary that they were carrying out rigorous vetting of new and existing officers and staff. There had been an increase in the number of vetting cases and a change to the College of Policing APP would place further requirements for dealing with vetting applications. Vetting dip sample sessions took place during February and August 2024, where the Panel reviewed a total of 16 cases. The Panel had found that robust checks had been carried out and where necessary applicants had not been progressed where they did not meet the strict criteria.



From July 2023 legislation had been passed requiring anyone working for CFRS (staff and volunteers) were required to have a **Disclosure Barring Service** (DBS) check as a condition of their appointment. The service had carried out over 600 checks which had identified a total of 29 positive outcomes. The Panel had dip sampled 13 cases and found that appropriate risk assessments and action had been taken where necessary. Their feedback had helped to inform and improve the process for future checks.



**Home Safety Visits** is an important element of CFRS' fire prevention programme. During 2023/24 they carried out 8,324 visits with a view to preventing accidental dwelling fires or fatalities. Referrals were often made from the NHS, police, social services or other organisations. The Panel dip sampled 18 referrals which represented a cross section of the different referral routes.



The use of **Body Worn Video** continued to feature within the monitoring work of the Panel. In 2023 the Panel had raised concerns and through work of the Constabulary with the National Police Chief's Council (NPCC) they had agreed a standardised national approach to pre-vent buffering on all Cumbria BWV recordings. The Panel had also identified that when attending incidents officers were not always activating their BWV when dealing with incidents or members of the public continued to be an issue, or the footage is not marked and retained. Although the situation has improved significantly over recent years. Some complaints could have been dealt with quicker and more effectively if this independent evidence had been available.

## Panel Member Recruitment

The Panel Chair, Alan Rankin, retired from the Panel in February 2024 having completed 9 years' service. Following the announcement of his retirement in late 2023 an appoint process was carried out in January 2024. At the conclusion of this process Jane Scattergood was appointed as Chair for a two-year term.

As part of a recruitment process, three additional members were appointed to the Panel. An induction process was held in January and the new members joined the Panel at the February 2024 meeting.

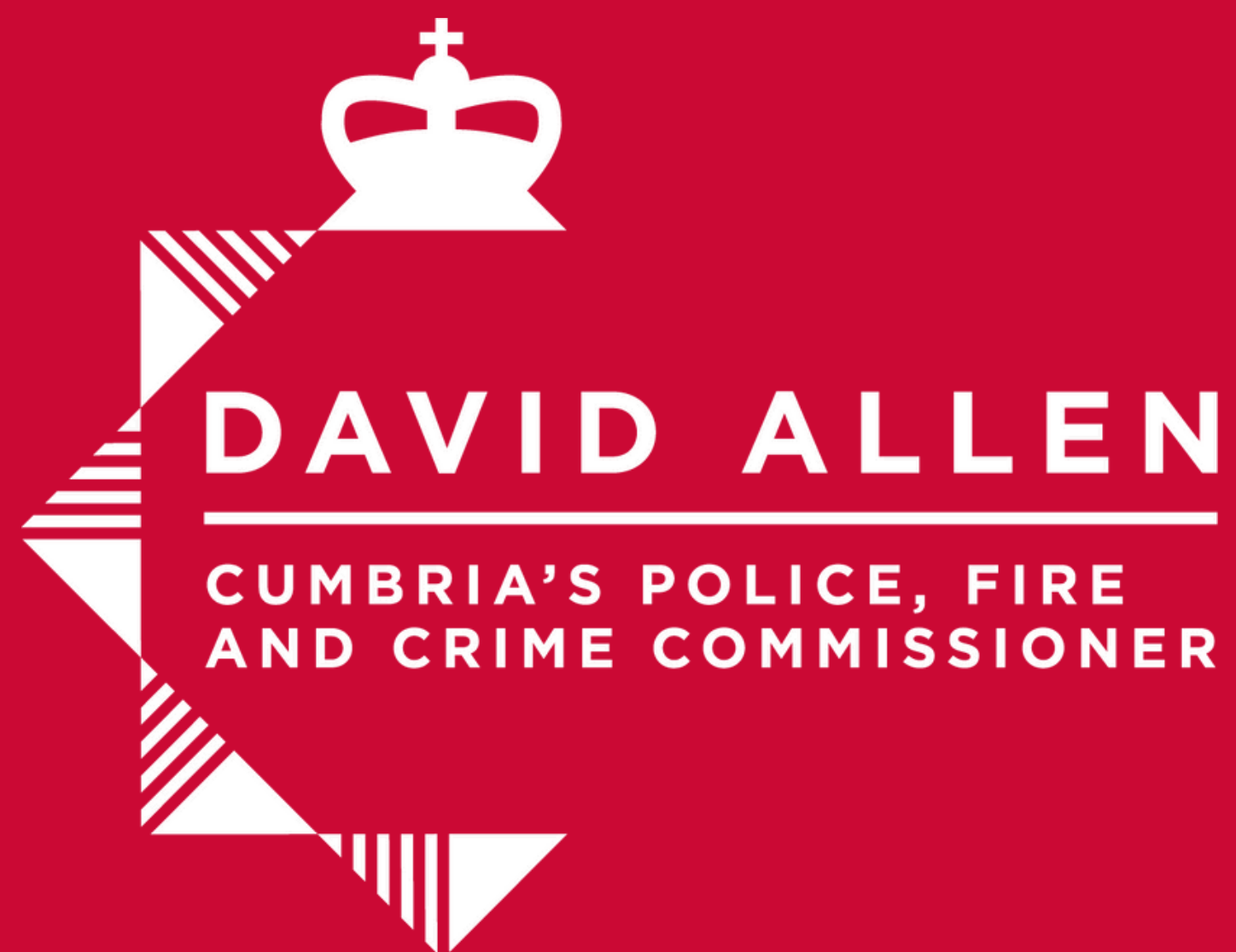


## Moving Forward

The Panel continues to develop their role, expanding into other areas of business to assist not only the Constabulary and Fire & Rescue Service, but enable the Police, Fire and Crime Commissioner to have further and more detailed oversight. They have shown their ability to respond to emerging and changing situations; adapt to understand the issues; work with the Constabulary, Fire and OPFCC to carry out work in addition to that scheduled within their work programme; and provide reassurance to these organisations and the public.

Recommendations and guidance given by the Panel continues to be welcomed; resulting in a number of positive changes and developments to processes and procedures. The Panel's 2025 work programme will continue to ensure that the Panel remain an independent body in their oversight of Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police, Fire and Crime Commissioner.





Cumbria Office of the Police, Fire and Crime Commissioner  
1-2 Carleton Hall,  
Penrith,  
Cumbria,  
CA10 2AU |

[commissioner@cumbria-pcc.gov.uk](mailto:commissioner@cumbria-pcc.gov.uk)

Tel: 01768 217734



# Cumbria Commissioner Fire and Rescue Authority

## Joint Audit Committee

<b>TITLE:</b>	Treasury Management Activities 2024/25 Quarter 4 (January to March 2025) and Annual Report 2024/25
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<b>DATE OF MEETING:</b>	<b>25 June 2025</b>
<b>REPORT OF:</b>	<b>Chief Finance Officer</b>
<b>REPORT AGENDA ITEM:</b>	<b>14</b>

### Executive Summary:

The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period January to March 2025, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

TMA's are undertaken in accordance with the Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs) approved by the Commissioner in February each year.

### Recommendations:

JAC Members are asked to note the contents of this report.

The report is provided as part of the arrangements to ensure members are briefed on Treasury Management and maintain an understanding of activity in support of their review of the annual strategy.

### Report Tracking:

Executive Board - Fire	27 May 2025
Joint Audit Committee	25 June 2025
Choose an item.	Click or tap to enter a date.

## **1.0 Introduction/Background**

- 1.1 Investment returns remained robust throughout 2024/25 with the Bank Rate reducing steadily throughout the course of the financial year (three 0.25% rate cuts in total), and even at the end of March the yield curve was still relatively flat, which might be considered unusual as further Bank Rate cuts were expected in 2025/26.
- 1.2 During 2024/25, investors were able to achieve returns in excess of 5% for all periods ranging from 1 month to 12 months in the spring of 2024, however by March 2025 deposit rates were some 0.75% - 1% lower
- 1.3 Bank Rate reductions of 0.25% occurred in August, November and February, bringing the headline rate down from 5.25% to 4.5%. Each of the Bank Rate cuts occurred in the same month as the Bank of England publishes its Quarterly Monetary Policy Report, therein providing a clarity over the timing of potential future rate cuts.
- 1.4 As of early April 2025, market sentiment has been heavily influenced of late by President Trump's wide-ranging trade tariffs policy. Commentators anticipate a growing risk of a US recession, whilst UK GDP is projected by the Office for Budget Responsibility to remain tepid, perhaps achieving 1% GDP growth in 2025/26.
- 1.5 Interest forecasts have not been straight-forward, concerns over rising inflation after the Autumn Statement in October led to reduced expectations for the Bank Rate to fall. The CPI measure of inflation is expected to reach c3.75% by the autumn of 2025, which could provide for some presentational issues for the Bank whose primary mandate is to ensure inflation is close to 2% on a two-to-three-year timeframe. At the end of March, only two further rate cuts were priced into the market for 2025 (4% at December 2025). A week later and sentiment had changed dramatically in the wake of the equity market sell-off, to the extent that markets now expect three Bank Rate reductions between May and December 2025 (Bank Rate to fall to 3.75%). However, as we know, the market & forecasts remain volatile.

## **2.0 TM Operations and Performance Measures**

- 2.1 The Commissioners day-to-day TMA are undertaken in accordance with the TMSS. The TMSS establishes an investment strategy with limits for particular categories of investment and individual counterparty limits within the categories.
- 2.2 Outstanding Investments: As at 31 March 2025 the total value of investments was £19.432m and all were within the revised TMSS limits.
- 2.3 The table below shows the outstanding investments at 31 March 2025 by category.

Category	Category Limit (£m)	Investments at 31/03/25 (£m)	Compliance with Limit
1 - Banks Unsecured	10	4.072	Yes
2 - Banks Secured	5	0.000	Yes
3 - Government (inc LA)	no limit	6.000	Yes
4 - Registered Providers	2	0.000	Yes
5 - Pooled Funds	10	9.360	Yes
<b>Total</b>		<b>19.432</b>	

- 2.4 A full list of the investments that make up the balance of £19.432m is provided at Appendix A.
- 2.5 **Investment Activity:** During quarter 4 a total of 26 investments with a combined value of £20.635m were made within TM categories 1-5 (banks unsecured, banks secured, government and pooled funds). In addition to these there were smaller investments in category 1 as overnight / instant access deposits.
- 2.6 **Non-specified investments:** The TMSS sets a limit for investments with a duration of greater than 364 days at the time the investment is made (known as non-specified investments), this limit is £5m. At 31 March the Commissioner had no investments meeting this description.
- 2.7 **Investment Income:** The base budget for investment interest receivable in 2024/25 was set at £278k based on the interest rate predictions at the time, since then interest rates have sharply risen & then started to fall again. The actual income achieved against this target was £883k. Balances have been higher than expected in 2024/25 due to the receipt of an extra £9m in July for the Fire Pensions AME grant, this was significantly higher due to additional pension remedy compensation. These compensation funds have only started to be paid out in recent months.
- 2.8 The average return on investments during quarter 4 was 4.58%. As a measure of investment performance, the rate achieved on maturing investments of over 3 months in duration would normally be compared with the average BOE base rate for the period of the investment, this was 4.63%.
- 2.9 **Cash Balances:** The aim of the TMSS is to invest surplus funds and minimise the level of un-invested cash balances. The actual un-invested cash balances for the period January to March are summarised in the table below:

	Number of Days	Average Balance £000	Largest Balance £000
<b>Quarter 4</b>			
Days In Credit	90	35	86
Days Overdrawn	0	0	0

- 2.10 There were a number of occasions where the bank balance exceeded the target balance of £7.5k as the practice of sweeping smaller balances daily into the liquidity select account was halted by the previous Joint CFO. The time taken to perform and verify the transfers outweighed the lost interest from holding higher balances in the main fund. Both the main



fund and liquidity select account are held at the Commissioners main bank (the NatWest) so there was no change to the risk profile.

