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Our reference: JAC/LH

Date: 18 March 2026

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 25th March 2026 between Police HQ Penrith and Fire Headquarters**. The expected timings and locations are as follows:

Times	Activity	Location
09:00-09:45	JAC Members private meeting	Conference Room 1, Police HQ Penrith
09:45-10:45	Development Session - Treasury Management (Link)	Conference Room 1, Police HQ Penrith
11:00-12:50	JAC Meeting – PFCC/Constabulary	Conference Room 1, Police HQ Penrith
12:50-13:30	Lunch Break	Conference Room 1, Police HQ Penrith
13:30-14:50	JAC Meeting – Fire	Control Room, Fire HQ Penrith
15:00-16.15	Development Session - Budget Briefing Session	Control Room, Fire 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.

COMMITTEE MEMBERSHIP

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

AGENDA

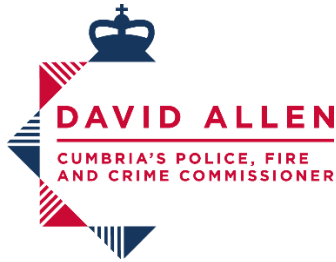
PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

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		APOLOGIES FOR ABSENCE	Chair	13:30
2		URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC 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.	Chair	13:30
3		DISCLOSURE OF PERSONAL INTERESTS 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.	Chair	13:30
4	5	MINUTES OF MEETING AND MATTERS ARISING To receive and approve the minutes of the committee meeting held on 26 November & 24 February 2025.	Chair	13:30
5	14	ACTION SHEET To receive the action sheet from previous meetings.	Chair	13:35

6	15	<p>ANNUAL REVIEW OF GOVERNANCE: To review the CCFRA arrangements for governance; cyclical review over three years. Some documents reported in November, some in March</p> <p>a) CFRS Joint Corporate Governance Framework (no changes from 2024 version) b) CFRS Joint Financial Regulations (no changes from 2024 version) c) CFRS Joint Decision Making Framework (no changes from 2024 version) d) Scheme of Delegation (this is being updated to reflect changes across the services and will be presented at the June meeting) e) CFRS Risk Management Strategy (to be presented at the June meeting)</p>		13:40
7	171	<p>VALUE FOR MONEY: To receive a presentation on Value for Money within the CFRS.</p>	CCFRA CFO	13:45
8	193	<p>CORPORATE UPDATE To receive a short briefing note on matters relevant to the remit of the Committee</p> <p>a) Fire & Rescue Service b) PFCC and CFRA</p>	Chief Fire Officer Chief Executive & Chief Finance Officer	14:00
9	199	<p>INTERNAL AUDIT PROGRESS REPORT To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan.</p>	Director of Audit MIAA Ltd	14:10
10	211	<p>INTERNAL AUDIT REPORT(S) 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.</p> <p>(a) Collaboration and Partnerships</p>	Director of Audit MIAA Ltd	14:15
11	231	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS To receive an updated summary of actions implemented in response to audit and inspection recommendations</p>	Director of Audit MIAA Ltd	14:20

12	261	PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To include the arrangements for quality assurance and improvement. To also include the internal audit charter.	Director of Audit MIAA Ltd	14:25
13	283	EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan.	Grant Thornton	14:30
14		EXTERNAL AUDIT PLAN: To receive from the external auditors an update report in respect of progress on the external audit plan. A verbal update will be provided as part of previous item. (To be presented at the June meeting)	Grant Thornton	
15		STRATEGIC RISK REGISTER To consider the strategic risk registers as part of the risk management strategy. Papers will be added to the June agenda following review of risk management.	CFRS	
16	300	TREASURY MANAGEMENT STRATEGY STATEMENT AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.	CCFRA CFO	14:35
17	331	TREASURY MANagements ACTIVITIES To receive for information reports on Treasury Management Activity - Quarters 3 for CFRS.	CFRA CFO	14:40
18	336	JAC ANNUAL WORK PROGRAMME: ASSURANCE FORMAT To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference	CCFRA	14:45
19	x	POINTS FOR CONSIDERATION BY THE COMMISSIONER, AND THE CHIEF FIRE OFFICER		14:50



Agenda Item No 04

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

Minutes of a meeting of the Special Joint Audit Committee (Fire) held on Tuesday 24th February 2026 via Teams 15:30 pm.

PRESENT

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

Also present:

Office of the PFCC

PFCC David Allen
OPFCC Chief Executive (Gillian Shearer)
CCFRA Finance Lead (Kieran Timmins)
OPFCC Accountability Officer (Lisa Hodgson)
OPFCC Accountability Assistant (Louisa Curran) (Minutes)

Cumbria Fire & Rescue Service

Chief Fire Officer - (Paul Hancock)
Assistant Chief Fire Officer, (Lauren Woodward)
Assistant Chief Fire Officer (Ben Ryder)
Head of Performance and Assurance (HPA), (Mark Clement)
Assistant Accountant (Rachel Halbert)

External Audit

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

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

Mr Malcolm Iredale called the meeting to order and welcomed everyone.

1. APOLOGIES FOR ABSENCE

No apologies had been received ahead of the meeting.

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

No urgent business or items requiring exclusion of press and public were declared.

3. DISCLOSURE OF PERSONAL INTERESTS

Michael Roper disclosed that he is an employee of Cumberland Council who are mentioned in the Grant Thornton report. The Chair and Committee agreed that this was an acceptable interest which did not require the withdrawal of the member.

4. EXTERNAL AUDIT: AUDIT FINDINGS REPORT

Liz Luddington reported that the audit resulted in a *disclaimer of opinion*. She clarified that, despite the disclaimer, this represented as “clean” a disclaimer as could reasonably be achieved given the circumstances. The audit team had been able to complete the majority of the work relating to the balance sheet, though there remained a small number of areas where an opinion could not be formed.

Liz confirmed that discussions had taken place with Steven Tickner regarding bill-back assurance. Based on current progress, the Authority is not expected to receive a disclaimer for the 2025–26 audit year.

The audit was described as complete pending approval and receipt of the final set of accounts. These are expected before the statutory backstop deadline on Friday. Liz noted that although the process may not have felt straightforward, a full audit had been completed to the best possible standard given the context.

An overview of page 6 of the Audit Findings Report was presented. The Chair had raised a query via Kieran regarding the terminology used in the “value for money” section on page 7, noting that the wording could be unhelpful. The last related VFM report had been considered at the September JAC meeting.

Liz confirmed that no significant weaknesses had been identified this year, marking substantial improvement from previous years. A significant weakness previously highlighted in 2023/24 relating to cyber security had been fully addressed in 2024/25. One ongoing improvement recommendation remains in connection with DDaT improvements for 2025–26.

Liz highlighted several points of clarification: references in the report should reflect the financial year 2023/24, particularly in the last sentence of page 28, and a reference on page 30 relating to LGPS was not relevant to the firefighters’ pension scheme.

Four adjustments listed on page 37 had been fully actioned. Although the quantity of disclosures appeared high, the number was not unusual for audits of this scope.

There is a discrepancy between the PwC range and the auditors' own view relating to the number of female firefighters in the pension scheme. The issue has been escalated to Mercers for further consideration.

The AGS had been reviewed. Under usual circumstances, the auditors would confirm that there was nothing to report by exception. However, due to the disclaimer, the audit team was not permitted to provide this level of assurance—even though no issues were identified.

Liz noted updated national transparency thresholds. As of 2024, organisations with expenditure exceeding £875m must comply with certain enhanced transparency requirements. Both Cumbria Constabulary and CFRS remain below this threshold.

It was acknowledged that the disclaimer placed the Authority in an “awkward” but unavoidable position, consistent with the wider national context. MHCLG and audit firms continue to engage on the matter. Work will continue with Steven Tickner to strengthen bill-back assurance, and next year's audit report is expected to be more extensive.

AGREED; that the report be noted.

5. ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS

Kieran Timmins introduced the item and referred members to the appendices accompanying the report. He highlighted the relevant sections for the Committee's attention.

Malcolm Iredale referenced Appendix A, page 6, noting that financial sustainability continued to be a recurring theme within the assurance framework. He reiterated that the Commissioner sets the Medium-Term Financial Forecast (MTFF) in line with the Local Government Finance Settlement. The intention of the settlement is that the overall spending power of Fire and Rescue Services should increase in line with inflation, supporting ongoing financial resilience within the sector.

AGREED; that the report be noted.

6. ANNUAL STATEMENT OF ACCOUNTS

The Finance Lead reiterated Liz's earlier comments, noting the significant work undertaken to complete the first FRA audit with a relatively inexperienced team. Although recommendations had been raised, overall performance was strong, and thanks were given to Steven, Lucy, Rachel and Emma.

The accounts were described as a standard but technical document. The Authority outperformed its budget by £5.3m, demonstrating financial resilience following the transition from the Local Authority.

Indicative timescales were highlighted (p.86). Thanks were expressed to Liz and Hannah from Grant Thornton for their collaborative approach. Members felt fully

involved throughout the process, and the outcome was considered satisfactory given the challenging context. Formal thanks were recorded for Steven.

Rachel advised that a refreshed final version of the accounts would be circulated, reflecting 2–3 minor amendments.

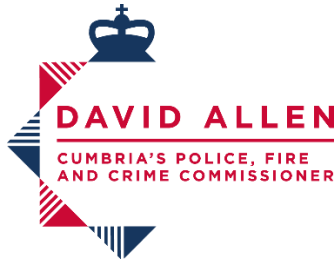
The Committee noted that CFRS was in a stronger position than the two unitary councils, which would receive fully disclosed accounts without assurance. Although CFRS remained subject to a disclaimer due to inherited issues, auditors were comfortable with in year transactions and closing balances.

Members acknowledged the national challenges affecting audit opinions but took assurance that the Authority was in the best achievable position. The Committee agreed they were satisfied to sign off the 2024–25 accounts for the Commissioner’s approval.

The Chair thanked all involved and noted that the routine JAC meeting would follow at the end of March.

- AGREED;** that,
- (i) the report be noted;
 - (ii) pending minor amendments, the statement of accounts be approved.

Signature _____ **Date** _____



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 26th November 2025 in the Community Room, Fire HQ, Penrith, at 1:30pm.

PRESENT

Malcolm Iredale (Chair)
Jake Cornthwaite
Susan Giles
Mike Roper

Also present:

Office of the PFCC

CCFRA Chief Finance Officer (CCFRA CFO), (Steven Tickner)
OPFCC Accountability Assistant (Louisa Curran) (Minutes)

Cumbria Fire & Rescue Service

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

Internal Audit

Regional Assurance Direction (RAD), MIAA, (Darrell Davies)
Senior Internal Audit Manager (SIAU), MIAA, (Fiona Hill)

External Audit

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

Apologies Received:

OPFCC Chief Executive (Gill Shearer)
OPFCC Head of Legal (Julie Gregory)
Wing Commander (Retired) Tim Mann
John Barradell

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

Mr Malcolm Iredale called the meeting to order at 13:30pm and welcomed everyone.

1. APOLOGIES FOR ABSENCE

Apologies were received and noted as above.

The Committee noted that John Barradell has now stepped down from the JAC following his appointment as Programme Director for Devolution.

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

No items of urgent business were raised, and there were no proposals to exclude the press and public.

3. DISCLOSURE OF PERSONAL INTERESTS

No declarations of personal or prejudicial interest were made.

4. MINUTES OF MEETING AND MATTERS ARISING

The minutes of the meeting held on 24 September 2025 were agreed as an accurate record.

The Chair highlighted the Fleet Awards Champions update, which had been incorporated into paragraph 2.6 of the corporate document.

AGREED; That the minutes of the previous meeting be approved as an accurate record.

5. ACTION SHEET

The Committee reviewed the Action Sheet.

Action No. 26 (Development Session) was agreed as completed.

6. CORPORATE UPDATE

a. FIRE & RESCUE SERVICE

Chief Fire Officer (Paul Hancock) and Senior Leadership Team Provided the Following Update:

Recognition and Awards

Attendance at the Fire Awards had been highly positive, celebrating staff from across Cumbria and reinforcing the exceptionally positive organisational culture (“Cumbria Vibe”). The event was regarded as energising and reflective of strong staff commitment and community engagement.

Operational Incidents

The Committee noted recent media coverage of a major incident involving the evacuation of 97 people, with the Service’s response commended as highly professional.

Achievements and Progress

CFRS secured a Gold Award under the Armed Forces Covenant Scheme — one of only three Cumbrian organisations to receive this recognition.