- 2.11 The overnight balance of £86k occurred in January 2025, grant monies received into the CCFRA main fund account were held overnight to cover a large pension payment the next day, the amount received in overnight interest would not cover the £10 bank fee and the staff time to make an investment worthwhile.
- 2.12 **Loan Activity:** There was no loan activity in quarter 4. The balance on the outstanding loan was £7.5m on the 31 March 2025.

### **3.0 Prudential Indicators**

- 3.1 In accordance with the Prudential Code, the TMSS includes a number of measures known as Prudential Indicators which determine if the TMSS meets the requirements of the Prudential Code in terms of *Affordability, Sustainability and Prudence*.
- 3.2 An analysis of the current position with regard to those prudential indicators for the financial year 2024/25 is provided at Appendix B. The analysis confirms that the Prudential Indicators set for 2024/25 have all been complied with.

### **4.0 Annual Report on Treasury Management Operations 2024/25**

- 4.1 In February 2024 the Commissioner approved the 2024/25 Treasury Management Strategy Statement (TMSS). The TMSS incorporated the investment and borrowing strategies for the 2024/25 financial year. The investment strategy approved for 2024/25 was largely the same as had been adopted for the previous year. The limits for each category of investment were based on the relative security of each class of financial institution and a percentage of the estimated balances, which would be available for investment during the year.
- 4.2 In relation to borrowing, the CCFRA has a single loan with the Public Works Loan Bord. This loan was originally arranged in October 2018 by Cumbria County Council but was transferred to the CCFRA in April 2023 following Local Government reorganisation. The loan value is £7.5m and is on a 10-year interest only arrangement @2.6%. The interest is due twice a year, in April and October, and during 2024/25 the two payments were made each of £97,500. The loan will need to be fully repaid in October 2032.
- 4.3 In relation to borrowing, the Commissioner has an underlying need to borrow funds to finance the capital programme, which is measured by the Capital Financing requirement (CFR).
- 4.4 The CFR at the start of 2024/25 amounted to £23.267m (including £13.014m relating to the PFI agreement) leaving a £10.253m exposure to external borrowing at some time in the future, which is presently being covered by the use of internal funds (reserves).

- 4.5 The closing CFR for 2024/25 is £22.130m, of which £12.522m relates to the PFI thereby leaving a £9.608m exposure to the requirement to undertake external borrowing at some point.
- 4.6 Long term borrowing rates were high during 2024/25 and the core advice from MUFG Corporate Markets was to reappraise any capital expenditure plans/profiles, and internally borrow for any financing, or use short dated borrowing, this advice will remain until the long term rates reduce.
- 4.7 The provision of treasury management advice services is through a contract with MUFG Corporate Markets.
- 4.8 The Commissioner, in consultation with the treasury advisors continues to look for the most opportune time to undertake any longer term borrowing to fund the capital financing requirement.

## 5.0 Key Statistics:

### Principal:

Number of investments placed during 2024/25 was **101** (87 in 2023/24 87)

Value of investments placed during 2024/25 was **£91.581** (£230.080m in 2023/24).

- 5.1 All of these investments made were to external counterparties and as such will have attracted a £10 transfer fee per transaction. The transfer to the NatWest Liquidity Select account for overnight money is classed as an inter-account transfer' as the NatWest holds the Commissioner's main bank account. This type of transfer is free although we do pay a small fee to access the internet banking site. The value of investments placed reduced in 2024/5 due to there being more certainty over cashflow and fixing investments for longer periods of time, resulting in less transactions.

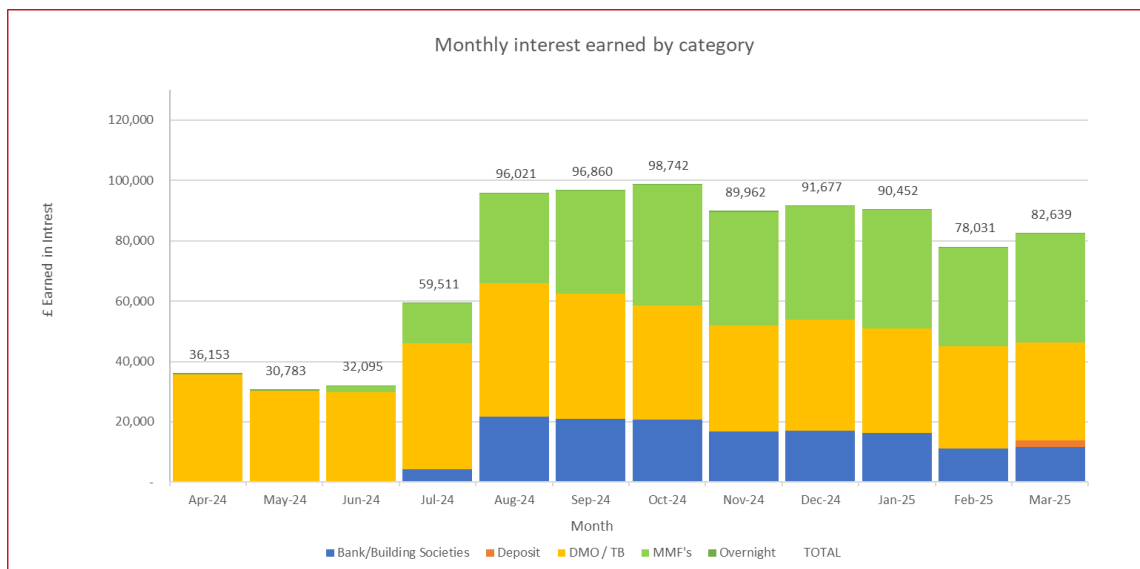
The **average** daily investment balance during 2024/25 was **£18.302m** (£12.038m 2023/24)

The **highest** daily investment balance in 2024/25 was **£25.370m** (£16.784m 2023/24)

- 5.2 A detailed breakdown of the closing balance invested as at 31 March 2024 is provided at **Appendix A.**

### Interest

- 5.3 A total of £883k was earned in 2024/25 from the treasury management activities and can be broken down as follows:



This chart illustrates the monthly interest receipts during 2024/25 by category of investment

- 5.4 As can be seen the majority of the interest earned was from the Debt Management Office and Money Market funds (Pooled Funds). The Money Market Funds became available for investment activity in June 2024.
- 5.5 The average return on investments for 2024/25 was 4.82% (4.93% in 2023/24). The base rate started the year at 5.25 % and decreased 3 times towards the end of the financial year as follows:

Date	Decrease	Rate
09/05/2024	0.00%	5.25%
01/08/2024	0.25%	5.00%
07/11/2024	0.25%	4.75%
06/02/2025	0.25%	4.50%

- 5.6 The rate has been held at 4.50% since February 2025, it is expected that rates will continue to reduce during 2025 and 2026.
- 5.7 The table above shows the outturn on investment interest as £883k for 2024/25 which is considerably above the £278k base budget. The base budget was set when interest rates were extremely volatile. In each quarterly treasury management activities report the latest expected outturn has been reported, namely, June £580k, September £680k and December £855k. Investment balances have been higher than expected in 2024/25 due to the receipt of an extra £9m in July for the Fire Pensions AME grant, this was significantly higher due to additional pension remedy compensation. These compensation funds have only started to be paid out in recent months.
- 5.8 The latest forecasts estimate that rates will reduce to 3.75% by the end of the financial year although the economy is still volatile, and this is the current forecast.

### Treasury Operations - Investment

- 5.9 As discussed above the aim of the Treasury Management Strategy is to invest surplus cash and minimise the level of un-invested cash balances, whilst limiting risks to the Commissioner's funds.
- 5.10 Actual un-invested balances for 2024/25 for the CCFRA main bank account are summarised in the table below:

	Number of Days	Average Balance £000	Largest Balance £000
2024/25			
Days In Credit	364	48	552
Days Overdrawn	0	0	0

- 5.11 The largest credit balance occurred June 2024 and was reported in the quarter 1 report. An error was made on the payment of an investment, this was corrected the next day.

### Treasury Operations – Borrowing:

- 5.12 No new borrowing activities were carried out during 2024/25.
- 5.13 The CCFRA has a single loan with the Public Works Loan Bord. This loan was originally arranged in October 2018 by Cumbria County Council but was transferred to the CCFRA in April 2023 following the Local Government reorganisation. The loan value is £7.5m and is on a 10-year interest only arrangement @ 2.6%. The interest is due twice a year, in April and October, and during 2024/25 the two payments were made each of £97,500. The loan will need to be fully repaid in October 2032.

### Compliance with Prudential Indicators

- 5.14 All treasury related Prudential Indicators for 2024/25, which were set in February 2024 as part of the annual Statement of Treasury Management Strategy, have been complied with. Further details can be found at **Appendix B**.

## 6.0 Conclusion

6.1 This report outlines Treasury Management Activities for the year 2024/25

## 7.0 Recommendations

7.1 JAC Members are asked to note the contents of this report

## 8.0 Implications

(List and include views of all those consulted, whether they agree or disagree and why. Must be completed prior to submission).

### 8.1 Financial

Contained within the report

<u>Comments made by:</u> Chief Finance Officer	<u>Date:</u> 13/03/2025
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### 8.2 Legal

n/a

<u>Comments made by:</u>	<u>Date:</u>
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### 8.3 Risk

n/a

<u>Comments made by:</u>	<u>Date:</u>
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### 8.4 HR

n/a

<u>Comments made by:</u>	<u>Date:</u>
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### 8.5 Equality

n/a

<u>Comments made by:</u>	<u>Date:</u>
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### 8.6 Procurement

n/a

<u>Comments made by:</u>	<u>Date:</u>

8.7 IT  
n/a

<u>Comments made by:</u>	<u>Date:</u>

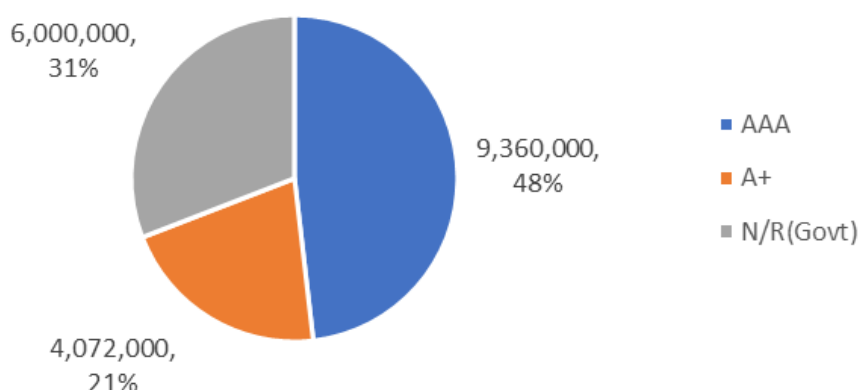
## 9.0 **Background Papers**

(List any relevant business case, EIA, PID, Media Strategy and append to this form; list persons consulted during the preparation of the report)

**Investment Balance at 31 March 2025**

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Counterparty Total (£)
<b>Category 1 - Banks Unsecured (Includes Banks &amp; Building Societies)</b>						
NatWest (Liquidity Select Acc)	A+		31-Mar-25	O/N	1.26%	72,000
LINK TREASURY - SMBC BANK	A+	18-Feb-25	18-Jun-25	79	4.52%	1,000,000
LINK TREASURY - NAT BANK KUWAIT	A+	27-Feb-25	27-Jun-25	88	4.55%	1,000,000
LINK TREASURY - STANDARD CHARTER	A+	31-Mar-25	30-Sep-25	183	4.34%	1,000,000
Lloyds Bank Corporate Markets Plc (NRFB)			31-Mar-25			1,000,000
						<b>4,072,000</b>
<b>Category 2 - Banks Secured (Includes Banks &amp; Building Societies)</b>						
						<b>0</b>
<b>Category 3 - Government (Includes HM Treasury and Other Local Authorities)</b>						
Debt Management Office	Gov	28-Feb-25	09-May-25	39	4.4500%	3,000,000
Debt Management Office	Gov	14-Mar-25	30-May-25	60	4.4200%	1,000,000
Debt Management Office	Gov	19-Mar-25	30-Apr-25	30	4.4450%	1,000,000
Debt Management Office	Gov	26-Mar-25	30-Apr-25	30	4.4550%	1,000,000
						<b>6,000,000</b>
<b>Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)</b>						
INVESCO AIM	AAA	Various	On Demand	O/N	4.520%	2,000,000
ABERDEEN STANDARD	AAA	Various	On Demand	O/N	4.540%	2,000,000
FIDELITY INTERNATIONAL	AAA	Various	On Demand	O/N	4.510%	2,000,000
BLACKROCK	AAA	Various	On Demand	O/N	4.420%	1,360,000
GOLDMAN SACHS ASSET MANAGEMEN	AAA	Various	On Demand	O/N	4.430%	2,000,000
						<b>9,360,000</b>
<b>Total</b>						<b>19,432,000</b>

**Analysis of Outstanding Investments by Credit Rating of Counterparty at 31 March 2025**



Note – The credit ratings in the table & chart relate to the standing as at 31 March 2025, these ratings are constantly subject to change.