National Fleet Awards success included:

- *Children and Young People Award* (winner)
- *Partnership Working* (highly commended)

£49,000 of funding has been secured for Fire Cadets, supporting expansion to a county-wide programme.

Risk, Resilience and Incident Trends

An analysis of national fire statistics was highlighted, including:

- A continued decline in fire incidents, reflecting effective prevention work;
- Increasing demand from non-fire incidents linked to climate-related acute risks (e.g., flooding and wildfires).

The Committee discussed organisational readiness for emerging risks, the capacity of on-call firefighters, and the challenges around non-statutory duties such as flood response.

Infrastructure and Strategic Planning

Findings from the Operational Fire Cover Review were summarised, including priority need for a second fire engine in Barrow linked to BAE Systems expansion. CFRS is exploring potential co-funding opportunities with BAE/MoD for long-term resilience investment.

Governance, Funding and Devolution

The CFO provided an update on the forthcoming governance changes under devolution and the role of audit and assurance during the transition to the Mayoral Combined Authority (MCA). The Committee emphasised the importance of early engagement and clear audit governance frameworks.

AGREED; that the report be noted.

7. INTERNAL AUDIT – PROGRESS REPORT

MIAA confirmed that two follow-up reviews had been completed with further work planned for March. Progress against the audit plan was positive and on track, and feedback from the development session will be summarised into a formal report and disseminated to members.

AGREED; that the report be noted.

8. INTERNAL AUDIT REPORT(S)

a. STATION MANAGEMENT FRAMEWORK

Overall Assurance: Moderate, with 1 high, 3 medium, 3 low recommendations

Key issues included: inconsistent or absent quarterly audits, variation in inspection timetables across stations, lack of visibility of defects across stations, a need for improved governance and sharing of best practice. Management highlighted that the framework is still being embedded, standardisation meetings are underway, and that Firewatch enhancements (H&S module due January) will strengthen audit and data integrity.

AGREED; that the report be noted.

b. HEALTH & WELLBEING

Overall Assurance: Substantial, with 4 medium and 3 low recommendations.

Areas for improvement included the development of a more formalised return-to-work processes, improved absence management documentation, and increased uptake of absence-management training. The Committee noted strong cultural foundations and upcoming support from Firewatch and OD initiatives.

AGREED; that the report be noted.

c. USE OF CREDIT CARDS

Overall Assurance: Limited, with 2 high, 3 medium, 2 low recommendations.

Issues included: inappropriate use of cards for travel/subsistence and isolated purchases of alcohol (which have since been reimbursed), inconsistent supporting documentation, unused cards still remaining active, and receipts not being obtained from certain retailers. Management provided assurance that all cardholders had been required to re-sign revised T&Cs to ensure compliance. Quarterly SLT review processes were being introduced, non-compliant receipts would result in reimbursement from individuals, card limits and necessity of cardholders would be reassessed, and that cards may be suspended for non-compliance going forward.

AGREED; that the report be noted.

9. INTERNAL AUDIT FOLLOW UP REPORT

Of 33 recommendations 6 were complete; 3 had revised deadlines and several were not yet due, reflecting capacity constraints. The Committee discussed resource challenges in delivering multiple concurrent improvement programmes and the need for realistic timings.

AGREED; that the report be noted.

10. EXTERNAL AUDIT PROGRESS REPORT

The Grant Thornton team noted that audit progress was slower than hoped due to capacity constraints within the finance team, dependency on assurance from Westmorland & Furness around balances and disaggregation, this being the first full audit year since no audit was completed in 2023/24. The aim remained to complete the 2024/25 opinion by February, with a likely special JAC meeting in Jan/Feb. External auditors also outlined the wider national context of delayed local authority audits and the need to rebuild assurance over multiple years.

AGREED; that the report be noted.

11. ANNUAL REVIEW OF GOVERNANCE

a. ARRANGEMENTS FOR ANTI-FRAUD AND CORRUPTION/WHISTLEBLOWING

The Committee received the governance review documents, noting the cyclical review schedule. No concerns were raised.

AGREED; that the report be noted.

12. ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE

An update was provided on progress against AGS actions. The Committee noted ongoing work linked to Firewatch, people management, and cultural improvements.

AGREED; that the report be noted.

13. TREASURY MANAGEMENT ACTIVITIES

The Chief Finance Officer presented the Q2 report. Key points included strong cash balances due to pensions grant, increased interest income in-year, and no external borrowing anticipated for 2025/26. All prudential indicators remained green.

AGREED; that the report be noted.

14. POINTS FOR CONSIDERATION BY THE COMMISSIONER AND CHIEF FIRE OFFICER

No additional items were identified for referral.

15. ANY OTHER BUSINESS

No further business was raised.

Meeting ended at 14:50hrs.

Signature _____ **Date** _____

Future JAC Meeting Dates (For Information)

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

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
DATE OF MEETING: 25 June 2025					
12a	Anti-Fraud and Corruption Activities – further work to provide an assurance map regarding risks and identify any gaps	CCFRA CEX	June 2026		Ongoing within original timescale
DATE OF MEETING: 24 September 2025					
25	HMICFRS Inspection Report – recommendation updates be provided to the committee at every other meeting	CFRS CFO	May 2026		
26	Internal Audit Update Report – a development session with the Internal Auditors be scheduled to to understand expectations and methodology as part of promoting an effective working relationship at the outset of the internal audit contract.	CCFRA CFO	March 2026		Completed
30	Risk Management Monitoring – future reports include the unmitigated risk and scoring	HPR (JR)	March 2026		



Joint Audit Committee

Title: Annual Review of Governance

Date of Meeting: March 2026

Agenda Item No: 6

Originating Officers: Gill Shearer, OPFCC Chief Executive

Executive Summary

The purpose of this report is to provide the Joint Audit Committee with the Joint Governance Framework, Joint Financial Regulations and Decision-Making Framework.

Recommendation: The Committee is asked to note the contents of these documents.

Background

Following the transfer of fire governance to the Police, Fire and Crime Commissioner (PFCC), a suite of documentation was developed, comprising:

- Joint Governance Framework
- Joint Financial Regulations
- Decision-Making Framework
- Scheme of Delegation

The Scheme of Delegation is currently being updated to reflect recent changes and will be presented to the Committee at the June meeting.

No amendments have been made to the remaining documents.



**Police Fire and Crime Commissioner
and
Chief Constable
of Cumbria Constabulary**

**JOINT CORPORATE GOVERNANCE
FRAMEWORK**

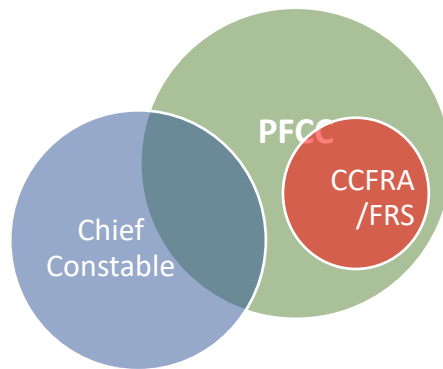
Approved: Police, Fire and Crime Commissioner - 8 October 2024

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1. Overarching Corporate Governance

1.1 Introduction

1.1.1 The purpose of this framework is to give clarity to the way the three organisations as independent entities, Police and Crime Commissioner, Commissioner Fire and Rescue Authority (CCFRA), collectively referred to as the Police, Fire and Crime Commissioner, or just “the Commissioner”, and Chief Constable, will be governed both jointly and separately, to do business in the right way, for the right reason at the right time. The Chief Fire Officer is the Head of the Fire and Rescue Service within the CCFRA. Neither the FRS nor the Chief Fire Officer are separate legal entities, unlike the Chief Constable. The framework also sets out how the Police, Fire and Crime Commissioner and Chief Constable work together to fulfil their statutory obligations and deliver for their local communities. The framework also sets out how the 3 organisations work together to fulfil their statutory obligations and deliver for their local communities.



1.2 Context

1.2.1 The principal statutory framework within which the organisations will operate is:

- Police Reform and Social Responsibility Act 2011 (PRSR11)
- Policing Protocol Order 2023 (the Protocol)
- Financial Management Code of Practice
- Strategic Policing Requirement
- Fire and Rescue Services Act 2004 (FRSA04)
- Civil Contingencies Act 2004
- Fire and Rescue Authority (Police and Crime Commissioner) (Application of Local Policing Provisions, Inspection, Powers to Trade and Consequential Amendments) Order 2017
- The Police, Fire and Crime Commissioner for Cumbria (Fire and Rescue Authority) Order 2022
- Regulatory Reform (Fire Safety) Order 2005
- Fire and Rescue National Framework for England
- Various conduct and transparency legislation

1.2.2 This framework sets out the governance arrangements established in legislation, regulations and good practice. It also draws on best practice and good governance principles across the public and private sector.

1.3 Principles

1.3.1 The core principles adopted by all organisations are those highlighted by the International Framework for good governance in the public sector:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law,
- Ensuring openness and comprehensive stakeholder engagement ,

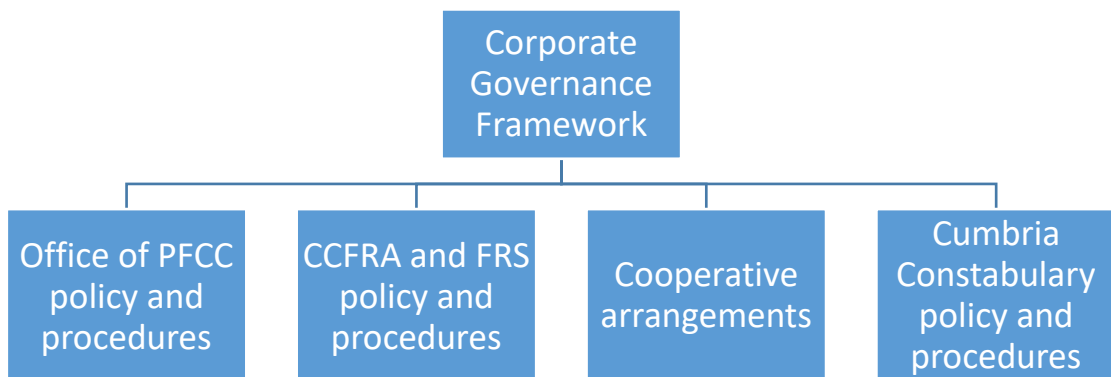
- Defining outcomes in terms of sustainable economic, social and environmental benefits,
- Determining the interventions necessary to optimise the achievement of the intended outcomes,
- Developing the entity’s capability including the capability of its leadership and the individuals within it,
- Managing risks and performance through robust internal control and strong public financial management,
- Implementing good practices in transparency, reporting and audit, to deliver effective accountability

The principles of good decision making (set out in the Decision-Making Framework) also apply.

1.4 Instruments of governance

1.4.1 The corporate governance framework by which all organisations will be governed, both jointly and separately will consist of:

- the statutory framework and local policy, setting out the overarching summary
- how the core principles will be implemented,
- the parameters within which the organisations will conduct their business,
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.
- Cooperative arrangements by which the Police, Fire and Crime Commissioner and the Chief Constable support the exercise of each other’s functions.



1.5 Leadership

1.5.1 Effective governance requires ongoing adaptation and development. The Commissioner and Chief Constable will review the framework on an annual basis to ensure it is up to date and effective, and that all organisations are compliant.

1.6 Record of Decisions

1.6.1 Any significant decision of the Commissioner or of any appointed Deputy Commissioner shall be set out in a Decision Record and shall be published on the Commissioner’s website.

1.6.2 In determining the extent of information to be published the principles of the Freedom of Information Act 2000 will be applied.

1.6.3 The Commissioner will publish a **Decision-Making Framework** document that will set

out the framework and principles for decision making, and the processes for ensuring decisions are made by the right people in the right way and at the right level within the organisations. It will set out which decisions should be formally recorded and published.

- 1.6.4 The Commissioner shall also publish a Scheme of Delegation which sets out any delegations of the Commissioner's powers. The scheme may permit the sub-delegation of powers, but any such sub-delegation shall be notified to the Commissioner. The Commissioner may prohibit, vary or make any sub-delegation subject to conditions and limitations. This Scheme recognises and reflects there are certain functions prohibited from delegation by legislation.

2. Corporate Governance Mechanisms

2.1 Introduction

2.1.1 This section sets out how the Commissioner and the Chief Constable conduct their organisations both jointly and separately in accordance with policy contained within the overarching statement of corporate governance. It will do this by highlighting the key enablers for ensuring good governance.