## Prudential Indicators 2024/25

Treasury Management Indicators				Result	RAG	Prudential indicators				Result	RAG
5	<b>The Authorised Limit</b> <i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section3(1) of the Local Government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	YES		<b>Ratio of Financing Costs to Net Revenue Stream</b> <i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs.</i>				TEST - Is the ratio of captial expenditure funded by revenue within planned limits	YES	
	<b>The Operational Boundary</b> <i>The operational boundary represents and estimate of the most likely but not worse case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i>	TEST - Is current external borrowing within the approved limit	YES		<b>Net Borrowing and the Capital Financing Requirement</b> <i>This indicator is to ensure that net borrowing will only be for capital purposes. The Police, Fire Crime Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i>				TEST - Is net debt less than the capital financing requirement	YES	
	<b>Actual External Debt</b> <i>The Police, Fire Crime Commissioner will seek advice from the advisors before undertaking any new borrowing. New external borrowing will be required to finance the capital expenditure programme.</i>	TEST - Is the external debt within the Authorised limit and operational boundry	YES		<b>Capital Expenditure and Capital financing</b> <i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2024/25.</i>				TEST - Is the current capital outurn within planned limits	YES	
	<b>Gross and Net Debt</b> <i>The purpose of this indicator is to highlight a situation where the Police, Fire Crime Commissioner is planning to borrow in advance of need.</i>	TEST - Is the Chief Fire Officer planning to borrow in advance of need	NO		<b>Capital Financing Requirement</b> <i>The CFR is a measure of the extent to which the Police, Fire Crime Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>				TEST - Is the capital financing requirment within planned limits	YES	
	<b>Maturity Structure of Borrowing</b> <i>The indicator is designed to exercise control over the Police, Fire Crime Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO								
2	<b>Upper Limit for total principal sums invested for over 365 Days</b> <i>The purpose of this indicator is to ensure that the Police, Fire Crime Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i>	TEST - Is the value of long term investments witin the approved limit	YES								





## Cumbria Office of the Police, Fire and Crime Commissioner

Joint Audit Committee 25 June 2025: Agenda Item 14

### Review of effectiveness of the arrangements for Audit 2024/25

A Joint Report by the Chief Executive and PFCC/CCFRA Chief Finance Officer of the Police, Fire and Crime Commissioner.

#### 1. Introduction and Background

- 1.1. The Accounts and Audit Regulations 2015 removed the requirement within the 2011 Regulations to conduct an annual review of the effectiveness of the arrangements for audit. Assurances in respect of the arrangements for audit are however part of a robust governance framework. They support the Commissioner in placing reliance on the opinion of the Director of Audit (TIAA) and support the Joint Audit Committee in placing reliance on the work and reports of the internal auditors. An effective internal audit service is also a characteristic within the seven principles of the CIPFA 2016 Good Governance Framework.
- 1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines the system of Internal Audit as the entirety of the arrangements for audit put in place by the entity, including the activities of any oversight committee. This report sets out an overall judgment, based on that review. The review comprises the arrangements for internal audit, detailed within this report and the arrangements for the Joint Audit Committee, detailed in the Committee's Review of Effectiveness. The review of effectiveness in relation to the Joint Audit Committee is now conducted over a biennial cycle as follows:
  - Odd Years – A report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance is produced.

- Even Years - A 360' review of committee effectiveness which is private meeting between members, DCC, OPFCC CFO / CCFRA CFO, OPFCC CEO & CC CFO.

1.3. The review process seeks to provide assurance that the arrangements are adequate and effective. This is based on a judgment made following an assessment of compliance with relevant codes and standards. For internal audit the review is undertaken against the Public Sector Internal Audit Standard (PSIAS). The review of the effectiveness of the arrangements for the Joint Audit Committee is undertaken in line with the CIPFA 2018 guidance<sup>1</sup> that provides an evaluation self-assessment framework and a checklist of good practice.

## 2. Effectiveness of the Internal Audit Function

2.1. From 2022/23, an arrangement was put in place for Internal Audit Services with TIAA Ltd providing this function. This arrangement came to an end on 31 March 2025 with new provider being appointed (MIAA).

2.2. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit provider with the PSIAS. The Director of Audit (TIAA) is required under the PSIAS to include within his annual report, a statement of conformance with the Standards. Any instances of non-conformance must be reported to the Joint Audit Committee. Furthermore, any significant non-conformance should be considered for inclusion within the Commissioner and Chief Constable's and Cumbria Commissioner Fire and Rescue Authority respective Annual Governance Statements.

2.3. The Public Sector Audit Standards support audit effectiveness by setting out the requirements for the governance, management and delivery of internal audit. This includes a requirement to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. Key elements of the QAIP include on-going monitoring of the performance of the internal audit activity, periodic assessment or self-assessment and external assessment. The QAIP also ensures that reasonable assurance is provided that Internal Audit is performing its work in accordance with its Internal Audit Charter, which is consistent with the PSIAS and that it operates in an effective and efficient manner.

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<sup>1</sup> audit committees\Practical Guidance for Local Authorities and Police

- 2.4. The QAIP is included within the Director of Audit (TIAA) annual report and opinions for 2024/25 and will be presented to members of the Joint Audit Committee at their meeting on 25 June 2025 for review. The QAIP report set out what was in place during 2024/25. The QAIP sets out for members how audit engagements are supervised, how work including final reports are reviewed, arrangements for the audit manual and performance measures. The QAIP also includes the annual assessment of Internal Audit's conformance with its Charter and annual completion of the CIPFA checklist for assessing conformance with the PSIAS. The Internal Audit Charter in place during 2024/25 was presented at the 20 March 2024 Joint Audit Committee. The Internal Audit Charter sets out the purpose, authority, responsibility and objectives of Internal Audit, providing clarity on how Audit works, its scope, lines of reporting and requirements in respect of objectivity and independence. The Charter, alongside the QAIP, supports the organisation and its auditors in ensuring the delivery of arrangements for Internal Audit that are effective. During the year members of the Joint Audit Committee have also received monitoring reports on actual performance against Internal Audit's performance framework at their quarterly meetings.
- 2.5. The summary of the outcomes of the completed self-assessment is attached to this report at Appendix A and is further supported by an evaluation of the role of the Director of Audit (TIAA) against the CIPFA standard at Appendix B. The full 48 page checklist is retained on file for review by the External Auditors. The Annual Report of the Director of Audit (TIAA), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.6. TIAA Limited commissioned an External Quality Assessment (EQA) of its internal audit services in 2022. An EQA is required every five years, in line with the requirements of the International Professional Practices Framework (IPPF) and the Standards set by the Global Institute of Internal Auditors (IIA). The independent EQA considered TIAA's conformance with the IPPF and the Standards and also the Public Sector Internal Audit Standards (PSIAS), which govern internal audit in the public sector. The independent EQA was undertaken by a senior partner at Chiene + Tait, a long-established and high-quality accountancy firm headquartered in Edinburgh with offices in Scotland and London. The review assessed TIAA's internal audit methodology and delivery against the Core Principles, the Code of Ethics and the Standards. It took into account their comprehensive framework, their guiding policies, organisational culture, planning and delivery, investment in their people, tools and techniques and their quality assurance framework, including feedback from clients. The independent EQA assessor was able to

conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model. It was also noted that there were no areas of non-conformance or partial conformance with the Standards.

- 2.7. The review of internal audit against the PSIAS provides the primary source of assurance. Further assurance of the effectiveness of internal audit was previously taken from the opinion provided by the external auditors. In 2020, the external auditor (Grant Thornton) advised that they no longer use the work of internal audit to assist with their own work and as such have not provided an opinion on the work of internal audit. The internal auditors have however shared some information with external auditors in relation to the audit on financial sustainability to prevent the finance team having to duplicate provision of information.

### 3. Effectiveness of arrangements for an Audit Committee

- 3.1. The effectiveness of the arrangements for an audit committee is assessed by reviewing the arrangements for the Joint Audit Committee against the assessment criteria and checklist provided by CIPFA in its 2018 updated publication "audit committees, Practical Guidance for Local Authorities and Police". The guidance document provides a detailed regulatory framework against which the work and activity of the committee, in addition to the overall arrangements, can be assessed and consideration given to areas for improvement and development. In a change from previous years, from 2020/21 the effectiveness of the committee is to be assessed on a biennial cycle as outlined in paragraph 1.2 above.
- 3.2. The overall conclusion and assessment from the review is that the Joint Audit Committee is effective in its operation. However, with the addition of Fire responsibilities and a new Commissioner in May 2024, the Committee will undertake a more formal review in June 2024 to undertake a full 360 degree review.

## 4. Conclusions

- 4.1. From the reviews described above, it is concluded that:

- i. The review of the internal audit arrangements against the PSIAS, and supported by the review of the role of the Head of Internal Audit, demonstrates that the service is effective.
  - ii. The annual review of the arrangements for an audit committee in accordance with the guidance, assessment criteria and checklists defined by CIPFA, demonstrates that the Joint Audit Committee is effective in its operation
- 4.2. When taken together, there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2025, or to the date of this meeting.

## 5. Recommendations

- 5.1. Members of the Joint Audit Committee are asked to consider this report and:
- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2025 and to the date of this meeting, and
  - ii. Consider any areas where they might wish to make recommendations to the Commissioner and Chief Constable for improvements in 2025/26.
- 5.2. The Commissioner, Chief Constable and Chief Fire Officer are asked to consider this report and:
- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2025 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
  - ii. Consider any areas where they might wish to see improvements or changes in 2025/26.

Gill Shearer  
OPFCC Chief Executive

Steven Tickner  
OPFCC Chief Finance Officer / CCFRA Chief Finance Officer  
25 June 2025

**Human Rights Implications:** None Identified

**Race Equality / Diversity Implications:** None Identified

**Personnel Implications:** None Identified

**Financial Implications:** None Identified

**Risk Management Implications:**

The Annual Governance Statement and the underpinning reviews, including the effectiveness of arrangements for audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner and Chief Constable discharge their respective responsibilities.

**Contact points for additional information**

Steven Tickner – OPFCC Chief Finance Officer / CCFRA Chief Finance Officer

Tel: 0300 124 0113 Ext: 44957

E Mail: [steven.tickner@cumbria.police.uk](mailto:steven.tickner@cumbria.police.uk)

## Review of Internal Audit Effectiveness

### 1. Definition of Internal Auditing

- 1.1. Internal audit work is carried out in line with the definition of internal auditing so as to provide independent assurance on the Commissioner's and Chief Constable's systems of risk management, governance and internal control.
- 1.2. All internal audit reviews result in an audit report detailing the level of assurance that can be given. Standard definitions are in place to ensure consistency in the assurance levels across the service.
- 1.3. Internal audit does not have any operational responsibilities, thereby ensuring its ability to independently review all of the Commissioner and Chief Constable's systems, processes and operations

### 2. Code of Ethics

- 2.1. The internal audit team have been made aware of the mandatory code of ethics within the PSIAS and have the opportunity to discuss this at team meetings.
- 2.2. All internal audit work is performed with independence and objectivity and all staff are aware of the need for them to declare any relevant business interests in order that any potential conflict of interest or compromise to audit objectivity is effectively managed.
- 2.3. Staff are aware of their responsibilities in relation to confidentiality and information governance.
- 2.4. Arrangements are in place to ensure that work is performed by staff with the appropriate skills, knowledge and experience and that training and development needs are identified through annual appraisals and six-month reviews.