2.2 Context

2.2.1 This section sets out how the organisations **conduct their business**, using the ***International Framework for good governance in the Public Sector***¹ as the structure for setting out the statutory framework and local arrangements. It sets out how the Commissioner as CCFRA adheres to the ***Fire Standards for Internal Governance and Assurance***².

2.3 Corporate governance mechanisms

Legislation³ sets out ***the functions of the Police, Fire and Crime Commissioner, as both PCC and CCFRA, and Chief Constable*** and the protocol⁴ sets out how these functions will be undertaken to achieve the outcomes of the police, fire and crime plan and to assist the Chief Constable and Chief Fire Officer in delivering their role and outlining the expected relationship between them.

2.3.1 ***Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.***

The Commissioner as both PCC and CCFRA, and Chief Constable are accountable for how much they spend and how they use resources under their stewardship. They have an overarching responsibility to serve the public interest, adhering to legislation and government policies. They must demonstrate the appropriateness of their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

The PRSRA11 and Local Government and Housing Act 1989 requires the Commissioner to have ***a Chief Executive and Chief Finance Officer***⁵. The Chief Executive will be the head of paid service and undertake the responsibilities of monitoring officer for the Office of the Commissioner⁶. The OPFCC Chief Finance Officer is the Chief Finance Officer for the Office of the Commissioner and the Commissioner FRA. The Commissioner has a ***Chief Fire Officer*** to lead the Fire and Rescue Service. The Chief Fire Officer is the head of paid service for the Fire and Rescue Service. The OPFCC Chief Executive is the monitoring officer for the CCFRA.

The PRSRA11 requires the Chief Constable to appoint ***a Chief Finance Officer***⁷

The ***financial management code of practice*** and ***statements of roles***⁸ set out

¹ International Framework: Good Governance in the Public Sector, IFAC and CIPFA 2014

² Fire Standards Board - Internal Governance and Assurance, 2024

³ Principally the PRSRA11, s5 – 8 and Fire and Rescue Services Act 2004 as amended

⁴ Policing Protocol Order 2023

⁵ PRSRA11 sch 1 p6

⁶ LGHA89 s5

⁷ PRSRA11 sch 2 p4.

⁸ Financial Management Code of Practice for the Police, s4, CIPFA Statement on the Role of Chief Finance Officers, APACE Statement on the Role of the Chief Executive

the responsibilities of Chief Finance Officers for both the Commissioner and the Chief Constable, and of the Chief Executive and Chief Fire Officer as heads of paid service.

The ***scheme of delegation*** highlights the parameters for key roles in the organisations including delegations or consents from the Commissioner, both as PCC and CCFRA, and Chief Constable, financial regulations and contracts.

The ***decision-making framework*** sets out the framework and principles for decision making, and the processes for ensuring decisions are made by the right people in the right way and at the right level within the organisation. It sets out which decisions will be formally recorded and published.

Officers, police staff, and staff of the Office of the Commissioner and the Fire and Rescue Service will operate within:

- The Policies and procedures of the Office of the Commissioner, Fire and Rescue Service, or Police Force as appropriate;
- corporate governance framework;
- conduct regulations and codes of conduct, including the Core Code of Ethics for Fire and Rescue Services and the College of Policing Code of Ethics.

The Policing Protocol 2023 requires the Commissioner, Chief Constable and their officers and staff to abide by the ***seven principles of public life***⁹ and these will be central to the conduct and behaviour of all. Those principles are:

Selflessness Holders of public office should act solely in terms of the public interest.

Integrity Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty Holders of public office should be truthful.

Leadership Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

The College of Policing Code of Ethics combines these values with others espoused in policing and sets and provides a framework for upholding high standards of conduct and behaviour in policing. It adds two further principles:

⁹ Standards in Public Life, 2005 as amended by the 14th report of the Committee on Standards in Public Life

Fairness Police officers and staff should treat people fairly.

Respect Police Officers and staff should treat everyone with respect.

The Protocol also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

The Financial Management Code of Practice requires the Commissioner and Chief Constable to ensure that the good governance principles are embedded in the way the organisations operate.

The Core Code of Ethics for Fire and Rescue Services adds:

Putting our communities first Fire and Rescue Service personnel should put the interests of the public, the community, and service users first.

Dignity and Respect Fire and Rescue Service personnel should treat people with dignity and respect, making decisions objectively based on evidence, without discrimination or bias.

Equality, Diversity and Inclusion Fire and Rescue Service personnel should continually recognise and promote the value of equality, diversity, and inclusion, both within the FRS and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations, and celebrate difference.

2.3.2 Ensuring openness and comprehensive stakeholder engagement.

Policing and Fire and Rescue services are run for the public good. Activities must be open and transparent. Clear channels of communication and consultation are used to engage effectively with all stakeholders.

The **communication and community engagement strategies** set out how the Commissioner, both as PCC and CCFRA, and Chief Constable will ensure that local people are involved in decision making.

The **publication schemes** establish the means by which information relating to decisions will be made available to local people, with those of greater public interest receiving the highest level of prominence, except where operational and legal constraints exist.

The **Police, Fire and Crime Panel** is a check and balance on the Commissioner through reviewing or scrutinising their decisions. It is made up primarily of Councillors nominated from each of the local authorities and meet in public. They have particular responsibilities to scrutinise decisions about precept setting, the issue of Police, Fire and Crime Plans, and the appointment and dismissal of the Chief Constable, Chief Fire Officer, Chief Executive, OPFCC Chief Finance Officer and any Deputy PFCC.

2.3.3 Defining Outcomes in terms of sustainable economic, social and environmental benefits.

The long-term nature and impact of many of the Commissioner's and Chief Constable's responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable.

The Police, Fire and Crime Commissioner has issued a **Police, Fire and Crime Plan**. It outlines the policing, crime, fire and rescue objectives (outcomes) and the strategic

direction for the area.

Within that the Police Force's **strategic direction** is 'To Deliver an Outstanding Police Service to Keep Cumbria Safe'. It has adopted four **core operational objectives - 4Cs** - to help focus their attitude and activity: Contempt for criminality; Compassion for victims; Community Focus; and Care for colleagues.

The Policing **priorities** are established with clearly set out approach and outcomes.

The **Community Risk Management Plans (CRMP)** prepared by the Chief Fire Officer and approved by the Commissioner will inform the Police, Fire and Crime Plan.

Collaboration agreements set out those areas of business to be undertaken jointly with other Forces, Fire and Rescue Services, Local Policing Bodies and other partners, whether to reduce cost, increase efficiency or increase capability to protect local people.

Medium-Term Financial Plans (MFTP) have been developed to support delivery of the Police, Fire and Crime Plan.

A **Commissioning framework** has been developed by the Commissioner.

2.3.4 Determining the interventions necessary to optimise the achievement of the intended outcomes.

The Commissioner, both as PCC and CCFRA, and Chief Constable achieve intended outcomes through a mixture of legal, regulatory and practical interventions. Determining the right mix is important and they need robust decision-making mechanisms to ensure outcomes are achieved in a way that provides the best trade-off between resource inputs and effective and efficient delivery. Decisions must be reviewed continually to ensure achievement of outcomes is optimised. Policy implementation usually involves choice about approach, objectives, priorities and incidence of costs and benefits. The Commissioner and Chief Constable must ensure access to appropriate skills and techniques.

The College of Policing **national decision model**¹⁰ is applied to spontaneous incidents or planned operations, by officers and staff within the Force as individuals or teams, and to both operational and non-operational situations. These are applied in the context of the Force's strategic direction and core operational objectives, **4Cs**: Contempt for criminality; Compassion for victims; Community Focus; and Care for colleagues.

The National Fire Chiefs' Council **Operational Guidance** provides a foundation for developing operational policies, procedures and training for personnel to deal with incidents effectively and safely. These are applied across the Fire and Rescue Service in the context of the Service **Ethics** of Putting our communities first; Dignity and respect; Equality, diversity and inclusion; Integrity; and Leadership.

The Commissioner's **Police, Fire and Crime Plan** outlines the fire and rescue, policing and crime objectives (outcomes) and the strategic direction for the policing, fire and rescue and supporting services of the area.

The Police, Fire and Crime Plan will be informed by the **CRMP**.

The **Commissioning Framework** ensures the right interventions are used to achieve

¹⁰ National Decision Model (NDM) for the Police Service, College of Policing

the intended outcomes set out in the Police, Fire and Crime Plan.

2.3.5 Developing the entity's capacity, including the capability of its leadership and the individuals within it.

The Commissioner and Force need appropriate structures, leadership and people with the right skills, qualifications, and mind-set, to operate efficiently and effectively. They must ensure they have the capability to fulfil their mandate and policies in place to guarantee management has the operational capacity for the organisations. They must continually develop capacity and respond to change over time. Leadership is strengthened by the participation of people from different backgrounds, reflecting the structure and diversity of the community.

The organisations' **people and training strategies** set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and staff.

This principle is also included within the **Police, Fire and Crime Plan**.

2.3.6 Managing risks and performance through robust internal control and strong public financial management.

Public bodies must ensure the organisations and governance structures they oversee have implemented, and can sustain, effective performance management systems to facilitate effective and efficient delivery. Risk management, business continuity and internal control are integral parts of a performance management system. Strong financial management systems are essential for implementation of policies and achievement of intended outcomes, enforcing financial disciplines, strategic resource allocation, efficient service delivery and accountability. Public bodies spend money raised from taxpayers and they are entitled to expect high standards of control and oversight of performance.

A **Joint Audit Committee** operates in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice¹¹.

The **scheme of delegation** highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and for contracts.

The **risk management strategies** establish how risk is managed throughout the various elements of corporate governance of the organisations, whether operating solely or jointly.

2.3.7 Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Accountability ensures those making decisions and delivering services are answerable for them. Effective accountability reports on actions completed and ensures stakeholders can understand responses as the organisations plan and carry out activities in a transparent manner. External and internal audit contribute to effective accountability. Both organisations will be as open as possible about all their decisions, actions, plans, resource use, forecasts, outputs, and outcomes.

The Commissioner is **accountable to local people** and draws on this mandate to

¹¹ Financial Management Code of Practice for the Police, s11.1.3

set and shape the strategic objectives for the area in consultation with the Chief Constable and Chief Fire Officer.

The ***Police, Fire and Crime Plan*** sets out what the strategic direction and priorities are and how they will be delivered.

An ***Annual Statement of Assurance*** outlines the way the Commissioner and Fire and Rescue Service has had regard to the Fire and Rescue National Framework, the Police, Crime, and Fire and Rescue Plan, CRMP and MTFP.

To complement this the ***communication and community engagement strategies*** set out how local people will be involved with the Commissioner for policing, crime and fire and rescue services, and with the Chief Constable to ensure they are part of decision making, accountability and future direction.

The Commissioner, Chief Fire Officer and Chief Constable will develop arrangements for effective engagement with key ***stakeholders***, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

2.4 Annual Governance Statements (AGS)

This framework enables the development of local arrangements. Below each of the above mechanisms, the Commissioner and Chief Constable will build behaviours and outcomes across the Force, OPFCC and Fire and Rescue Service that will demonstrate, through the AGS, good governance in practice. The AGS will outline the evidence of local arrangements.

3. Scheme of Delegation

3.1 Introduction

The first section details the key roles of the Police, Fire and Crime Commissioner, Chief Executive, the Commissioner's Chief Finance Officer (OPFCC CFO), Chief Fire Officer, Chief Constable and the Chief Constable's Chief Finance Officer (CC CFO) and of those who support them.

The second section describes the strategies, arrangements, instruments and controls adopted to ensure good governance in the organisations.

This section provides a framework which ensures the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It forms part of the overall corporate governance framework of the three organisations. It should be read in the context of the previous two sections.

This Scheme sets out the delegations by the Commissioner to the Chief Executive, Chief Fire Officer and other specified staff of their Office, Fire and Rescue Service and Police staff. It also sets out the delegations by the Chief Constable to specified officers and staff. It includes other instruments such as the financial regulations.

Statutory Officers are the Chief Executive (who is also the Monitoring Officer), Chief Fire Officer, Chief Constable, Deputy Chief Constable, OPFCC CFO, and CC CFO. This Scheme of Corporate Governance aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The Commissioner **may limit these powers and/or withdraw delegation** at any time, as may the Chief Constable in relation to their delegations. Similarly, any sub-delegations by Statutory Officers may be limited or withdrawn by those Statutory Officers.