### 3. Purpose, Authority and Responsibility

- 3.1. An internal audit charter is in place which defines the purpose, authority and responsibility of internal audit as well as its rights of access to all information, premises and personnel for the purpose of completing internal audit reviews.
- 3.2. The charter sets out the functional reporting line of the Director of Audit (TIAA) to the Joint Audit Committee to ensure internal audit independence.
- 3.3. Director of Audit (TIAA) attends all meetings of the Joint Audit Committee.
- 3.4. Director of Audit (TIAA) has direct access to the Chief Officer Group (Constabulary), Senior Leadership Team (Fire), the Chief Executive, the Commissioner and the Joint Audit Committee Chair.
- 3.5. The reporting lines for the Director of Audit (TIAA) ensure that internal audit independence is maintained and in line with the Standards, the Audit Manager reports directly to the Chief Finance Officer (S151 Officer) who is a member of the Public Accountability Conference.
- 3.6. There have been no identified threats to internal audit independence or objectivity during the year.
- 3.7. The Standards refer to the arrangements for the Director of Audit (TIAA) appraisal. Input and feedback should be obtained from the Chief Executive or equivalent and Chair of the Joint Audit Committee. This is a requirement of the employing organisation designed to protect the independence of the Director of Audit (TIAA) in relation to those audits that may be subject to undue influence, being within the area of the appraiser's responsibility. Whilst this is not a requirement for either the Commissioner, Chief Constable, Chief Fire Officer or the Chief Finance Officer, on behalf of both entities, will provide feedback on the performance of the Director of Audit (TIAA) as part of the arrangements for management of the internal audit contract.

### 4. Proficiency and Due Professional Care

- 4.1. Director of Audit (TIAA) is professionally qualified and experienced to deliver an effective internal audit service.



- 4.2. Job descriptions and person specifications reflect the duties required to deliver the risk-based approach to internal auditing and the skills needed to undertake the roles.
- 4.3. The TIAA team has a wide range of skills and experience brought about by the fact that they are a specialist internal audit provider operating nationally.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Director of Audit (TIAA) to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2024/25. The programme has been formally documented and is included as an appendix, within the Head of Internal Audit's annual report and opinions for 2023/24, which is included within this agenda. This includes the adoption of a comprehensive performance framework that is incorporated within the audit charter. The Joint Audit Committee have received quarterly reports monitoring actual performance against the framework.

## 5. Performance Standards

- 5.1. Internal audit work is undertaken to support the purpose of internal audit as defined within the audit charter. Management arrangements are in place to ensure that all work is delivered in accordance with the charter and to deliver relevant assurance to management, the Joint Audit Committee, the Commissioner, Chief Constable and Chief Fire Officer.
- 5.2. Risk based audit plans have been developed across the internal audit service. The plans have been developed to enable an overall annual opinion to be provided on the arrangements for governance, risk management and internal control.
- 5.3. In developing the plans, account has been taken of the organisation's risk management frameworks, the expectations of senior management and emerging national and local issues.
- 5.4. Audit plans have been developed based on a documented risk assessment. Arrangements are in place to report required amendments to audit plans to the Joint Audit Committee should this become necessary.
- 5.5. The plans identify the audit resources required to deliver them and arrangements are in place to allocate the workload across the audit team in advance to ensure all plans can be delivered.

- 5.6. Arrangements are in place to ensure the audit manual is continually updated as working practices continue to be reviewed.
- 5.7. Internal audit contributes to improving the Commissioner, Chief Constable's and Chief Fire Officer's operations through delivery of approved audit plans. Internal audit recommendations are aimed at strengthening performance and risk management, governance and ethical policies and values and internal controls.

## 6. Engagement Planning

- 6.1. All internal audit reviews are scoped and a brief prepared setting out the scope and objectives of the audit work together. This process ensures that management input to the scope of each audit. A standard client notification document has been designed and has been used for all audit reviews. Audit scopes include consideration of systems, records, personnel and premises.
- 6.2. The audit planning process includes a preliminary assessment of risk for each audit included in the plan. Auditors then undertake research as part of planning individual audit reviews to identify specific risks within the area under review. Within the risk based approach, once the scope of an audit is agreed, a full risk identification exercise is undertaken as part of the audit fieldwork. This ensures that risk is considered throughout the audit process.
- 6.3. The Internal Audit management review process ensures that work plans are prepared for each audit that document how the audit objectives will be met and that sufficient audit work is undertaken to support conclusions reached.
- 6.4. There is a document retention policy in place to manage audit records.
- 6.5. All internal audit work is subject to management review, and there is a consistent approach in place to documenting and retaining evidence of this review.
- 6.6. All internal audit reports are issued in draft for management comments and agreement of the factual accuracy and completion of the action plan. Clients have the opportunity to discuss the draft reports with the auditor.
- 6.7. Audit final reports issued in relation to 2024/25 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

- 6.8. The Director of Audit (TIAA) produces an annual report to the Joint Audit Committee and the Public Accountability Conference, which includes the overall opinion on the arrangements for governance, risk management and internal control. The report includes a summary of the work undertaken in support of the opinion.

## 7. Monitoring Progress

- 7.1. Arrangements are in place for follow up of agreed actions arising from internal audit reports and the outcome of these is reported to the Joint Audit Committee within the quarterly progress reports.

## 8. Communication of the Acceptance of Risks

- 8.1. Arrangements are in place to ensure that where key risks are accepted by management, this is discussed with senior management. Should the Director of Audit (TIAA) consider that the organisation is accepting a level of risk that may be unacceptable, this would be reported to the Joint Audit Committee and the Public Accountability Conference.

## CIPFA Statement on the Role of the Head of Internal Audit 2019

### 1. Introduction

- 1.1 In 2019, CIPFA published an updated Statement on the Role of the HoIA in Public Sector Organisations in recognition of the critical position occupied by the Head of Internal Audit (HoIA) within any organisation in helping it to achieve its objectives by giving assurance on its internal control and risk management arrangements and playing a key role in promoting good corporate governance. Conformance with the Statement is cited as an example of good governance within the Delivering Good Governance Framework 2016

### 2. The Five Principles

- 3.1 The Statement sets out how the requirements of legislation and professional standards should be fulfilled by the HoIA in carrying out their role and is structured under five core principles:
- 3.2 The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:
- championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
  - giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.
- 3.3 To perform this role, the Head of Audit:
- must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee
  - must lead and direct an internal audit service that is resourced to be fit for purpose; and
  - must be professionally qualified and suitably experienced.
- 3.4 A completed self-assessment template is attached below for appropriate sign off.

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
	Principle 1: The HIA in a public service organisation plays a critical role in delivering the organisation’s strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments				
1.1	Set out the HIA’s role in good governance and how this fits with the role of others.	HoIA Role Profile sets out the contribution of the annual report of the HoIA to the Annual Governance Statement.	✓		
1.2	Ensure that the importance of good governance is stressed to all in the organisation, through policies, procedures and training	Code of Corporate Governance sets out the frameworks that are in place to support the overall arrangements. There are individual codes for the Cumbria OPFCC and Cumbria Constabulary. Cumbria Commissioner Fire and Rescue Authority has its own Corporate Governance Framework	✓		
1.3	Ensure that the HIA is consulted on all proposed major projects, programmes and policy initiatives.	Internal audit plan incorporates some capacity to respond to emerging issues and projects.	✓		
	Principle 2: The HIA in a public service organisation plays a critical role in delivering the organisation’s strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control				
2.1	Set out the responsibilities of the HIA, which should not include the management of operational areas.	Responsibilities of the HoIA are set out in the Role Profile and do not include any operational responsibilities.	✓		
2.2	Ensure that internal audit is independent of external audit.	Internal audit is independent of external audit. IA plans will be shared with external audit, but will not be in any way directed by external audit.	✓		
2.3	Where the HIA does have operational responsibilities the HIA’s line manager and the Audit Committee should specifically	Not applicable.			

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
	approve the IA strategy for these and associated plans and reports and ensure the work is independently managed.				
2.4	Establish clear lines of responsibility for those with an interest in governance (e.g. Chief Executive, Chief Legal Officer, Chief Financial Officer, Audit Committee, non-executive directors/elected representatives). This covers responsibilities for drawing up and reviewing key corporate strategies, statements and policies.	Clear lines of responsibility are set out in job roles, the scheme of delegation and key supporting governance documents e.g. financial regulations, procurement regulations, grant regulations. The Joint Audit Committee has a clear Terms of Reference consistent with the CIPFA guidance.	✓		
2.5	Establish clear lines of reporting to the Leadership Team and to the Audit Committee where the HIA has significant concerns	Reporting lines are defined within the Internal Audit Charter which has been agreed by the Board.	✓		
2.6	Agree the terms of reference for internal audit with the HIA and the Audit Committee as well as with the Leadership Team	Internal audit charter sets out internal audit's terms of reference. Charter has been approved by Board and presented to Joint Audit Committee.	✓		
2.7	Set out the basis on which the HIA can give assurances to other organisations and the basis on which the HIA can place reliance on assurances from others.	The basis of assurances provided to other organisations is set out within the contract.  Various sources of assurance have been taken into consideration in preparing the audit plan to ensure optimum audit coverage.	✓		
2.8	Ensure that comprehensive governance arrangements are in place, with supporting documents covering e.g. risk management, corporate planning, anti-fraud and corruption and whistleblowing.	Key governance documents include the Code of Corporate Governance, scheme of delegation, Anti-fraud and corruption strategy, policy and procedure. Risk management arrangements are in place and the corporate risk register for each organisation is reported to Joint Audit Committee.	✓		
2.9	Ensure that the annual internal audit opinion and report are issued in the name of the HIA.	Annual report of the Director of Audit (TIAA) contains the internal audit opinion for the Police & Crime Commissioner for Cumbria, the Chief Constable for Cumbria Constabulary and	✓		

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
		Cumbria Commissioner Fire and Rescue Authority. This report is presented to Joint Audit Committee by the Director of Audit (TIAA).			
2.10	Include awareness of governance in the competencies required by members of the Leadership Team.	Role profiles for the Chief Executive, CFO and deputy monitoring officer are based on the relevant professional standards and include governance responsibilities. Constabulary Chief Officers are trained on governance matters as part of their professional qualification.	✓		
2.11	Set out the framework of assurance that supports the annual governance report and identify internal audit's role within it. The HIA should not be responsible for preparing the report.	The framework of assurance that supports the annual governance statement is documented within the Statement itself.  HIA is not responsible for preparing the AGS.	✓		
2.12	Ensure that the internal audit strategy is approved by the Audit Committee and endorsed by the Leadership Team.	Public Sector Internal Audit Standards (PSIAS) refer to the requirement for internal audit plans to include a statement of how internal audit service will be delivered. This is included within the audit plan.	✓		
	<b>Principle 3: The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.</b>				
3.1	Designate a named individual as HIA in line with the principles in this Statement. The individual could be someone from another organisation where internal audit is contracted out or shared. Where this is the case then the roles of the HIA and the client manager must be clearly set out in the contract or agreement.	The Director of Audit (TIAA) is the designated HoIA for the PFCC / Chief Constable / CCFRA	✓		