The Commissioner may impose reporting arrangements on any authorised powers.

Powers are given to the Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the Commissioner, the Chief Constable and, in the case of police regulations, the Secretary of State for the Home Office.

The powers given to officers and staff should be exercised in line with these delegations, the law, financial regulations, and also policies, procedures, plans, strategies and budgets.

Whilst the Chief Constable has the statutory power to enter into contracts for goods and services with the consent of the Commissioner, in order to simplify systems of internal control, contracts will be issued in the name of the Police, Fire and Crime Commissioner. Consequently, no consent framework is required. This does not preclude the Commissioner from providing consent to the Chief Constable to enter into contracts for goods and services on a case-by-case basis, with such consent to be evidenced in writing.

This Scheme of Delegation does not identify all the statutory duties which are contained in specific laws and regulations.

3.2 Key Roles

- 3.2.1 The Commissioner as Police and Crime Commissioner is the legal contracting body who owns all the assets and liabilities, and with responsibility for the financial administration of their office and the Police Fund, including all borrowing.
- 3.2.2 The Commissioner Fire and Rescue Authority is the legal contracting body who owns all the assets and liabilities of that Authority, and with responsibility for the financial administration of their office and the Fire and Rescue Fund, including all borrowing.
- 3.2.3 The Police, Fire and Crime Commissioner is both of these legal entities.
- 3.2.4 The Police, Fire and Crime Commissioner will receive all funding, including the government grant and precept, and other sources of income, related to policing and crime reduction. By law, all funding for the Police Force must come via the Police and Crime Commissioner. How this money is allocated is for the Commissioner to decide in consultation with the Chief Constable, or in accordance with any grant terms.
- 3.2.5 The Police, Fire and Crime Commissioner will separately receive and keep separate all funding, including the government grant and precept, and other sources of income, related to the fire and rescue service. How this money is allocated is for the Commissioner to decide in consultation with the Chief Fire Officer, or in accordance with any grant terms.
- 3.2.6 The Police, Fire and Crime Panel is a check and balance on the Commissioner through reviewing or scrutinising their decisions, but not those of the Chief Constable.
- 3.2.7 The following matters cannot by law be delegated to a member of staff and will be determined by the Police, Fire and Crime Commissioner¹²:
- calculating a council tax requirement¹³;
 - approving the police, fire and crime plan and the fire and rescue statement¹⁴;
 - determining police and crime objectives¹⁵
 - approving the community risk management plan;
 - approving annual reports¹⁶;
 - appointing, suspending or dismissing the chief constable and chief fire officer¹⁷;
 - appointing a local auditor and deciding whether to enter into a liability limitation agreement¹⁸
 - holding the chief fire officer to account¹⁹;
 - approving a pay policy statement²⁰;

¹² s18(7) PRSRA11, article 5 Police Fire and Crime Commissioner for Cumbria (Fire and Rescue Authority) Order 2022

¹³ s42A of the Local Government Finance Act 1992

¹⁴ s5 PRSRA11, schedule A2 of the FRS Act 2004

¹⁵ s7 PRSRA11

¹⁶ s12 PRSRA11

¹⁷ s38 PRSRA11

¹⁸ ss7 and 14 Local Audit and Accountability Act 2014

¹⁹ article 9 Police Fire and Crime Commissioner for Cumbria (Fire and Rescue Authority) Order 2022

²⁰ s38 Localism Act 2011

- approving arrangements to enter into a reinforcement scheme²¹;
 - approving arrangements with other employers of firefighters²²;
 - approving arrangements for discharge of functions by others²³;
 - approving plans for fire and rescue functions in emergencies²⁴
- 3.2.8 The Chief Constable is responsible for maintaining the King's peace, and the direction and control of the Force for the delivery of operational policing services. The Chief Constable is a separate corporation sole.
- 3.2.9 As a separate corporation sole, the Chief Constable may operate independently in specific areas. The Chief Constable is accountable to the law for exercise of police powers, and to the Commissioner for delivery of efficient and effective policing, management of resources and expenditure by the Force.
- 3.2.10 The Commissioner is responsible for handling complaints and conduct matters in relation to the Chief Constable, Chief Fire Officer and staff of the Office of the Police Fire and Crime Commissioner, and monitoring complaints against officers and staff of the Police Force and employees in the Fire and Rescue Service. The Commissioner is the appropriate authority to undertake reviews in relation to certain complaints recorded by the Police Force in accordance with the Policing and Crime Act 2017. The Chief Constable and Chief Fire Officer are responsible for handling all complaints and conduct matters relating to officers and staff under their direction and control. Both OPFCC and Constabulary are responsible for complying with the legitimate requirements of the Independent Office for Police Conduct.
- 3.2.11 The statutory duties of both Chief Finance Officers (CFOs) are largely identical in nature although their responsibilities are linked to separate corporations sole. The two CFOs should operate effectively and without conflict, to reflect the legal and financial implications of having the connected corporations sole. Both CFOs have a fiduciary duty to the local taxpayer as both have a responsibility for securing the efficient use of public funds. This implies public reporting responsibilities in certain circumstances for both CFOs. However, given that the Commissioner has the statutory responsibility for the Police Fund, the CFO of the Commissioner will have responsibility for all statutory reports relating to the adequacy of the overall resource envelope available to meet police force expenditure. There is a reciprocal fiduciary duty on both CFOs to support the other in the execution of their duties in relation to policing matters.
- 3.2.12 If either of the CFOs intends to exercise their statutory powers under section 114 of the Local Government Finance Act 1988, they should inform the other (and the PFCC, Chief Executive, Chief Constable and Chief Fire Officer) as soon as possible.
- 3.2.13 The Chief Executive is the Monitoring Officer for the Commissioner both as OPFCC and CCFRA. As Monitoring Officer, their role is ensure that no proposal, decision or omission by the Commissioner or anyone acting under their authority (therefore including within the Constabulary regarding matters undertaken in the name of the Commissioner), has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law; or any maladministration or failure that could be subject of the Local Government Ombudsman²⁵.

²¹ s13 FRSA04

²² s15 FRSA04

²³ s16 FRSA04

²⁴ s2 Civil Contingencies Act 2004

²⁵ s5(2) Local Government and Housing Act 1989

3.2.14 The Chief Executive as Monitoring Officer is to be provided with such staff, accommodation and other resources as are sufficient to allow those duties²⁶. That includes access to all records, systems and property of the Commissioner.

²⁶ s5(1) Local Government and Housing Act 1989

3.3 General principles of delegation

- 3.3.1 The Police, Fire and Crime Commissioner and Chief Constable expect anyone proposing to exercise a delegation or an authorisation under this scheme to draw to the attention of the Commissioner any issue which is likely to be regarded by the Commissioner as novel, contentious, repercussive or likely to be politically sensitive before exercising such powers.**
- 3.3.2 The Commissioner is ultimately accountable for the Police Fund and the Fire and Rescue Fund. Before any financial or legal liability affecting either Fund that the Commissioner might reasonably regard as novel, contentious, repercussive or politically sensitive is incurred, prior written approval must be obtained from the Commissioner.
- 3.3.3 The Commissioner must not restrict the operational independence of the police force and the Chief Constable who leads it²⁷. In exercising their functions, the Chief Constable must have regard to the Police, Fire and Crime Plan issued by the Commissioner²⁸.
- 3.3.4 The Commissioner will not restrict the operational independence of the Fire and Rescue Service and the Chief Fire Officer who leads it. In exercising their functions, the Chief Fire Officer will have regard to the Police, Fire and Crime Plan issued by the Commissioner.
- 3.35 Operational independence in both policing and fire and rescue relates to purely operational matters: decisions regarding what people, resources and tactics are applied to resolve specific cases, incidents and situations. It does not extend to decisions which are a mixture of operational and strategic, such as what equipment to purchase and what annual budget is allocated to staffing within functions, as these cross over with the Commissioner's responsibilities.
- 3.3.5 To enable the Commissioner to exercise the functions of their office effectively they will need access to information, and officers and staff within their force area. This access must not be unreasonably withheld or obstructed by the Chief Constable or restrict the Chief Constable's direction and control of the force²⁹.
- 3.3.6 The Commissioner has wider responsibilities than those solely relating to the police force, and these are referred to elsewhere in the Corporate Governance Framework.
- 3.3.7 Delegations are set out in this scheme. The Commissioner and Chief Constable may require at any time that a specific matter is referred to them for a decision and not dealt with under powers of delegation.
- 3.3.8 Delegations may only be exercised subject to:
- a) compliance with the corporate governance framework.
 - b) provision for any relevant expenditure being included in the approved budget.
- 3.3.9 These arrangements delegate powers and duties within broad functional descriptions and include powers and duties under all legislation present and future within those descriptions and all powers and duties incidental to that legislation. The scheme does not attempt to list all matters which form part of everyday

²⁷ Policing Protocol Order 2023, art18

²⁸ PRSRA11 s8(2)

²⁹ PRSRA11 ss2(5) and 36

management responsibilities.

- 3.3.10 Giving delegation under this scheme does not prevent an officer or member of staff from referring the matter to the Commissioner or Chief Constable for a decision or guidance if the officer or member of staff thinks this is appropriate (for example, because of sensitive issues or any matter which may have a significant financial implication – see paragraph 3.3.1).
- 3.3.11 When a statutory officer is considering a matter that also falls within another statutory officer's area of responsibility, they should consult the other statutory officer before authorising the action (see Decision Making, above).
- 3.3.12 All decisions statutory officers make under powers given to them by the Commissioner or Chief Constable must be recorded and published in accordance with the Decision-Making principles.
- 3.3.13 In this document, references made to the statutory officers include officers authorised by them to act on their behalf.
- 3.3.14 The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of the Corporate Governance Framework.
- 3.3.15 The persons appointed as the Chief Executive (who is also the Monitoring Officer), Chief Fire Officer and the Chief Finance Officers have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to carry these out.
- 3.3.16 The Scheme of Delegation provides a member of staff with the legal power to carry out functions of the Commissioner and Chief Constable. In carrying out these functions the member of staff must comply with all other statutory and regulatory requirements and relevant professional guidance including:
- Police Reform and Social Responsibility Act 2011 as amended and other relevant legislation issued under that Act.
 - Fire and Rescue Services Act 2004 as amended and other legislation under that Act
 - Fire and Rescue National Framework
 - Policing Protocol Order 2023
 - Financial Regulations
 - Financial Management Code of Practice
 - CIPFA Statement on the role of the Chief Finance Officer in public service organisations
 - APACE Statement on the role of the Chief Executive
 - Contract Procedure Rules
 - Public Procurement Regulations
 - The Commissioner's Corporate Governance framework
 - The Commissioner's, Fire and Rescue Service's and Police Force employment policies and procedures.
 - The Data Protection Act 2018, General Data Protection Regulations and the Freedom of Information Act 2000 as amended
 - Health and safety at work legislation and codes.
- This list is not exhaustive.
- 3.3.17 When carrying out any functions, the Commissioner, Chief Constable and staff must have regard to the following:
- The views of the people in their area
 - Any report or recommendation made by the Police, Fire and Crime Panel on

the annual report for the previous financial year.

- The Police, Fire and Crime Plan and any guidance issued by the Secretary of State.

This list is not exhaustive.

- 3.3.18 The scheme allows any person with appropriate authority to delegate that power further (subject to any statutory limitations) but before doing so they must inform the Commissioner and comply with any limitation, conditions or prohibition issued by the Commissioner and notification of any sub-delegation shall be given to the Chief Executive.
- 3.3.19 These arrangements do not delegate any matter which by law cannot be delegated to a member of staff nor do they affect the constitutional relationship between the Commissioner and the Chief Constable

Delegations by the Police, Fire and Crime Commissioner

3.4 Functions delegated to the Chief Executive, Office of the Commissioner

- 3.4.1. The Chief Executive is the Head of Paid Service for the Office of the Commissioner and the Monitoring Officer of both the Commissioner's legal entities. The formal delegations, listed below, are those given to the Chief Executive.
- 3.4.2. As the Monitoring Officer of the Commissioner there is a statutory responsibility to manage their legal affairs as set out in section 5 Local Government and Housing Act 1989 (as amended).
- 3.4.3. In their absence the Commissioner delegates to the Chief Executive all of his functions, except those prohibited by law³⁰, unless otherwise agreed.
- 3.4.4. In the event of a significant conflict of interest arising which would preclude the Commissioner from exercising a function, the Commissioner delegates to the Chief Executive the exercise of any functions, except those prohibited by law¹⁵.

General

- 3.4.5. To prepare the Police, Fire and Crime Plan for submission to the Police, Fire and Crime Commissioner.
- 3.4.6. To prepare the Annual Report for submission to the Police, Fire and Crime Commissioner
- 3.4.7. To provide information to the Police, Fire and Crime Panel, as reasonably required to enable the panel to carry out its functions.
- 3.4.8. To sign contracts on behalf of the Commissioner including contracts which are required to be executed under the common seal of the Commissioner.
- 3.4.9. To consider whether, in consultation with the OPFCC CFO, to provide indemnity to the Commissioner or Chief Constable, and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 3.4.10. To consider and approve, in consultation with the OPFCC CFO, provision of indemnity and/or insurance to individual staff of the Commissioner.
- 3.4.11. To respond to consultations on proposals in respect of all issues affecting the Commissioner, if necessary, after first taking the views of the Commissioner, Chief Constable or the OPFCC CFO, as appropriate.
- 3.4.12. To consider any complaint, grievance or conduct matter raised against the Chief Constable, and where appropriate, refer the matter to the IOPC.
- 3.4.13. To consider, with the Commissioner, any complaint made against the Chief Fire Officer, and where appropriate, to make arrangements for appointing someone to investigate the complaint.
- 3.4.14. To monitor the way that complaints against officers and staff within the Fire and Rescue Service and Constabulary are managed.

³⁰ s18(3)(d) and (7) PRSRA11

- 3.4.15 To make arrangements for the support of public communications and engagement.
- 3.4.16 To make arrangements for the support to the Commissioner in holding the Chief Constable to account.
- 3.4.17 To make arrangements for the support to the Commissioner in holding the Chief Fire Officer to account
- 3.4.18 At the request of the Chief Constable, to exercise the power of the Police and Crime Commissioner under the Police (Property) Regulations 1997 to approve the keeping of unclaimed property if it can be used for police purposes.
- 3.4.19 To be the Senior Information Risk Owner and carry out all functions and responsibilities of the Data Controller specified in the Data Protection Act 2018; Freedom of Information Act 2000 and to ensure compliance with the Elected Local Policing Bodies (Specified Information) Order 2011, as amended.
- 3.4.20 To discharge functions and responsibilities in respect of Police Appeal Tribunals
- 3.4.21 To discharge functions and responsibilities in respect of Complaint Reviews.

Financial

- 3.4.22 The financial management responsibilities of the Chief Executive are set out in the financial regulations.
- 3.4.23 To manage the budget of the Commissioner's office, along with the OPFCC CFO, particularly to:
 - order goods and services and other items provided for in the revenue budget.
 - ask for and accept quotations and tenders for goods and services provided for in the revenue budget

Staff employed or engaged within the Office of the Commissioner

- 3.4.24 To appoint and dismiss staff employed in the Office of the Commissioner, in consultation with the Commissioner.
- 3.4.25 Paragraph 3.4.24 shall not apply to the appointment or dismissal of, or disciplinary action against the Chief Executive or OPFCC CFO.
- 3.4.26 No disciplinary action in respect of the Chief Executive or OPFCC CFO, except suspension of the officer for the purpose of investigating the alleged misconduct occasioning the action, may be taken by the Commissioner without having due regard to a recommendation in a report made by an independent person. Any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.
- 3.4.27 "disciplinary action" means any action occasioned by alleged misconduct which, if proved, would, according to the usual practice of the Commissioner, be recorded on the member of staff's personal file, and includes any proposal for dismissal of a member of staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include failure to renew a contract of employment for a fixed term unless the authority has undertaken to renew such a contract; and "designated independent person" must be such person as may be agreed between the Commissioner and the relevant officer

- 3.4.28 To make recommendations to the Commissioner with regard to staff terms and conditions of service, in consultation with the OPFCC CFO.
- 3.4.29 To undertake the management of staff employed by in the Office of the Commissioner in line with agreed policies and procedures.
- 3.4.30 To authorise, in line with staff conditions of service, the suspension of any member of staff employed in the Office of the Commissioner.
- 3.4.31 To bring national agreements on salaries, wages and conditions of staff of the Office of the Commissioner into effect, providing that any issues which are sensitive or have major financial implications will be referred to the Commissioner for a decision.
- 3.4.32 To approve payments under any bonus or performance-related payment schemes for staff approved by the Commissioner, honoraria payments made for taking on extra duties and responsibilities, or similar special payments.
- 3.4.33 To negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally. All agreements reached must be reported to the Commissioner.
- 3.4.34 To grant essential or casual car-user allowances for staff of the Office of the Commissioner.
- 3.4.35 To issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.
- 3.4.36 To approve the retirement of staff on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments, as appropriate, in consultation with the OPFCC CFO following advice from a medical practitioner. All ill-health retirements must be reported to the Commissioner before implementation.
- 3.4.37 Settlement of employment tribunal cases and grievances of staff employed or engaged within the Office of the Commissioner with the exception of those cases felt to be exceptional because:
- they involve a high-profile claimant
 - there is a particular public interest in the case
 - there is a real risk that the Commissioner or Chief Constable will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.
- 3.4.38 To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 3.4.39 To exercise the Commissioner's discretions under the Local Government Pension Scheme in relation to staff employed in the OPFCC, in consultation with the OPFCC CFO and in line with agreed policies.
- 3.4.40 To approve requests from staff employed in the Office of the Commissioner to undertake additional outside work.
- 3.4.41 To appoint and dismiss Independent Custody Visitors, members of the Independent Joint Audit Committee on behalf of the CCFRA, and other Panels set up by the Commissioner, legally qualified persons to carry out work in relation to Police Misconduct Hearings, Police Appeal Tribunals and terminate appointments if necessary.

Legal

- 3.4.42 To affix or authorise the affixing of the common seal of the Police, Fire and Crime Commissioner to:
- all contracts, agreements or transactions in respect of which there is no consideration
 - all deeds which grant or convey an interest in land
 - all documents where it is determined by the Commissioner there is a particular need for the seal to be attached.
- 3.4.43 To approve the financial settlement of all claims over £50,000 or requests for compensation against the Commissioner in accordance with financial regulations and against the Chief Constable in accordance with paragraph 8 of Schedule 2 Police Reform and Social Responsibility Act 2011 and s.88 of the Police Act 1996.
- 3.4.44 To approve all requests for financial assistance to officers and staff involved in legal proceedings or inquests except those felt to be significant because:
- they involve a high-profile claimant
 - there is a particular public interest in the case
 - there is a real risk that the Commissioner, Fire and Rescue Service, Constabulary or Chief Constable will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.
 - the proceedings are by their nature considered to be a test case before the court
- 3.4.45 To authorise, after consultation with the Commissioner, and the Chief Fire Officer if it relates to fire and rescue services, the institution, defence, withdrawal or settlement of any claims or legal proceedings (excluding FRA Prohibitions) on the Commissioner's behalf, including the completion of necessary documentation in pursuance of court orders, directions and or procedural rules, in consultation with the legal adviser (and OPFCC CFO if there are significant financial implications).
- 3.4.46 To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the Commissioner, providing regular reports to the Commissioner to demonstrate compliance and good governance.

Property

- 3.4.47 To deal with all matters in respect of land or buildings and structures thereon, including day-to-day management in consultation with building users, subject to the provision of financial regulations.
- 3.4.48 To be the HSE Duty Holder in respect of Asbestos, Legionella and Gas regulations.

3.5 Functions delegated to the Chief Fire Officer

- 3.5.1 The Chief Fire Officer is the Head of Paid Service of the Fire and Rescue Service. The formal delegations listed below, are those given to the Chief Fire Officer.

Staff employed or engaged within the Fire and Rescue Service

- 3.5.2 To appoint and dismiss staff employed in the Fire and Rescue Service, in consultation with the Commissioner if required.
- 3.5.3 Paragraph 3.5.2 shall not apply to the appointment or dismissal of, or disciplinary action against the Chief Fire Officer.
- 3.5.4 No disciplinary action in respect of the Chief Fire Officer, except suspension of the officer for the purpose of investigating the alleged misconduct occasioning the action, may be taken by the Commissioner without having due regard to a recommendation in a report made by an independent person. Any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.
- 3.5.5 "disciplinary action" means any action occasioned by alleged misconduct which, if proved, would, according to the usual practice of the Commissioner, be recorded on the member of staff's personal file, and includes any proposal for dismissal of a member of staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include failure to renew a contract of employment for a fixed term unless the authority has undertaken to renew such a contract; and "designated independent person" must be such person as may be agreed between the Commissioner and the relevant officer
- 3.5.6 To make recommendations to the Commissioner with regard to Fire and Rescue Service staff terms and conditions of service, in consultation with the OPFCC Chief Finance Officer.
- 3.5.7 To undertake the management of Fire and Rescue Service staff, including disciplinary matters, in line with agreed policies and procedures.
- 3.5.8 To authorise, in line with staff conditions of service, the suspension of any member of Fire and Rescue Service staff.
- 3.5.9 To prepare a pay policy statement prepared for the purposes of section 38 of the Localism Act 2011 for submission to the Commissioner.
- 3.5.10 To bring national agreements on salaries, wages and conditions for Fire and Rescue Service staff into effect, providing that any issues which are sensitive or have major financial implications will be referred to the Commissioner for a decision.
- 3.5.11 In consultation with the OPFCC CFO, to approve payments under any bonus or performance-related payment schemes for Fire and Rescue Service staff in line with Service Policies approved by the Commissioner, honoraria payments made for taking on extra duties and responsibilities, or similar special payments.
- 3.5.12 To negotiate with, and reach agreements with, recognised representative bodies on any matters that can be decided locally. All agreements reached must be reported to the Commissioner.
- 3.5.13 To grant essential or casual car-user allowances for Fire and Rescue Service staff,

in consultation with the OPFCC CFO.

- 3.5.14 To approve visits abroad by officers on official business and the expenses thereof, in consultation with the Commissioner.
- 3.5.15 To act as Scheme Manager for the Fire Pension Scheme.
- 3.5.16 Settlement of employment tribunal cases and grievances of staff employed or engaged within the Fire Service with the exception of those cases felt to be exceptional because:
- they involve a high-profile claimant
 - there is a particular public interest in the case
 - there is a real risk that the Commissioner or Chief Fire Officer will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.
- 3.5.17 To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, and Firefighter Pensions Schemes in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 3.5.18 To exercise the various Firefighters' Pension Scheme Discretions except in relation to the Chief Fire Officer and Deputy Chief Fire Officer.
- 3.5.19 To exercise LGPS discretions on behalf of the Commissioner for staff employed within the FRS in consultation with the OPFCC CFO.
- 3.5.20 To approve the retirement of Fire and Rescue Service staff on the grounds of ill health, excluding Principal Officers, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from an independent qualified medical practitioner. All ill-health retirements must be reported to the Police and Fire Commissioner before implementation and any relating to Principal Officer's must be reported when an application is made.
- 3.5.21 In consultation with the Chief Executive, to issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.
- 3.5.22 To approve requests from staff employed in the Fire and Rescue Service to undertake additional outside work.

Financial

- 3.5.23 The financial management responsibilities of the Chief Fire Officer are set out in the financial regulations and the Home Office Financial Management Code of Practice 2018.
- 3.5.24 To ensure the Fire and Rescue Service complies with the Financial Regulations and Contract Procedure Rules.
- 3.5.25 To manage the budget of the Fire and Rescue Service, along with the OPFCC CFO, in line with the Financial Regulations.

Operational Fire and Rescue Services

- 3.5.26 To prepare the Community Risk Management Plan for submission to the Commissioner.

- 3.5.27 To prepare the Fire and Rescue Statement of Assurance for submission to the Commissioner.
- 3.5.28 To be the Senior Information Risk Owner for the Fire and Rescue Service.
- 3.5.29 To undertake the day-to-day management of physical assets, other than land and buildings, subject to the provision of financial regulations.
- 3.5.30 To exercise the functions of the Commissioner FRA under the Regulatory Reform (Fire Safety) Order 2005, together with any future enactment conferring power upon the Fire and Rescue Service to commence criminal proceedings in any Court of competent jurisdiction, to issue, amend and withdraw prohibition notices on behalf of the Commissioner FRA under that legislation.
- 3.5.31 To designate persons as Inspectors under article 26, and to authorise members of staff to exercise statutory powers under article 27 of the Fire Safety Order.
- 3.5.32 To prepare agreements with neighbouring Fire and Rescue Services under Sections 13, 16 and 17 Fire and Rescue Services Act 2004 for submission to the Commissioner.
- 3.5.33 To authorise the exercise of powers of entry, inspection and survey and the carrying out of emergency works by staff of the Service or contractors acting on behalf of the Fire and Rescue Service upon land or buildings.
- 3.5.34 To prepare plans for performing its fire and rescue functions in relation to emergencies and arrangements for cooperation with other agencies under the Civil Contingency Act 2004.
- 3.5.35 To submit comments on any town and country planning matter, building regulations, safety of sports grounds and other applications or licences.
- 3.5.36 In consultation with the CCFRA CFO, to enter into any primary authority partnership arrangements with businesses in relation to fire safety legislation.
- 3.5.37 To respond to requests from the Home Office in relation to removing, developing or hosting new capabilities relating to national resilience.