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.2	Ensure that where the HIA is an employee that they are sufficiently senior and independent within the organisation's structure to allow them to carry out their role effectively and be able to provide credibly constructive challenge to the Management Team.	Not applicable.			
3.3	Ensure that where the HIA is an employee the HIA is line managed by a member of the Management Team. Where the HIA is not an employee then the reporting line must be clearly set out in the contract or agreement with the internal audit supplier.	Not applicable.			
3.4	Establish an Audit Committee in line with guidance and good practice.	There is a Joint OPFCC / Constabulary Audit Committee which is the recommended approach in the Financial Management Code of Practice for the Police Forces of England and Wales. The Joint Audit Committee undertakes on a biennial basis a self-assessment against the CIPFA practical guidance checklist and has assessed itself as performing appropriately, in the intervening years, the committee and officers carry out a 360' review of the work of the committee.  The Joint Audit Committee is also responsible for scrutiny of Cumbria Commissioner Fire and Rescue Authority	✓		
3.5	Set out the HIA's relationship with the Audit Committee and its Chair, including the Committee's role (if any) in appointing the HIA.	The relationship is set out in the Internal Audit Charter.	✓		



## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.6	Ensure that the organisation's governance arrangements allow the HIA: – to bring influence to bear on material decisions reflecting governance; – direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit; and – to attend meetings of the Leadership Team and Management Team where the HIA considers this to be appropriate.	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		
3.7	Set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in (significant) partner organisations.	This is defined within the Internal Audit Charter	✓		
3.8	Set out the HIA's responsibilities relating to partners including joint ventures and outsourced and shared services.	The HoIA responsibilities are defined within the Audit Charter in relation to the arrangement with TIAA.	✓		
<b>Principle 4: The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.</b>					
4.1	Provide the HIA with the resources, expertise and systems necessary to perform their role effectively.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		
4.2	Ensure that the Audit Committee sets out a performance framework for the HIA and their team and assesses performance and takes action as appropriate.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
4.3	Ensure that there is a regular external review of internal audit quality	Mandatory EQA of TIAA was undertaken in 2022 with a 'Generally Conforms' rating being given.	✓		
4.4	Ensure that where the HIA is from another organisation that they do not also provide the external audit service	TIAA does not provide the external audit service to the Police & Crime Commissioner for Cumbria or the Chief Constable for Cumbria Constabulary or Cumbria Commissioner Fire and Rescue Authority	✓		
	<b>Principle 5: The HIA in a public service organisation must be professionally qualified and suitably experienced</b>				
5.1	Appoint a professionally qualified HIA whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood throughout the organisation.	HoIA responsibilities are defined and make appropriate reference to the requirements of the 2019 CIPFA Statement.	✓		
5.2	Ensure that the HIA has the skills, knowledge, experience and resources to perform effectively in his or her role.	28 years of internal audit experience which has allowed him to lead auditing projects for private and public sector organisations, financial due diligence and operations for a large number of clients.	✓		



Cumbria Commissioner Fire & Rescue Authority

Annual Governance Statement – Good Governance Principles 2024-25

## Introduction and Scope of Responsibilities

The Police, Fire and Crime Commissioner for Cumbria (the Commissioner) in his capacity as Cumbria Commissioner Fire & Rescue Authority is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at [www.cumbria-pcc.gov.uk](http://www.cumbria-pcc.gov.uk)

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

### REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2024/25 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2024/25 financial year. This is the standard against which all local government bodies, including fire, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner's governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.
- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Head of Internal Audit, as set out in his annual report.

- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance on Audit Committees for Fire.

The following Annual Governance Statement demonstrates how the Commissioner has complied with the governance framework set out within The Code to meet each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

The RAG ratings in the table below show where we were with the requirements for 2024/25.

**Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
<b>A1: Behaving with Integrity and demonstrating strong commitment to ethical values.</b>				
We ensure that members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation		<ul style="list-style-type: none"> <li>Members of the Community Scrutiny Panel and the Joint Audit Committee all sign a Code of Conduct as part of their appointment and induction process</li> <li>The Fire and Rescue Service locally and nationally through the National Fire Chiefs' Council has adopted the Core Code of Ethics which consists of five ethical principles. The principles underpin our commitment to serving the communities of Cumbria</li> <li>The Fire &amp; Rescue Service regularly communicates the core code of ethics to all staff and expected behaviours.</li> </ul>		
We take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority is compliant with the CIPFA Statement on the role of the Chief Financial Officer in Local Government. The Chief Finance Officer performs the duties of the S151 Officer, and it is their role to ensure the proper administration of the Authority's financial affairs</li> <li>The Chief Finance Officer is a qualified accountant and is supported by a Finance Team that includes a number of professionally qualified finance officers</li> </ul>	The Service Leadership Team has recently agreed a set of core values that all members should display	
We lead by example and use standard operating principles or values as a framework for decision making and other actions.		<ul style="list-style-type: none"> <li>CCFRA and CFRS have a robust decision-making process embedded within its Corporate Governance Framework. This framework includes the delegations made to each key officer.</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>▪ In accordance with the CIPFA guidance, the Chief Finance Officer is a key member of the Fire &amp; Rescue Service Leadership Team, helping to develop and implement strategy and to resource and deliver the Authority's strategic objectives sustainably and in the public interest. They are also actively involved in all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and aligned with the Fire &amp; Rescue Authority's financial strategy.</li> <li>▪ The Chief Finance Officer leads on the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.</li> <li>▪ The Chief Executive of the OPFCC is the Monitoring Officer for the Fire &amp; Rescue Authority as set out in section 5 of the Local Government and Housing Act 1989, whose role is to advise on the rule of law and ensure decision-making is legally sound.</li> <li>▪ The Chief Fire Officer is the Head of Paid Service for the Fire &amp; Rescue Authority and is responsible for the coordination and discharge of the functions of the Fire &amp; Rescue Service .</li> <li>▪ The Community Scrutiny panel carry out the role of a 'standards committee' across the Fire &amp; Rescue Service and act as a critical friend, providing advice and guidance to help the Fire &amp; Rescue Authority and Fire &amp; Rescue Service to maintain high standards of integrity and ethical working.</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We demonstrate how we communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively		<ul style="list-style-type: none"> <li>▪ The Fire &amp; Rescue Service has introduced a new Workforce Complaints procedure, making it easier for staff to raise issues and have access to welfare officers who can support them. The Service has also updated its Whistleblowing Policy. CCFRA reports on the effectiveness of these arrangements on an annual basis to the Joint Audit Committee.</li> <li>▪ The Service has an Anti-Money Laundering Policy and Guidance document, also Anti-Fraud and Corruption arrangements, which includes mechanisms for confidential reporting and whistleblowing. These arrangements are reported to the Joint Audit Committee on a bi-annual basis. CFRS website has information on how members of the public can make complaints regarding different staff, officers, members and volunteers.</li> <li>▪ In Autumn 2023, HMICFRS undertook a thematic inspection of the handling of misconduct in fire and rescue services. The inspection was undertaken across a number of Fire &amp; Rescue Services and a generic report was published on 1<sup>st</sup> August 2024. The report details 15 recommendations for services to adopt. Cumbria Fire &amp; Rescue Service has carried out an initial gap analysis of their processes and approach against the recommendations. This is being monitored through an internal governance board chaired by the Police, Fire &amp; Crime Commissioner. 13 of the 15 recommendations have been completed</li> </ul>	<p>All strategic documents have recently been reviewed, with a consistent approach that allows the Service to demonstrate how it is incorporating its value.</p> <p>A further piece of work will involve the Service considering the language used in its range of strategic documents to ensure it is appropriate and consistent.</p>	



Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
A2: Demonstrating strong commitment to ethical values				
Seeking to establish, monitor and maintain the organisation’s ethical standards and performance	<ul style="list-style-type: none"><li>▪ The Community Scrutiny Panel provides advice and guidance to help CCFRA and the Fire &amp; Rescue Service to maintain high standards of integrity and ethical working. During 2024/25 the Panel have carried out dip sample processes and thematic inspections across different areas of business within fire</li><li>▪ The Community Scrutiny Panel continues to monitor and reports on some specific areas of activity, such as complaint handling and misconduct cases, in relation to ethical issues.</li></ul>			
Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation	<ul style="list-style-type: none"><li>▪ The Fire &amp; Rescue Service has invested in Leadership Training across all levels of management in the Service, which specifically included the core code of ethics. Visits have been undertaken with all staff, both operational and corporate, providing an opportunity to make sure values and behaviours are understood and demonstrated by all staff.</li><li>▪ The Service also regularly references the core code of ethics and expected behaviours to all staff in its regular communications and strategic documents..</li><li>▪ The Service has developed and issued a 'how to complain' poster to all stations, advertising a Crimestoppers anonymous line available to raise complaints. This reporting line has been introduced to give staff the confidence to report issues if there are other reasons making them feel reluctant to do so.</li></ul>			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values		<ul style="list-style-type: none"> <li>▪ When the Service was part of Cumbria County Council, it did not have fire specific policies and procedures meaning a number of opportunities were missed to ensure that staff were working within a policy framework specifically focussed on fire. The change in Governance has meant during the last year, the Service has undertaken an extensive review of its policies and procedures ensuring they are fit for purpose and place emphasis on the core code of conduct and ethical values important to the Service.</li> <li>• Our key strategic documents have been reviewed by HMICFRS as part of their latest service inspection</li> <li>▪ The Fire &amp; Rescue Authority has a sustainable Procurement and Commissioning Strategy which provides a framework that ensures the Service obtains optimum value for money in all of its procurement and commissioning activity that supports the principles and priorities of sustainable development.</li> </ul>	A shared procurement function with the Constabulary ensures that ethical values are considered in any activity.	
Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation		<ul style="list-style-type: none"> <li>▪ The new Procurement Act 2023 has gone live and the Fire &amp; Rescue Authority has reviewed its policies and procedures to align with the requirements of the Act.</li> <li>▪ a shared Procurement function has been established with Cumbria Constabulary that will enable joint contractual arrangements between Policing and Fire to improve efficiencies. This will ensure that all contractors are appropriately vetted to the standard required by Policing.</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
A3	Respecting the rule of law			
We ensure staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"><li>The Fire &amp; Rescue Service has a Service Level Agreement with one of the unitary councils to deliver legal support to the Fire Authority and Fire &amp; Rescue Service on all legal matters.</li><li>The Chief Executive of the OPFCC is the Monitoring Officer for the Fire &amp; Rescue Authority and has specific legal requirements in legislation for ensuring legality for investigating any suspected instances of failure to comply with these requirements and for reporting any such instances to the PFCC, JAC or the Police, Fire &amp; Crime Panel.</li></ul>	The OPFCC is currently in the process of trying to recruit a new head of legal.		
We create conditions to ensure that statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none"><li>The Fire &amp; Rescue Authority has a Corporate Governance Framework and Decision-Making processes. These both provide guidance on expected behaviours to ensure integrity, transparency and excellent standards of ethical behaviours in accordance with legislative and regulatory requirements. The Joint Audit Committee. Is responsible for reviewing these on an annual basis.</li><li>Compliance with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government is reported through the annual governance statement which accompanies the annual statement of accounts.</li></ul>			
We strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholder	<p>Legal advice is provided to the Fire &amp; Rescue Authority and the Fire &amp; Rescue Service by the unitary council's Legal Services Department. If necessary, legal advice can be sought from other legal bodies.</p> <ul style="list-style-type: none"><li>The Protection team has access to dedicated legal advice to allow it to carry out its statutory responsibilities.</li></ul>			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We deal with breaches of legal and regulatory provisions effectively.		<ul style="list-style-type: none"> <li>▪ The Fire &amp; Rescue Service investigates all instances of Fraud, Corruption and Whistleblowing and the Chief Finance Officer, the PFCC and the Monitoring Officer have specific responsibilities for ensuring both organisations comply effectively with legal and regulatory provisions.</li> <li>▪ Policies are in place for Anti-Fraud &amp; Corruption, and Anti-Money Laundering.</li> <li>▪ Mechanisms exist to ensure that the Fire &amp; Rescue Service is compliant with Health and Safety Legislation. The Service has systems in place to support the reporting and investigation of all accidents and near misses. This helps in limiting potential for recurrence, increases learning from incidents and creates a safer environment with a positive Health and Safety culture.</li> </ul>		
We ensure corruption and misuse of power are dealt with effectively.		<ul style="list-style-type: none"> <li>▪ Anti-Fraud &amp; Corruption arrangements were last reviewed in 2024/2025 and presented to the Joint Audit Committee who concluded that the arrangements were effective.</li> <li>▪ The Fire &amp; Rescue Authority provides annual reports to the Committee on the effectiveness of the arrangements.</li> </ul>		

## Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
B1	Openness			
We ensure there is an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"><li>An Annual Statement of Assurance is prepared, agreed and published.</li><li>The Service has an established process for receiving and responding to Freedom of Information Requests, Environmental Information Requests and Subject Access Requests in line with specified timescales.</li><li>The OPFCC and Fire &amp; Rescue Service websites are used to publish a wide range of policy and information about the Service, making this easily accessible to the public.</li><li>The PFCC chairs a Public Accountability Conference every quarter whereby they hold the Chief Fire Officer and their Principal Officer Team to account. These meetings are open to the public. All agendas and presentations are available on the OPFCC website. The minutes of the meeting are also published to transparently demonstrate the PFCC holding the Chief Fire Officer to account in line with the PFCC's statutory role.</li></ul>	<p>Introduce the facility for members of the public to submit questions for consideration at all PACs.</p> <p>Updates on Information Governance to be provided regularly to Fire Executive Board</p>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.		<ul style="list-style-type: none"> <li>▪ The Fire &amp; Rescue Authority and Fire &amp; Rescue Service has a robust decision-making policy. Decisions made by the PFCC are published on the OPFCC website.</li> <li>▪ To promote openness and transparency, all Public Accountability Conferences are open to members of the press and public to attend, with all minutes arising from them being published subsequently</li> </ul>		
We provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders.		<p>A decision template has been developed for the Fire &amp; Rescue Authority and the Fire &amp; Rescue Service to use. There is a requirement to include all information, rationales, risks and legal issues and the scheme of delegation highlights the required sign-off</p> <ul style="list-style-type: none"> <li>▪ Minutes from meetings illustrate discussions and rationales for decisions made</li> <li>▪ There are agreed timescales for the publication of information (including minutes and decisions)</li> </ul>	Decision template to be revised to allow a consistent approach across all meetings.	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We use formal and informal consultation and engagement to determine the most appropriate and effective interventions or courses of action.		<ul style="list-style-type: none"> <li>▪ The Fire &amp; Rescue Service has a Communication and Engagement Strategy</li> <li>▪ During 2024, the Fire &amp; Rescue Authority and Fire &amp; Rescue Service consulted with the public on the priorities in the Fire &amp; Rescue Plan and Community Risk Management Plan (CRMP). Consultation included both staff and public. The results of the consultation were reported to the Police, Fire &amp; Crime Panel to aid their decision when approving the Plan</li> <li>▪ Where required, we consult on any new proposals as a result of action within the CRMP. Mechanisms also exist for risk to be raised with the Service through a number of channels.</li> <li>▪ The PFCC also undertook public consultation to inform the setting of the Fire &amp; Rescue Service percept for 2024/2025</li> <li>▪ The Fire &amp; Rescue Service engages with various groups, organisations, and people throughout the year, organises community engagement events providing updates on the work of the Service. This also enables the public to ask the Service questions and provide feedback.</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
<b>B2</b>	<b>Engaging comprehensively with institutional stakeholders</b>			
Effectively engage with stakeholders to develop formal and informal partnerships to allow recourses to be used efficiently		<ul style="list-style-type: none"> <li>▪ The Commissioner in his capacity as the Fire Authority is actively engaged with a wide range of bodies to encourage a multi-agency approach to matters within his remit. For example, he chairs Safer Cumbria (a strategic board) that has responsibility for delivery of the Serious Violence Duty.</li> </ul>	CFRS participates effectively in a wide range of partnerships, including Water Safety, Road Safety, Safeguarding and Community Safety	
We develop formal and informal partnerships to allow for resources to be used efficiently and outcomes achieved more effectively.		<ul style="list-style-type: none"> <li>• Working in partnership with others is one of the key parts of the Authority's ethos. For example, the Commissioner chairs a Blue Light Collaboration board which has brought together the police and fire estates function into a single shared service.</li> <li>• There are formal arrangements in place with both local authorities to ensure high risk individuals receive a home fire safety visit</li> <li>• The Fire &amp; Rescue Service works closely with a wide range of partners; local authorities, NHS, policing, third sector organisations, etc. to deliver interventions on a number of areas such as Water Safety, Road Traffic Collisions (RTCS), Safeguarding and Modern Slavery.</li> <li>• Over the last twelve months, the Fire &amp; Rescue Service has worked with Cumbria Constabulary through the Cumbria Road Safety Partnership to ensure activity is targeted effectively and efficiently.</li> <li>• Cumbria Constabulary has introduced 'Right Care, Right Person' where a large number of incidents that they previously dealt with, are now picked up by a range of partner agencies, including the Fire &amp; Rescue Service. The Service has worked with the Constabulary to ensure they are not overwhelmed by any increased demand.</li> </ul>		



Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We ensure that partnerships are based on trust, shared commitment to change, a culture that promotes and accepts challenge and the added value of partnership working is explicit.	<ul style="list-style-type: none"> <li>Partnerships we engage with are regularly reviewed. Our core code of ethics ensures that we engage with partnerships in good faith, ready to work with partners to deliver for the people of Cumbria.</li> </ul>		
<b>B3</b>	<b>Engaging stakeholders effectively including citizens and service users</b>			
	We are clear on the types of issues we will consult with or involve stakeholders or service users to ensure service provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none"> <li>The PFCC leads the Safer Cumbria partnership which provides strategic input into key strategies and plans that support the joint delivery of priority outcomes critical to Cumbria.</li> <li>During 2024/2025 engagement included visits to several Fire Stations and attendance at On-Call Appreciation events.</li> <li>The Fire &amp; Rescue Authority launched public consultation on the proposal to increase the fire part of the council tax precept for 2025/2026 The Fire &amp; Rescue Authority logs all quality-of-service issues that are raised with the Commissioner, these are tracked and escalated with the Chief Fire Officer where appropriate.</li> </ul>	Development of an Operational Cover Review will necessitate a comprehensive round of consultation with all interested parties on any changes to service delivery.	
	We ensure that communication methods are effective and that we are clear about our roles with regard to community engagement.	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service has a Communication and Engagement Strategy. The Service regularly works with the PFCCs Office to ensure its engagement is fit for purpose.</li> <li>For large engagement such as the CRMP, the Service regularly reviews who and how it will consult with the public and partners.</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We collect and evaluate the views and experiences of communities, service users and organisations		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority logs all quality-of-service issues that are raised, these are tracked and escalated with the Chief Fire Officer where appropriate. Quality of Service Issues raised with the Chief Fire Officer are addressed within Service.</li> </ul> <p>The CRMP reflects the Service's risk profile. This process enables the Service to be clear about the levels of risk that exist, influencing prevention, protection and response arrangements. In 2024, CFRS went through a comprehensive process to develop a CRMP to covers the years 2025-2028. This process involved the creation of a comprehensive Risk Based Evidence Profile using the latest available data and a comprehensive engagement programme.</p>		
We implement effective feedback mechanisms to demonstrate how views have been taken into account, whilst balancing competing demands.		<ul style="list-style-type: none"> <li>All complaints and compliments are considered by the Service.</li> <li>All correspondence sent to the Fire &amp; Rescue Authority receives an individual and tailored response.</li> <li>Regular feedback is provided to staff and the Rep bodies in the course of Service delivery.</li> </ul>		
We take into account the interests of future generations of taxpayers and service users.		<ul style="list-style-type: none"> <li>A 5-year Medium Term Financial Forecast is produced along with a longer-term Capital investment strategy to account for and consider future events that would impact on taxpayers and service users.</li> <li>Budget consultation is undertaken annually.</li> <li>The Fire &amp; Rescue Authority holds the Chief Fire Officer to account through its internal governance boards and Public Accountability Conferences to ensure value for money from service provision.</li> </ul>		

**Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
C1	Defining outcomes			
We have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"><li>A Fire &amp; Rescue Plan, drawing on the results of public consultation and a strategic analysis of the community safety trends, emerging issues and partner agency feedback, is prepared for each Commissioner's term of office. This document underpins the overarching ambitions for the Fire &amp; Rescue Authority which is supported by the Fire &amp; Rescue Service CRMP. The CRMP explains the approach the Service will take to support the Plan and sets out the planned activity to deliver and achieve the intended outcomes.</li><li>The OPFCC is an established office that works beyond governance and scrutiny to ensure that there is a longer-term strategic direction around all aspects of fire and community safety and that when put into practical terms enables or influences delivery against the priorities.</li><li>Performance indicators are agreed and reported to the PFCC, the Fire Senior Leadership Team and the public, showing how effectively the priorities are being delivered.</li><li>A new CRMP was published in 2024 and takes into consideration feedback from the public.</li></ul>	A revised Police, Fire & Crime Plan has been developed for April 2025.		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer		<ul style="list-style-type: none"> <li>CFRS publishes its CRMP to show direction of travel over the next four years.</li> <li>The Fire &amp; Rescue Service responds to all FOIs that it receives and has a publication scheme.</li> <li>The Fire &amp; Rescue Authority publishes its Fire &amp; Rescue Plan with an annual report identifying achievements throughout the year.</li> </ul>		
We deliver defined outcomes on a sustainable basis within the resources that will be available		<ul style="list-style-type: none"> <li>Public Accountability Conferences support the Fire &amp; Rescue Authority to monitor performance and budget progression. During 2024/2025 thematic reports presented at the meetings provided assurance on how the Fire &amp; Rescue Service responds to a number of issues</li> <li>An internal Fire Executive Board helps to drive and monitor the efficiency and effectiveness of the Fire &amp; Rescue Authority and Fire &amp; Rescue Service. It is the forum whereby the Commissioner can maintain oversight of the totality of the fire and rescue service in Cumbria. It enables senior officers from the Fire &amp; Rescue Authority and the Service to work together to review key issues/challenges affecting service delivery, and identify solutions, including how resources can be used.</li> <li>A Medium-Term financial Plan (MTFP) is produced annually, reviewed regularly and updated as necessary setting out the financial assumptions and demands upon the Service to highlight budgetary pressures and set out options to address any funding shortfalls to ensure sustainability. The MTFP is supplemented by a Capital Strategy and Reserves Strategy.</li> </ul>	The establishment of a Service Improvement Board will allow a focus on all aspects of the business to ensure outcomes are delivered.	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>▪ The 2024/2025 budget, council tax levels and MTFP, alongside the Capital, Reserves and Treasury Management Strategies were considered by the PFCC in proposing and setting the level of fire precept.</li> <li>▪ During 2024/2025, the Police, Fire and Crime Panel has continued to facilitate effective scrutiny of the Fire &amp; Rescue Service budget.</li> <li>▪ His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS) Inspections further supports the Fire &amp; Rescue Authority in identifying areas that are working well and those that would benefit from improvement. This supports the Authority in holding the Chief Fire Officer to account for performance of the service. All reports are publicly available.</li> <li>▪ Regular news and social media posts published by both the Fire &amp; Rescue Authority and Service inform communities of how effectively the Service is performing.</li> </ul>		
We identify and manage risks to the achievement of outcomes.		<ul style="list-style-type: none"> <li>▪ Performance is reported through quarterly Public Accountability Conferences and regularly via the Fire Executive Board and Fire Senior Leadership Team.</li> <li>▪ The Fire &amp; Rescue Authority and the Fire &amp; Rescue Service undertake a continuous review of its risk management responsibilities by ensuring that it maintains an up-to-date Operational Risk Register and Strategic Risk Register. This is reported quarterly via the Fire Executive Board.</li> </ul>	Both risk registers to be merged into one holistic document	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
C2	Sustainable economic, social and environmental benefits			
We consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking service provision decisions	<ul style="list-style-type: none"><li>A Capital Investment Strategy is in place, focused on future use, with links to the Medium-Term Financial Forecast and compliant with the Prudential Code. This has been revised to ensure compliance with the new requirements linking capital investment decisions with the Prudential Code and Treasury Management investment decisions.</li><li>Equality Impact Assessments are carried out on policies and procedures. This assesses the impact of any changes that may affect staff, stakeholders and the public.</li><li>Risk management processes are in place and reviewed regularly.</li><li>The Section 151 officer sits at the Senior Leadership Team and is involved in all formal decision-making processes for expenditure, including those that relate to any changes to programmes, policies and procedures. This helps to ensure value for money is achieved within a balanced and sustainable budget.</li></ul>			
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints	<ul style="list-style-type: none"><li>The Corporate Governance Framework provides the basis for decision-making and set outs the key roles and responsibilities of statutory officers.</li><li>The Fire &amp; Rescue Authority publishes on the Commissioner’s website:<ul style="list-style-type: none"><li>Committee/Panel agendas and reports</li><li>Minutes of meetings</li><li>CCFRA decisions</li></ul></li></ul>			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>Where necessary, advice is sought from Finance and Legal Services before any decision is made. All decision papers include a section where potential risk implications are identified, i.e., legal, human resource, equality, IT, etc.</li> <li>The Fire &amp; Rescue Authority and Fire &amp; Rescue Service has introduced a process to allow all key decisions to be logged.</li> </ul>		
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority and Fire &amp; Rescue Service decisions are required to be on decision paper to ensure that all issues are identified, and risk assessed. All decision papers are submitted for consideration to either the OPFCC Executive Team or the Fire Senior Leadership Team.</li> </ul>		
	We ensure that there is fair access to services	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service resources are distributed so that it can respond in regard to risk and demand.</li> <li>Access to Home Fire Safety Visits is risk based and prioritises high risk individuals.</li> <li>Prevention material and awareness raising is delivered countywide based on identified risk.</li> </ul>		

**Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
<b>D1</b>	<b>Determining interventions</b>			
	We ensure that decision makers receive objective and rigorous analysis, including achieved & intended outcomes and their associated risks.	<ul style="list-style-type: none"> <li>▪ The Corporate Governance Framework includes a decision-making framework which ensures that all decisions are supported by all the relevant information, including financial, legal and other appropriate professional advice. Decisions are formally recorded and published subject to confidentiality requirements. There are formal arrangements in place to monitor against outcomes associated with decision making, performance and financial management against the Fire &amp; Rescue Authority and Fire &amp; Rescue Service. Monitoring arrangements and their frequencies are contained within the Fire &amp; Rescue Authority Accountability Framework. This framework enables detailed scrutiny against agreed and expected outcomes and allows for robust challenge and necessary intervention by the PFCC if the actions are not delivering the expected outcome.</li> <li>▪ The creation of a new finance team and the introduction of a new finance system means that the Fire &amp; Rescue Authority and Fire &amp; Rescue Service benefits from a focussed and knowledgeable set up that facilitates informed decision making.</li> </ul>		



Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required to prioritise competing demands.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority has a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to the priorities (mid-year review of MTFP will take into account any revisions to priorities).</li> <li>There is an annual budget consultation involving the public, local businesses, and staff. Further stakeholder engagement with the public is achieved through social media messaging and promotion of specific consultations and surveys.</li> </ul>		
<b>D2: Planning interventions</b>				
We establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets. Ensuring that they are flexible and agile to adapt delivery outputs and changing circumstances.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority administers an internal Executive Board for Fire which is chaired by the Commissioner to make decisions.</li> <li>The Fire &amp; Rescue Service has in place a board structure that ensures the Services delivered across Cumbria are fit for purpose.</li> <li>The Fire &amp; Rescue Service have robust business continuity plans in place. The Service's approach to business continuity includes regular testing of its plans, both in isolation and with partners, thus ensuring resilience. If the Service does come under pressure, there is a degradation plan in place that allows for the prioritisation of resources to protect the most vulnerable. This is also tested regularly.</li> </ul>	Following the review of internal governance, changes to internal meeting and reporting structure to be implemented throughout 2025	
We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.		<ul style="list-style-type: none"> <li>During the last year, the Fire &amp; Rescue Authority and Fire &amp; Rescue Service have continued to build on existing collaboration and partnerships to address priorities in the Fire &amp; Rescue Plan. Projects have included:</li> <li>Working closely with the new Community Safety Partnerships in each of the Local Authority areas.</li> </ul>	During 2024/2025, the Service Level Agreements with the unitary authority have been reviewed to drive further efficiencies and ensure any future	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>Formed a Blue Light Transformation Board to explore collaboration opportunities between fire and policing. This has resulted in the appointment of a new Joint Head of Estates which has led to improved joint working between the Fire &amp; Rescue Service, Cumbria Constabulary and the OPFCC.</li> <li>We have recently taken the lead in the Water Safety Partnership and Road Traffic Collision Partnership, ensuring activity is targeted and intelligence led. These are both excellent examples of how the Service can add real value and support the communities we serve.</li> <li>One of the legacies of the Local Government Reform process was the Fire &amp; Rescue Service currently has several Service Level Agreements with the unitary authorities. The Fire &amp; Rescue Service is working diligently to review these to drive efficiencies and ensure that any future delivery arrangements meet the needs of the Service.</li> </ul>	<p>arrangements meet the requirements of the Service.</p> <p>Consultation processes reviewed by HMICFRS as part of the inspection. The historic AFI in regard to community engagement was closed.</p>	
We consider and monitor risks facing each partner when working collaboratively including shared risks.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service identifies risks with both unitary authorities, through contract management of the Service Level Agreements and project management processes. There is an escalation process to the operational and strategic risks registers which are monitored by the Fire Executive Board and Senior Leadership Team.</li> </ul>	Appropriate mechanisms will need to be agreed with the OPFCC and Constabulary to identify and monitor risks of any new collaboration arrangements as and when they are implemented.	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We have established performance indicators to identify how the performance of services and projects is to be measured.		<ul style="list-style-type: none"> <li>▪ The Fire &amp; Rescue Authority has established an internal governance board to help drive and monitor the efficiency and effectiveness of the Fire Service. It is the forum whereby the Fire &amp; Rescue Authority can maintain oversight of the totality of fire across Cumbria. Performance against budgets is monitored, which examines the progress against planned activity and spend against sets budgets. A quarterly performance report against a suite of key performance indicators is also provided highlighting any current issues or emerging trends.</li> <li>▪ During the course of 2024/25, the Fire &amp; Rescue Authority held the Chief Fire Officer to account through Public Accountability Conferences. Through this forum, the Fire &amp; Rescue Authority received assurance from the Fire Service across several areas of performance. In the February meeting, the Fire &amp; Rescue Authority approved the budget for Cumbria Fire &amp; Rescue Service.</li> <li>▪ The Commissioner in his capacity as the Fire Authority holds regular one-to-one meetings with the Chief Fire Officer. These internal meetings allow the Commissioner and the Chief Fire Officer to discuss strategic and financial issues, national considerations, HMICFRS and anything else that is relevant to the successful delivery of the fire service in Cumbria. This forum allows for full and frank conversations in a confidential environment.</li> <li>▪ The Fire &amp; Rescue Service carried out a review of its key performance indicators to ensure they were relevant and measurable. Performance is discussed monthly at a number of boards across the Service, and any exceptions raised through the Fire &amp; Rescue Authority Accountability Framework.</li> </ul>	Establishment of the Service Improvement Board will allow more focus on performance and individuals to be held to account by the Chief Fire Officer	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We inform medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	<ul style="list-style-type: none"> <li>There is a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to the priorities (annual review of MTFP will take into account any revised corporate priorities).</li> <li>There is an annual budget consultation involving the public, local businesses, and staff. Further stakeholder engagement with the public is achieved through social media messaging and promotion of specific consultations and surveys.</li> <li>The budget for 2024/2025 has been balanced, however savings will be required from 2026/2027 onwards.</li> <li>Against this background, modelling of a range of financial scenarios through the Medium-Term Financial Planning process, undertaken by the Fire &amp; Rescue Authority, have continued to inform wider business planning and develop savings proposals, as a means of balancing the budget over the medium term.</li> </ul>	Resource planning will be improved through the delivery of an operational cover review which will provide the required evidence to inform decision making.	
<b>D3</b>	<b>Optimising Achievement of Intended Outcomes</b>			
	We ensure that the services we commission achieve social value	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service has a Sustainable Procurement and Commissioning Strategy.</li> <li>A shared procurement function has been developed with Cumbria Constabulary which will consider the approach to social value for Fire as it has done for Policing.</li> </ul>		
	We ensure the achievement of 'social value' through service planning and commissioning. The Public Services	<ul style="list-style-type: none"> <li>The Sustainable Procurement and Commissioning Strategy ensures best value is achieved. This strategy is supported by the</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
(Social Value) Act 2012 states that this is <i>“the additional benefit to the community .....over and above the direct purchasing of goods, services and outcomes”</i> .		<p>financial regulations and contract standing orders embed within the Corporate Governance Framework.</p> <ul style="list-style-type: none"> <li>Frameworks used by the Service ensure social value is considered as part of any procurement process.</li> </ul>		
We ensure the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority has a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to organisational priorities. The budget is prepared on zero-based budget principles.</li> <li>The MTFP is reviewed regularly and updated as necessary setting out the financial assumptions and demands upon the Service to highlight budgetary pressures and set out options to address any funding shortfalls to ensure sustainability. This is reported to the Fire Executive Board. The MTFP is supplemented by a Capital Strategy and Reserves Strategy.</li> </ul>		

**Core Principle E: Develop the capacity and capability of CCFRA / CFRS Staff to be effective and to deliver services effectively**

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
E1: Developing CCFRA / CFRS capacity				
We review our operations, performance and use of assets on a regular basis to ensure their continued effectiveness.	<ul style="list-style-type: none"><li>The Fire &amp; Rescue Service carries out a wide range of assurance functions that ensure we can review our performance and improve where possible. A key part of the Service's assurance includes Operational Assurance, Debriefs and Exercising. Another key area of focus is to ensure that we work effectively with our multi-agency partners under the Joint Emergency Service Interoperability Principles (JESIP). This approach is reinforced through the service using learning from inquests to inform policy, procedural reviews and to advise on any improvement to operational equipment where necessary. Operational Assurance is used to promote workforce learning by identifying examples of good practice and where improvements can be made in the delivery of the Service. This is captured through the Incident Monitoring processes. This work not only supports local learning but includes reporting through the national sector learning portals; Joint Organisational Learning (JOL) and the National Operational Learning (NOL).</li><li>Financial performance is regularly reported to the Fire Executive Board and is aligned with the budget planning process. In addition, the Police, Fire and Crime Panel continues to facilitate effective scrutiny of the Fire &amp; Rescue Service budget at its quarterly meeting.</li></ul>	The creation of the operational improvement group and the establishment of its relationship to the Service Improvement Board ensures that effectiveness and use of assets is considered in decision making on a regular basis.		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We recognise the benefits of partnership and collaborative working where added value can be achieved.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service does not operate in isolation. It has in place Section 13/16 arrangements with our five neighbouring services that allow for mutual aid to be received and delivered. It also has access to a range of national assets if needed to resolve incidents.</li> <li>The Service works with other Northwest Services to share risk information on a regular basis and one of the areas where it is currently collaborating on is the impact of contaminants.</li> </ul>	The Fire & Rescue Authority has established an Executive Board – Working Together to explore further collaboration opportunities between fire and policing.	
We develop and maintain an effective workforce plan to enhance the strategic allocation of resources.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service has a three-year Learning &amp; Development Plan (2024-2027). The Workforce Development Group meets monthly to address needs in vacancies, recruitment, skills, development and succession planning.</li> </ul>	Develop a detailed Workforce Development Plan properly aligns to the Medium-Term Financial Plan.	
<b>E2</b>	<b>Developing the capability of CCFRA/ CFRS leadership</b>			
We develop the capabilities of senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service is a learning organisation and takes every opportunity to allow staff to develop. To that end a comprehensive 360-degree process has been introduced. All senior leaders have undergone this process and taken onboard the feedback. The Chief Finance Officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service.</li> <li>The Chief Finance Officer is also a member of the NFCC Fire Finance Network for all aspects affecting the Fire sector.</li> <li>A number of senior managers have completed the Executive Leadership Programme (ELP).</li> </ul>	360 process needs to be implemented across the Service to fulfil one of the recommendations of the HMICFRS Culture and Values report.	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We ensure the Commissioner and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of Commissioner's objectives	<ul style="list-style-type: none"> <li>▪ The roles and responsibilities of the PFCC and his Executive Team are set out in the Corporate Governance Framework.</li> </ul>		
<b>E3</b>	<b>Developing the capability of staff within CCFRA/CFRS</b>			
	We develop the capability of staff within the Fire & Rescue Authority and Fire & Rescue Service	<ul style="list-style-type: none"> <li>▪ The Workforce Development Group allows the Service to have informed discussions about the workforce and the training it needs to develop. The group also supports the identification and encouragement of talent, helping individuals to put their skills to best use by the Service.</li> <li>• The Fire &amp; Rescue Service has also reviewed its promotion processes to ensure the right people with the right skills are promoted.</li> </ul>	The workforce plan needs to be developed to reflect the needs of all staff members including Green book.	
	We hold staff to account through regular performance reviews which take into account training or development needs	<ul style="list-style-type: none"> <li>▪ The Fire &amp; Rescue Service has an appraisal process that reviews performance and considers the training needs and career aspirations of staff.</li> </ul>	Completion rates for the Appraisal process need to be improved.	
	We ensure that there are arrangements to maintain the health and wellbeing of the workforce, both physical and mental wellbeing.	<ul style="list-style-type: none"> <li>▪ The Service consults its employees on matters affecting health and safety, providing information instruction and training to all employees. In addition, the service has systems in place to support the reporting and investigation of all accidents and near misses. This helps in limiting the potential for recurrence, learning from incidents and creation of a safer environment with a positive health and safety culture.</li> </ul>	A new mental health App is being introduced which will facilitate easier access to more up to date information. This needs to be rolled out in 2025	



Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>The Service works with its Human Resources Team and the Occupational Health Team to promote and support the wellbeing of staff. The Service has a programme of health and wellbeing campaigns and has developed a cohort of mental health trainers and first aiders, thereby providing all staff with access to support for physical and mental wellbeing.</li> </ul>		
<b>E4</b>	<b>Developing the capability of members and volunteers appointed by the OPFCC</b>			
	We develop the capability of appointed members and volunteers to assist them in performing their roles.	<ul style="list-style-type: none"> <li>Development sessions for the Joint Audit Committee members were held over the year.</li> <li>360-degree appraisals of senior officers were undertaken in June 2024.</li> <li>Throughout the year the Ethics and Integrity Panel has carried out a diverse range of thematic sessions. Prior to each of these they are provided with information to assist them understand the business area and officers/staff at the session provide further information. The Panel membership has a diverse range of backgrounds, skills and knowledge which assists with the different business areas.</li> </ul>		

## Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
F1	Managing Risk			
We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.	<ul style="list-style-type: none"><li>The OPFCC has a Risk Management Strategy which is reviewed on a cyclical basis and was last reviewed in 2023. This was presented to the Joint Audit Committee in November 2023 who gave their approval.</li><li>The Fire &amp; Rescue Service also has a risk management policy considered by JAC.</li><li>The Fire Executive Board receives quarterly risk updates from both the Fire &amp; Rescue Authority and Service, ensuring the PFCC is fully sighted. This provides organisational assurance that the Authority and Service's current risk exposure is being managed and suitable controls and mitigations are in place.</li></ul>	Following a recommendation by JAC, the OPFCC will merge its risk register with that of the Service to provide one cohesive document.		
We implement robust and integrated risk management arrangements ensuring that they are work effectively.	<ul style="list-style-type: none"><li>The Fire &amp; Rescue Authority Strategic and Operational risks are reviewed by staff on a quarterly basis. Each risk is scored based on probability and level of impact, and the outcome is rated using a Red, Amber or Green (RAG status). Updates are then reported to the Executive Team Gold for oversight and scrutiny at the Fire Executive Board.</li><li>The Fire &amp; Rescue Authority's strategic risk management arrangements are reported to the Joint Audit Committee on a six-monthly basis.</li></ul>			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service strategic risks are reviewed by staff on a regular basis. Updates are then reported to the Fire Senior Leadership Team for oversight and scrutiny as well as the Fire Executive Board and JAC.</li> </ul>		
	We ensure that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> <li>Each risk identified by the Fire &amp; Rescue Authority and the Service identify the risk holder and the overall risk manager for that area of business.</li> </ul>	New combined risk register to be created	
<b>F2</b>	<b>Managing Performance</b>			
	We ensure we monitor service delivery effectively by securing reports (including financial information) on service delivery, plans and progress towards outcome achievement.	<ul style="list-style-type: none"> <li>The Chief Fire Officer is held to account for delivery of fire objectives through Public Accountability Conferences (PACs). The dates for these meetings are agreed 12 months in advance.</li> <li>During 2024/2054 thematic reports presented at the Public Accountability Conferences provided assurance on how the Fire Service's responds to its demand across Cumbria</li> <li>At the Public Accountability Conference in February, the Fire &amp; Rescue Authority approved the budget for fire.</li> <li>Detailed financial reports are presented to, and scrutinised by, the Fire Executive Board. The reports include full details of performance against budget for the key reporting areas namely; revenue, capital, cash, reserves, and delivery of efficiencies and savings. Quarterly reports are also presented to and challenged by the Police, Fire and Crime Panel.</li> <li>Performance reports are presented to the Fire Senior Leadership Team on a regular basis, performance information is available to all staff via a range of Power BI dashboards and</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>exceptions are raised by the Head of Safety and Assurance where necessary.</p> <ul style="list-style-type: none"> <li>▪ Relevant HMICFRS inspections (local, regional and national) and other regulatory reports are reviewed and monitored through the Fire Executive Board.</li> <li>▪ The Commissioner, in his capacity as the Fire Authority holds regular one-to-one meetings with the Chief Fire Officer.</li> </ul>		
<b>F2</b>	<b>Robust Internal Control</b>			
	We evaluate and monitor the Corporate Governance Framework, risk management arrangements and internal control on a regular basis	<ul style="list-style-type: none"> <li>▪ A full review of the Corporate Governance Framework was carried out in 2024 to harmonise the requirements between the Fire Authority, Constabulary and the OPFCC. This ensures commonality of requirements around governance and controls across the Commissioners portfolio.</li> </ul>		
	We ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> <li>▪ Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan.</li> </ul>	Recent audit gave reasonable assurance on the governance in place with only minor recommendations which have all been addressed.	
	We ensure effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> <li>▪ Robust arrangements for Anti-Fraud and Corruption are in place. These were presented to the Joint Audit Committee in November 2024 and approved.</li> <li>▪ The Fire &amp; Rescue Authority provides an annual report to the Joint Audit Committee on the effectiveness of these arrangements.</li> </ul>		
<b>F3</b>	<b>Managing Data</b>			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We ensure there are effective arrangements for the safe collection, storage, use and sharing of data.	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service has a Data Protection policy and guidance to support staff in receipting, storing and deleting data as appropriate.</li> <li>The Service also has an Information Governance Officer and a range of policies to ensure that data is shared, stored and managed in line with its requirements.</li> </ul>		
	Where information is shared with other organisations we ensure there are effective arrangements for data sharing in place.	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Service has a number of information sharing agreements with partner agencies.</li> <li>Members of the Ethics and Integrity Panel and our volunteers all sign confidentiality agreements to cover any information they are made aware of as part of their respective roles.</li> </ul>	Review of existing data sharing protocols	
<b>F4</b>	<b>Strong Public Financial Management</b>			
	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority has a duty to comply with the key principles contained within the revised CIPFA statement of the 'Role of the Chief Financial Officer in Local Government' and the CCFRA continues to comply with 5 key principles of the CIPFA statement.</li> <li>The CFRS Chief Finance Officer (S151 Officer) is a qualified accountant and is a key member of the CFRS Senior Leadership Team and as such, has direct access to the Chief Fire Officer.</li> <li>The Chief Finance Officer is supported by a capable and fully resourced finance team in the Fire &amp; Rescue Service, who support the proper administration of the financial affairs, including leading the promotion and delivery of good financial management to safeguard public money at all times; to ensure the effective, efficient and economic use of</li> </ul>		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>resources; and to ensure that the short and long term implications of all material business decisions are fully considered and aligned to the Medium Term Financial Plan</p> <ul style="list-style-type: none"> <li>The main controls for financial management are set out in the Corporate Governance Framework – these are the Budget and Policy Framework and the Financial Regulations. These cover the arrangements for Financial Management, Financial Planning, Risk Management and Control of Resources, Financial Systems and Procedures and External arrangements. The Fire &amp; Rescue Authority also complies with the Prudential Framework for Local Authority Finance.</li> </ul>		
	We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	<ul style="list-style-type: none"> <li>Financial implications and impact on service delivery is reported to Executive Team Gold, Fire Executive Board and Police, Fire and Crime Panel.</li> <li>An Expenditure Management Group is held monthly with budget managers and looks at management accounts , forecast spend, capital and efficiencies.</li> </ul>		

**Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
<b>G1</b>	<b>Implementing good practice in transparency</b>			
We report at least annually on performance, value for money and the stewardship of its resources.	<ul style="list-style-type: none"> <li>Throughout the year the Fire &amp; Rescue Authority has published regular financial monitoring information in a short and succinct format that aims to increase the transparency and accessibility of financial information. The outturn reports were presented to Police, Fire and Crime Panel in September 2024.</li> <li>An Annual Report is published in the autumn of each year.</li> </ul>		OPFCC Annual Report has been developed and published in autumn 2024.	
We ensure robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	<ul style="list-style-type: none"> <li>Annual governance statement prepared annually including opinion by internal audit service on controls in place.</li> <li>Annual Governance Statement presented to and approved by Joint Audit Committee, which includes (if necessary) an action plan to address any significant control weaknesses.</li> <li>Annual governance statement prepared annually by the Fire and Rescue Service including opinion by internal audit service on controls in place. Annual Governance Statement presented to and approved by the Joint Audit Committee. Formally signed off by the Commissioner, Chief Executive and S151 Officer.</li> </ul>			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> <li>We will carry out a review of our strategic documentation to ensure a consistency of language between the AGS, and these other documents. We will aim to do this throughout 2025/26 and as key documents come up for review.</li> </ul>		
<b>G2</b>	<b>Implementing good practices in reporting</b>			
	We provide assurance on the work carried out by CCFRA/CFRS.	<ul style="list-style-type: none"> <li>The Fire &amp; Rescue Authority will publish an Annual Report in autumn. The report will highlight key challenges and achievements from the year and includes performance and financial information set out in a simple but informative way.</li> <li>An updated Code of Corporate Governance has been prepared for 2024/2025 in line with the 2016 CIPFA/Solace Good Governance Framework for Local Government.</li> <li>A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2024/25.</li> </ul>		
	We report on our performance, value for money and stewardship of our resources.	<ul style="list-style-type: none"> <li>A comprehensive Risk Based Evidence Profile is available on the service website.</li> <li>The annual statement of accounts is presented to the Joint Audit Committee for scrutiny and is subsequently published on the OPFCC's website.</li> </ul>	.	
<b>G3</b>	<b>Assurance and effective accountability</b>			
	We ensure that recommendations for corrective action made by external audit are acted upon.	<ul style="list-style-type: none"> <li>Recommendations made by both internal and external audit are monitored through Executive Board Fire and the Senior Leadership Team, and are scrutinised by the Joint Audit Committee.</li> </ul>		



Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We ensure an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.		<ul style="list-style-type: none"> <li>A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2024/25.</li> </ul>	New Auditors have been commissioned from 01/04/2025 due to failings in the service delivered by the previous company.	Yellow
		<ul style="list-style-type: none"> <li>Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS are monitored by the Joint Audit Committee.</li> </ul>		Green