General

- 3.5.38 The Chief Fire Officer will provide regular reports to the Commissioner in order to demonstrate compliance and good governance.

3.6 Functions delegated to the Commissioner's Chief Finance Officer

- 3.6.1 The OPFCC CFO, as the financial adviser to the Commissioner has a statutory responsibility to manage the Commissioner's financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 3.6.2 To lead on risk management on behalf of the Commissioner.
- 3.6.3 The detailed financial management responsibilities of the OPFCC CFO are set out in the financial regulations.
- 3.6.4 To sign contracts on behalf of the Commissioner, irrespective of value, once they have been approved in accordance with this Corporate Governance Framework, except those which are required to be executed under the common seal of the Commissioner or in such cases the Chief Executive is authorised to sign and affix the seal.

3.7 Functions delegated to the Chief Constables Chief Finance Officer

- 3.7.1 The detailed financial management responsibilities of the CC CFO are set out in the financial regulations.
- 3.7.2 The CC CFO will provide regular reports to the Commissioner in order to demonstrate compliance and good governance.

3.8 Urgent matters

- 3.8.1 If any matter which would normally be referred to the Commissioner for a decision and cannot be delayed in their absence, the matter may be decided by the appropriate chief officer.
- 3.8.2 Appropriate chief officers authorised to decide urgent matters are:
 - the Chief Executive (all issues other than financial issues);
 - the OPFCC CFO (financial and related issues)
- 3.8.3 Where possible the appropriate officer will consult the Commissioner before taking an urgent decision unless such consultation is impractical.
- 3.8.4 Urgent decisions taken must be reported to the Commissioner as soon as practicable and published.

Delegations by the Chief Constable

3.9 Functions delegated to the Deputy Chief Constable

- 3.9.1 The Deputy Chief Constable may exercise or perform any or all of the functions of the Chief Constable of the force during any period when the Chief Constable is unable to exercise functions, or otherwise with the consent of the Chief Constable³¹.
- 3.9.2 To appoint and dismiss staff employed by the Chief Constable.
- 3.9.3 To undertake the management of staff employed by the Chief Constable in line with agreed policies and procedures.
- 3.9.4 To make recommendations to the Chief Constable with regard to staff terms and conditions of service, in consultation with the CCCFO.
- 3.9.5 To bring national agreements on salaries, wages and conditions into effect on the clear understanding that any issues which are sensitive or have major financial implications will be referred to the Chief Constable for a decision.
- 3.9.6 To negotiate with recognised trade unions and staff associations on any matters that can be decided locally, and to recommend agreements to the Chief Constable.
- 3.9.7 To recommend to the Chief Constable the retirement, in the interests of the efficiency of the service, of employees and to report on this issue each year, in consultation with the CCCFO.
- 3.9.8 In consultation with the Chief Executive, to issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.
- 3.9.9 To recommend to the Chief Constable the retirement of police staff on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from a medical practitioner and in consultation with the CCCFO.
- 3.9.10 To approve payments under any bonus or performance-related payment schemes for staff approved by the Chief Constable, honoraria payments made for taking on extra duties and responsibilities, or similar special payments.
- 3.9.11 To grant essential or casual car-user allowances.
- 3.9.12 To approve the appointment or secondment of police officers and police staff for central services or overseas duty.
- 3.9.13 To be the appropriate authority for complaint and professional standards matters.
- 3.9.14 To lead on risk management on behalf of the Chief Constable.
- 3.9.15 To be the Senior Information Risk Owner and carry out all functions and responsibilities of the Data Controller specified in the Data Protection Act 2018; Freedom of Information Act 2000 and to ensure compliance with the Elected Local Policing Bodies (Specified Information) Order 2011, as amended.

³¹ PRSRA11 s41

3.10 Functions delegated to the Chief Constable's Chief Finance Officer

- 3.10.1 The CC CFO, as the financial adviser to the Chief Constable has a statutory responsibility to manage the Chief Constable's financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 3.10.2 The detailed financial management responsibilities of the CC CFO and their staff are set out in the financial regulations.
- 3.10.3 To sign all contracts on behalf of the Chief Constable, irrespective of value, once they have been properly approved in accordance with financial regulations, except those which are required to be executed under the common seal of the Chief Constable. In such cases the Head of Legal Services is authorised to sign and affix the seal.
- 3.10.4 To appoint and dismiss members of the Independent Joint Audit Committee on behalf of the Chief Constable and terminate appointments if necessary.

3.11 Functions Delegated to the Director of Legal Services

- 3.11.1 To authorise the institution, defence and/or withdrawal of legal proceedings on the Chief Constable's behalf, including the completion of necessary documentation in pursuance of court orders, directions and or procedural rules, in consultation with the CCCFO if there are significant financial implications.
- 3.11.2 Settlement of employment tribunal cases and grievances of officers and staff employed by the Chief Constable, and of claims for unlawful conduct of constables under his direction and control in the purported performance of their functions, after consultation with the Deputy Chief Constable and Chief Executive, with the exception of those cases felt to be exceptional because:
 - they involve a high-profile claimant
 - there is a particular public interest in the case
 - there is a real risk that the Commissioner or Chief Constable will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.
- 3.11.3 To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 3.11.4 To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the Chief Constable and provide a quarterly report to the Commissioner and Chief Constable on all legal action taken, to demonstrate compliance and good governance.
- 3.11.5 Where Legal Services are provided to the Commissioner in accordance with Section 2(5) PRSRA11 the matter or transaction will require specific authorisation by the Commissioner. The settlements of claims shall be subject to Paragraph 8 Schedule 2 PRSRA11.



The Police, Fire and Crime Commissioner for Cumbria (including as Cumbria Commissioner Fire and Rescue Authority and the Chief Constable of Cumbria Constabulary

Financial Regulations – November 2024

Approved: Police, Fire and Crime Commissioner - 8 October 2024

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Introduction

The Police Fire and Crime Commissioner (PFCC) and their Chief Constable are each established in law as a corporation sole within the 2011 Act. The PFCC is also the Fire and Rescue Authority (FRA). As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the Police Fire and Crime Commissioner, including the Fire and Rescue Service, are accountable to the directly elected holder of that office.

These financial regulations set out the internal framework and procedures for financial administration and control within the Cumbria Office of the Police, Fire and Crime Commissioner (OPFCC), both as PCC and Fire and Rescue Authority (FRA), and Cumbria Constabulary. They are applicable at all times and must be adhered to by all officers and employees of the Police, Fire and Crime Commissioner (Commissioner) and the Chief Constable (CC) and anyone acting on the Commissioner's and Chief Constable's behalf.

These regulations are part of the overall Corporate Governance Framework that includes the [Scheme of Delegation, Decision Making Framework, Contract Procedure Rules](#) and the [Arrangements for Anti-Fraud and Corruption](#).

Definitions

These Regulations refer to:

- The Police, Fire and Crime Commissioner for Cumbria (the Commissioner)
- The Cumbria Office of the Police, Fire and Crime Commissioner (OPFCC)
- The Cumbria Commissioner Fire and Rescue Authority (CCFRA)
- The Chief Constable of Cumbria Constabulary (CC)
- The Constabulary: the entity providing policing services to Cumbria police area
- The OPFCC and CCFRA Chief Finance Officer is the Group CFO for the OPFCC and Chief Constable (the CCFRA is separate from the Group)
- The CC Chief Finance Officer
- The Chief Executive also fulfils the role of Monitoring Officer for both OPFCC and CCFRA

- The 'Constabulary' refers to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family.
- Chief Officers when referred to as a generic term means the Chief Executive, Chief Constable, Chief Fire Officer, OPFCC CFO and CC CFO.
- The 'Fire and Rescue Service' (FRS) refers to the operational and corporate officers and staff of the FRA under the direction of the Chief Fire Officer, including volunteers and other members of the wider fire and rescue organisation providing fire and rescue services across Cumbria.
- 'Employees' when referred to as a generic term refers to police officers, staff employed by the Commissioner and by the Chief Constable and other members of the wider police and fire and rescue organisations.
- The expression 'authorised officer' refers to employees authorised by a Chief Officer.
- The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the FRS, the Constabulary or their affiliated bodies.
- The expression 'best value for money' shall mean the most economic, efficient and effective means of meeting the need and takes account of whole life costs.
- 'Subjective Heading' means a category of expenditure which the Chief Constable or Chief Fire Officer may apply the budget provided towards
- A 'Virement' is a planned and approved reallocation of resources between budgets or heads of expenditure.
- The term '**Scheme of Delegation**' refers to the part of the Corporate Governance Framework that sets out the roles, responsibilities and decision making authorities delegated by the Commissioner and Chief Constable to officers and staff of the OPFCC, Constabulary and FRS.
- The term 'Grant' refers to grants that the Commissioner has the power to issue as a means of funding activity.
- Unless stated otherwise, the responsibilities of the OPFCC CFO and Chief Executive as Monitoring Officer relate to both the OPFCC and CCFRA and to ensuring reciprocal appropriate arrangements are made within the Constabulary.
- Unless stated otherwise, the responsibilities of the Chief Constable and the CC CFO relate to the Constabulary and include ensuring appropriate arrangements are in place for providing shared support services to the Commissioner.

- ‘Financial Rules’ refer to the detailed supporting guidance and instructions that accompany the regulations
- ‘Contract Procedure Rules’ refers to the collective document that comprises the business code of conduct, procurement policy and procedures

Purpose

To conduct business effectively, sound financial management policies are essential and they must be strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial affairs of the Police, Fire and Crime Commissioner, as both PCC and FRA, and the Chief Constable are conducted properly and in compliance with all necessary requirements. They also seek to reinforce the standards of conduct in public life required by the Police, Fire and Crime Commissioner, the Chief Constable, police officers, police staff and staff within the Office of the Police, Fire and Crime Commissioner and FRS and in particular the need for openness, accountability and integrity.

The Regulations are designed to establish financial responsibilities, to confer duties, rights and powers upon the Commissioner, the FRS, Constabulary and their officers and staff to provide clarity about the financial accountabilities of groups or individuals. They reflect the application of best practice and the requirements of legislation. In particular they seek to meet the criteria set out in the CIPFA Financial Management Code issued in 2019 and the Financial Management Code of Practice issued by the Home Office under Section 17 of the Police Reform and Social Responsibility Act 2011 of ensuring that the financial affairs of the Commissioner are properly administered. This includes ensuring financial regulations are in place, observed and kept up to date.

Status

The Commissioner, as both PCC and CCFRA, Chief Constable and all officers and staff have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves value for money. These financial regulations support that duty by setting out the responsibilities of senior officers for financial management, planning and control, risk and resource management and the requirements in respect of associated systems and processes through which those responsibilities are discharged. They explain the working financial relationship between the Commissioner and the Chief Constable and the OPFCC Chief Finance Officer, CC Chief Finance Officer, Commissioner’s Chief

Executive (as Monitoring Officer for OPFCC and CCFRA and Head of Paid Service for the OPFCC) and the Chief Fire Officer (as Head of Paid Service for the FRA). These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the Policing Protocol Order, the Fire and Rescue National Framework, codes of conduct, and the rest of the Corporate Governance Framework.

The Commissioner is responsible for approving or amending Financial Regulations after consultation with the Chief Constable. The OPFCC CFO is responsible for maintaining and reviewing Financial Regulations and submitting any additions or amendments to the Commissioner after consulting with the Chief Executive. Copies will be available on the Commissioner's website and on the Constabulary Intranet.

These regulations are subject to a biennial review and update, as a minimum, from the date of approval. The update process will be brought forward where appropriate following changes in external requirements or internal arrangements for financial governance.

These regulations will operate on the basis that:

- A delegation in these financial regulations to a Chief Officer shall permit further delegation to other officers provided that the terms of the delegation are clearly documented.
- Delegations can only operate within the separate statutory entities of the OPFCC, CCFRA and the Constabulary. Delegations from the Commissioner and/or the Commissioner's staff to an officer or staff member of the Constabulary are prohibited under section part 1, chapter 3 (18) of the Police Reform and Social Responsibility Act 2011.
- More detailed **Financial Rules** to supplement these Regulations, shall be issued by the OPFCC Chief Finance Officer, the CC CFO and the Chief Executive.
- Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
- Breaches of **Financial Regulations** may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the OPFCC CFO who shall determine, after consulting with the CC CFO and Monitoring Officer, whether the matter shall be reported to the Commissioner and/or Chief Constable. Further guidance is set out in Section F.
- The Commissioner and all officers and staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

- The Financial Regulations shall only be suspended by a formal decision of the Commissioner following consultation with the OPFCC Chief Finance Officer. It is anticipated that the suspension of financial regulations would be highly unlikely to occur.

Sections

The Financial Regulations are divided into a number of sections. References are made in the individual sections to limits of authority with the actual value of each limit set out in Section G. Changes to regulation limits can then be made without reviewing the whole document. The contents page sets out the sections and subsections of the regulations.

Other Guidance

These regulations have been developed to meet the requirements of legislation, codes and guidance on financial matters that apply to the OPFCC and Constabulary. They cannot however set out the full detail of all necessary arrangements. Officers with specific duties and responsibilities under these regulations are also advised that they should refer to:

- International Framework: good governance in the public sector
- Relevant sections of the Police Reform and Social Responsibility Act (PR&SRA 2011), for example chapter 3 sections 21 to 27 covering financial matters
- Various Account and Audit Regulations;
- The Code of Practice on Local Authority Accounting issued by CIPFA/LASAAC
- Financial Management Code of Practice for the Police Forces of England and Wales issued by the Home Office
- Fire and Rescue National Framework for England
- The Public Sector Internal Audit Standards (PSIAS) issued by CIPFA
- Statement on the Role of the Chief Finance Officer (S.151) issued by CIPFA;
- CIPFA Statement on the role of the S.151 Officer of the PCC and the CFO of the Chief Constable;
- Prudential Code for Capital Finance in Local Authorities issued by CIPFA;
- Treasury Management in the Public Services: Code of Practice and Guidance Notes issued by CIPFA;
- Effective Governance of Collaboration in Policing issued by CIPFA;
- Statement on the role of the Chief Internal Auditor issued by CIPFA
- Audit Committees: Practical Guidance for Local Authorities and Police
- HM Treasury Audit Committee Handbook

- CIPFA guidance note on local authority reserves and balances LAAP Bulletin 55
- Delivering Good Governance in Local Government issued by CIPFA/SOLACE
- Delivering Good Governance: Guidance Note for Policing Bodies issued by CIPFA

Introduction

This section of the financial regulations sets out the overall responsibilities for financial management arrangements, including ensuring the security of assets, that are vested in the Commissioner, Chief Constable, OPFCC CFO, CC CFO and Chief Executive under statute, regulations, codes of practice and financial and accounting standards. It includes financial management standards, responsibilities in respect of the overall arrangements for financial systems and control, and responsibilities in respect of the statement of accounts and of financial monitoring and reporting. In setting out these responsibilities the financial regulations ensure that statutory and other officers are clear with regard to their duties and the arrangements they must have in place to fulfil them.



A1 Roles and Responsibilities

Responsibilities of the Police Fire and Crime Commissioner (Commissioner)

The Commissioner has a statutory duty and is ultimately accountable for the management of the Police Fund and the Fire Fund. The Commissioner is the recipient of all funding, including government grants, council tax and other sources of income, related to policing, crime reduction, fire and rescue. The Commissioner is responsible for determining the budgets and annual precepts in consultation with the Police, Fire and Crime Panel.

All funding for the Constabulary and Fire and Rescue must come via the Commissioner and the Commissioner is responsible for allocating this funding in consultation with the Constabulary and FRS respectively, wider partners and in accordance with any grant terms. The Chief Constable, Chief Fire Officer and partners will provide professional advice and recommendations including proposals and bids for funding.

The Commissioner has a statutory duty to appoint a Chief Financial Officer (the OPFCC CFO) to be responsible for the proper administration of the Commissioner's financial affairs. The Commissioner must also appoint a Chief Executive who will also act as the Monitoring Officer. They act as Head of Paid Service for the Office of the PFCC. The Chief Fire Officer acts as Head of Paid Service for the FRS.

The Commissioner is responsible for approving financial strategy and policy, the annual and medium term budgets and for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:

- The Police Fire and Crime Plan
- The Medium Term Financial Strategy (MTFS)
- Annual Revenue Budgets and medium term forecasts
- Capital Programme
- Treasury Management Strategy, including the annual investment strategy and minimum revenue provision (MRP) policy
- Asset management strategies.

- Financial Risk Management strategy
- Governance policies

The Commissioner is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions. The Commissioner is also responsible for approving procedures for agreeing variations to approved budgets and plans and strategies forming the policy framework.

In fulfilling these responsibilities, the Commissioner must provide the OPFCC CFO and CC CFO with such staff, accommodation and other resources as are in the opinion of the OPFCC CFO is sufficient to allow their duties under this section to be performed.

The Commissioner may appoint a Deputy Police, Fire and Crime Commissioner (Deputy Commissioner) and arrange for the Deputy Commissioner to undertake appropriate functions of the Commissioner other than those functions that are precluded from delegation by statute.

Responsibilities of an appointed Deputy Police, Fire and Crime Commissioner (Deputy Commissioner)

Any appointed Deputy Commissioner may exercise any of the functions conferred by the Commissioner as detailed in the Scheme of Delegation.

Responsibilities of the Independent Joint Audit Committee

The Home Office Financial Management Code of Practice states that the Commissioner and Chief Constable should establish an independent audit committee. This is recommended to be a combined body which will consider the internal and external audit reports of both the Commissioner acting as both PCC and CCFRA and the Chief Constable. This Committee will advise the Commissioner and the Chief Constable according to good governance principles including those in respect of appropriate risk management arrangements. In establishing the Joint Audit Committee the Commissioner and the Chief Constable shall have regard to CIPFA Guidance on Audit Committees and principles of good practice set out in the HM Treasury Audit Committee Handbook.

- The Joint Audit Committee shall comprise between three and six members who are independent of the Commissioner, the FRS and the Constabulary.

- The Joint Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an biennial basis
- The Commissioner and Chief Constable shall be represented at all meetings of the Joint Audit Committee.

This arrangement is managed through a Joint Audit Committee.

Responsibilities of the Chief Executive and Monitoring Officer

The Chief Executive is responsible for the leadership and general administration of the Commissioner's office and is the designated Head of Paid Service for that Office. The Chief Executive is also the Commissioner's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989. As Monitoring Officer the responsibilities of the Chief Executive are:

- Ensuring the legality of the actions of the Commissioner and his officers
- Ensuring that procedures for recording and reporting key decisions are operating effectively
- Advising the Commissioner and officers and staff across all three legal entities about who has authority to take a particular decision
- Advising the Commissioner about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
- Ensure the provision of information and reports required by the Police Fire & Crime Panel.
- Ensure the PFCC meets their obligations in relation to statutory publications including the Fire and Rescue Plan, Annual Report and Council Tax Leaflet.
- Develop a strong partnership with the PFCC and Chief Fire Officer ensuring the provision of effective and efficient fire and rescue services.
- Undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration.
- Advising the Commissioner on matters relating to standards of conduct

Responsibilities of the OPFCC Chief Finance Officer

The Commissioner's OPFCC Chief Finance Officer has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. The duties of the OPFCC CFO are set out in legislation, regulations, the Home Office financial management code of practice and CIPFA guidance. The OPFCC CFO's statutory responsibilities are set out in:

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act (Chief Constable / Chief Fire Officer).
- Section 151 of the Local Government Act 1972 which requires arrangements to be made for the proper administration of the PFCC's financial affairs.
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit (England) Regulations 2015

Section 113 of the Local Government Finance Act 1988 requires that the officer must be a member of one of the chartered professional bodies of British qualified accountants. The OPFCC CFO is the Commissioner's professional adviser on financial matters and shall be responsible for:

- Ensuring that the financial affairs of the Commissioner are properly administered and that financial regulations are observed and kept up to date;
- Ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
- Ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
- Reporting to the Commissioner, the Police, Fire and Crime Panel and to the external auditor any unlawful, or potentially unlawful, expenditure by the Commissioner or officers of the Commissioner;
- Reporting to the Commissioner, the Police, Fire and Crime Panel and to the external auditor when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
- Advising the Commissioner on the robustness of the estimates and the adequacy of financial reserves;
- Advise the PFCC on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves.
- Advise the PFCC in respect of the Treasury Management Strategy and policies prepared in respect of the Fire Authority and Group.
- Securing the preparation of the annual statement of accounts and group accounts in collaboration with the CC CFO;
- Ensuring the provision of an effective internal audit service in collaboration with the CC CFO;
- Liaise with external auditors in collaboration with the CC CFO

- Securing the treasury management function, including loans and investments in collaboration with the CC CFO;
- Advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance;
- Arranging for the determination and issue and payment of the precept;
- Advising the Commissioner on the application of value for money principles by the Constabulary and FRS to support the Commissioner in holding the Chief Constable and Chief Fire Officer to account for efficient and effective financial management.
- Ensure that accurate, complete, and timely financial management information is provided to the PFCC.
- Be responsible for all banking arrangements and authorise the creation and closure of any account.
- Draw up financial policies and financial instructions in consultation with the CC CFO for policing and the Chief Fire Officer for Fire and Rescue, who must be satisfied that they provide effective managerial control.

The OPFCC CFO, in consultation with the Chief Executive, Chief Fire Officer, CC CFO and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the OPFCC, CCFRA and the Constabulary.

The OPFCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and securing each year, in accordance with proper practices, a statement of the Commissioner's accounts, including group accounts.

The OPFCC CFO is the Commissioner's professional adviser on financial matters. To enable them to fulfil these duties and to ensure the Commissioner is provided with adequate financial advice the OPFCC CFO:

- Must be a key member of the Commissioner's Leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the Commissioner, to ensure that the financial aspects of immediate and longer-term

implications, opportunities and risks are fully considered, and alignment with the Commissioner's financial strategy;

- Must review and provide advice on all decisions with financial implications
- Must lead the promotion and delivery by the Commissioner of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- Must ensure that the finance function is resourced to be fit for purpose.

The OPFCC CFO and CC CFO shall prepare **Financial Rules** to supplement the **Financial Regulations** and provide detailed guidance on the operation of the specific delegated financial processes. The Chief Constable, Chief Executive and Chief Fire Officer shall ensure that all employees are made aware of the existence of these Regulations, rules and adhere to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with. The Chief Constable, Chief Executive and Chief Fire Officer shall ensure that specific duties and responsibilities in financial matters are made clear to individual officers and that these are properly recorded.

Responsibilities of the Chief Constable

The Chief Constable is accountable to the Commissioner for the delivery of efficient and effective policing, management of resources and expenditure by the Constabulary. To help ensure the effective delivery of policing services the Chief Constable has day to day responsibility for financial management of the Constabulary within the framework of the agreed budget allocation, conditions of funding and levels of authorisation issued by the Commissioner.

The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the Commissioner. The Chief Constable is required to appoint a Chief Finance Officer who will be responsible for the proper administration of the Chief Constable's financial affairs.

When the Chief Constable intends to make significant change of policy or seeks to move sums of their budget outside the agreed budget framework and conditions of funding then the approval of the Commissioner must be sought. The Chief Constable shall hold the CC CFO to account for ensuring that all financial processes are appropriately documented and communicated.

Responsibilities of the CC Chief Finance Officer (CC CFO)

The CC Chief Finance Officer has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. Their duties are set out in legislation, regulations, the Financial Management Code of Practice and CIPFA guidance and codes of practice. They are responsible to the Chief Constable for all financial activities within the Constabulary or contracted out under the supervision of the Constabulary.

The CC CFO's responsibilities are set out in:

- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit Regulations 2015

The qualifications of the Chief Finance Officer are set out in section 113 of the Local Government Finance Act 1988 requiring that the officer must be a member of one of the chartered professional bodies of British qualified accountants. The CC CFO is responsible for:

- Ensuring that the financial affairs of the Constabulary are properly administered and that these financial regulations are observed;
- Reporting to the Chief Constable, the Commissioner and to the external auditor any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
- Reporting to the Chief Constable, the Commissioner and to the external auditor when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
- Advising the Chief Constable on Value for Money (VfM) in relation to all aspects of the Constabulary's expenditure;
- Advising the Chief Constable and the Commissioner on the soundness of the budget in relation to the Constabulary;
- Ensuring the provision of an effective internal audit service in collaboration with the OPFCC CFO;

- Advising on the safeguarding of assets owned and used by the Constabulary, including risk management and insurance
- Securing the preparation of the annual statement of accounts of the Chief Constable and providing information to enable production of the Commissioner's group accounts
- Ensuring that the terms of funding between the Commissioner and Chief Constable are met
- Securing the preparation of financial rules to support the implementation of financial regulations in collaboration with the PFCC CFO.

The CC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Constabulary on expenditure and preparing each year, in accordance with proper practices, a statement of the Chief Constable's accounts. The CC CFO will need to observe the locally agreed timetable for the compilation of the group accounts.

The CC CFO is the Chief Constable's professional adviser on financial matters. To enable them to fulfil these duties the Chief Constable's Chief Finance Officer:

- Must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer-term implications, opportunities and risks are fully considered;
- Must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- Must ensure that the finance function is resourced to be fit for purpose.

It must be recognised that financial regulations cannot foresee every eventuality. The CC CFO shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services. This is undertaken through the more detailed guidance provided within financial rules.

Responsibilities of the Chief Fire Officer

The Chief Fire Officer is responsible for the leadership and general administration of the Fire and Rescue Service (FRS) and is the designated Head of Paid Service for that Service. The role and responsibilities of the Chief Fire Officer in relation to financial management include to:

- Ensure overall financial management of the FRS and report financial management issues and implications to the PFCC.
- The Chief Fire Officer shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.
- Comply with financial policies and procedures for use by the FRS including the Scheme of Delegation, ensuring that officers and staff comply with them.
- Exercise delegated financial responsibilities and assume, with their staff, as much day-to-day responsibility for financial management of the FRS as possible within the framework of the agreed budget and rules of virement.
- Seek approval from the PFCC when they intend to make significant change of policy or seeks to move significant sums, in accordance with agreed virement rules, of their budget.
- Ensure the provision of professional advice to the PFCC.
- Ensure proper financial management of resources allocated to them through the budget or arising from income generated by activities within the operational area, including control of staff, security, custody, and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.
- Where consented by the PFCC, responsible for the management of property and contracts.
- Advise the PFCC on financial propriety for areas under their control.

A2 Financial Management Standards

Overview & Control

The Commissioner, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

The Commissioner shall receive updates on the financial performance of the Constabulary, the CCFRA and the Office of the Commissioner by receiving regular budget monitoring and outturn reports, reports by Internal Audit, HMICFRS and external audit.

Joint Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

The responsibilities set out below apply to the OPFCC CFO and CC CFO in respect of the organisation for which they are the statutory officer. In addition, the OPFCC CFO and CC CFO must provide assurance in respect of fulfilling their responsibilities.

- To ensure the proper administration of financial affairs
- To ensure that proper financial practices are adhered to
- To advise on the key internal controls necessary to secure sound financial management
- To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators
- To ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations, financial rules.
- To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

The key controls and objectives for financial management standards are:

- Their promotion throughout the organisations. The PFCC, Chief Constable, Chief Executive and the Chief Fire Officer, OPFCC CFO and CC CFO shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.

- A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the Joint Audit Committee.
- All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PFCC and the Chief Fire Officer shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
- Systems of internal control are in place that ensures financial transactions are lawful.
- Suitable accounting policies are selected and applied.
- Proper accounting records are maintained.
- Financial statements are prepared, which present fairly the financial position of the Commissioner as both PCC and CCFRA and the Chief Constable, including expenditure and income.
- Internal Audit.

Responsibilities of the Chief Constable, Chief Executive and Chief Fire Officer

- To ensure that specific duties and responsibilities in financial matters are made clear to individual officers and staff and that these are properly recorded in a scheme of delegation.
- To ensure any actual or potential breaches of the law or maladministration are reported to the Chief Finance Officer(s).

A3 Accounting Systems, Records and Returns

Overview and Control

Maintaining proper accounting records is one of the ways in which the Commissioner and Chief Constable will discharge their responsibility for stewardship of public resources. There is a statutory responsibility to prepare annual accounts to present a true and fair view of the financial position of the OPFCC, CCFRA and the Constabulary and of operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that adequate arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

Joint Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To determine the accounting policies and procedures to be adopted, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures.
- To ensure all employees operate within the required accounting policies and published timetables.
- To make proper arrangements for the audit of the Commissioner's and Constabulary's accounts in accordance with legislation.
- To ensure that all claims for funds including grants are made by the due date
- To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
- To prepare and publish the audited accounts in accordance with the statutory timetable.
- To ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
- To ensure that a fully costed establishment is maintained and reconciled and put in place controls to ensure its validity
- To ensure that Financial Instructions provide details of retention periods.
- The format of such documents shall satisfy the requirements of internal and external audit, and appropriate staff are provided with a detailed schedule of requirements.

- Open book accounting is to be provided in respect of all financial information requested by the Commissioner to support the information requirements of the financial management code of practice.

Responsibilities of the Chief Constable and CC Chief Finance Officer

- To obtain the approval of the OPFCC CFO before making any fundamental changes to accounting records, procedures, accounting systems or any other arrangements that have an impact on internal controls
- To ensure that all transactions, commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements
- Prime documents are to be retained in accordance with legislative, regulatory and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit and any other bodies (e.g. HMRC). A detailed schedule shall be provided of requirements and made available to all appropriate officers.
- Open book accounting is to be provided in respect of all financial information requested by the Commissioner to support the information requirements of the financial management code of practice.

A4 The Annual Statement of Accounts

Overview and Control

The Commissioner and Chief Constable have a statutory responsibility to ensure the preparation of accounts to present a true and fair view of the financial position of the OPFCC, CCFRA and the Constabulary and their operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The accounts will comprise separate single entity statements for the Commissioner's Office, CCFRA and Chief Constable as well as group accounts covering the OPFCC and Chief Constable. The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements made for securing economy, efficiency and effectiveness in the use of resources are adequate.

Responsibilities of the OPFCC Chief Finance Officer

- To ensure that a timetable is prepared for final accounts preparation, in consultation with the CC CFO and external auditor.
- To prepare, sign and date the statement of accounts for the separate legal entities of the Police, Fire and Crime Commissioner for Cumbria (including Group Accounts), and the CCFRA stating that it presents a true and fair view of the financial position of the Commissioner at the accounting date and its income and expenditure for the financial year just ended
- To publish the approved and audited accounts each year, in accordance with the requirements of the Accounts and Audit (England) Regulations 2015
- To select suitable accounting policies and apply them consistently
- To make judgements and estimates that are reasonable and prudent
- To comply with the Code of Practice on Local Authority Accounting
- To ensure that staff involved with the preparation of the accounts have an appropriate level of experience and technical skill

Responsibilities of the CC Chief Finance Officer

- To ensure that a timetable is prepared for final accounts preparation, in consultation with the PFCC CFO and external auditor.
- To prepare, sign and date the statement of accounts for the separate legal entity of the Chief Constable of Cumbria Constabulary stating that it presents a true and fair view of the financial position of the Chief Constable at the accounting date and its income and expenditure for the financial year just ended
- To publish the approved and audited accounts each year, in accordance with the requirements of the Accounts and Audit (England) Regulations 2015
- To select suitable accounting policies and apply them consistently
- To make judgements and estimates that are reasonable and prudent
- To comply with the Code of Practice on Local Authority Accounting
- To ensure that staff involved with the preparation of the accounts have an appropriate level of experience and technical skill

Responsibilities of the Joint Audit Committee

In relation to the Commissioner and the Chief Constable the Committee will:

- Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable.
- Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Responsibilities of the Police, Fire and Crime Commissioner and the Chief Constable

- To consider and approve their respective annual accounts in accordance with the statutory timetable

A5 Financial Monitoring and Reporting

Overview and Control

The accurate and timely monitoring and reporting is essential to ensure actions can be taken to address potential overspends and to reallocate underspends to ensure resources are used to best effect in support of the Police Fire and Crime Plan and force priorities.

Responsibilities of the CC Chief Finance Officer

- To agree and publish a timetable for reporting governance boards.
- To ensure the process and resources are in place to deliver accurate and timely reports.
- To prepare reports, in consultation with the OPFCC CFO, providing projections to the relevant boards.
- To ensure all virements between Business Areas, as listed in section G, and all virements above £100,000 are reported to the PFCC and Chief Constable through the agreed financial and budget reporting process.

Responsibilities of the OPFCC CFO

- To prepare reports in respect of the Commissioner's Office and CCFRA.
- In respect of the CCFRA:
 - To agree and publish a timetable for reporting to governance boards.
 - To ensure the process and resources are in place to deliver accurate and timely reports.
 - To prepare reports, providing projections to the relevant boards.
 - To ensure all virements between Business Areas, as listed in section G, and all virements above £50,000 are reported to the PFCC through the agreed financial and budget reporting process.

Responsibilities of Budget Managers

- To provide reports in accordance with the format and schedule in section G.

Introduction

This section of the financial regulations covers financial planning and control. This is about responsibilities and the arrangements that must be in place to develop medium term financial forecasts, set the annual revenue budget, develop the capital programme and monitor how actual expenditure and income compares to those financial plans. It includes the controls that are in place for virements of income and expenditure between different areas of the approved budget.



B1 Financial Planning

Overview and Control

The Police, Fire and Crime Commissioner is an elected official with statutory functions and responsibilities for Policing and Crime and Fire and Rescue within their area. To do this, the Commissioner is responsible for setting strategy, commissioning activity and holding to account the Constabulary, FRS and other partners. This is a complex business that requires scarce resources to be allocated in accordance with carefully considered priorities. Proper financial planning is essential if an organisation is to function effectively.

The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives. The planning process should be continuous and the planning period should cover a minimum of 5 years. The process should include a more detailed annual budget plan covering the forthcoming financial year. This allows the Commissioner, as both PCC and CCFRA, and the Constabulary to plan, monitor and manage the way funds are allocated and spent during the financial year and over the medium term. This can be achieved by preparing a medium-term financial strategy, including financial projections for 5 years together with a capital programme.

The medium term financial strategy should take into account the inter-dependencies of revenue budgets and capital investment and asset plans, the role of reserves and consideration of risks. It should have regard to affordability and to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police, Fire and Crime Plan.

The annual budget plan provides a detailed estimate of the annual income and expenditure requirements for policing, crime and fire and sets out the financial implications of the Commissioner's strategic policies. Alongside annual grant and funding arrangements, it provides the basis on which expenditure can be incurred and a basis on which to monitor financial performance.

The Commissioner will consult with all relevant partners and stakeholders in planning the overall annual budget which will include a separate Constabulary budget. This will take into consideration funding from government and from other sources, and balance the expenditure needs of policing and crime services against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget and be completed in accordance with the statutory timeframe. The format of the

annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate.

The annual revenue and capital budgets and medium term financial forecasts are used as the basis of forecasting the commissioner's cash flows and requirements for investment and borrowing that should be set out in a treasury management strategy.

Responsibilities of the Police, Fire and Crime Commissioner

- To agree the planning timetables with the Chief Constable and Chief Fire Officer
- To approve, in consultation with the Chief Constable, Chief Fire Officer and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital for a minimum of 4 years.
- To agree, in consultation with the Constabulary, FRS and other partners, the planning timetable for the annual budget and setting the police and fire precepts in accordance with statutory requirements.
- To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.
- To present the proposed budgets and council tax recommendations to the Police Fire and Crime Panel and respond to their views and comments.
- To approve the annual revenue budgets including any contributions to or from reserves
- To determine if required the establishment of annual ring fenced or cash limited revenue budgets for specific purposes such as for one or more departments, services, local policing areas or specific projects.
- To approve, in accordance with CIPFA's prudential code for capital finance, prudential indicators, the policy for minimum revenue provision (MRP) and treasury management strategy (TMS).
- To approve asset management strategies alongside the capital programme .
- To agree, in consultation with the Chief Fire Officer, collaborative agreements and other operational arrangements between Services (section 13/16 agreements) and to keep under consideration the ways in which the collaboration functions could improve:

- a. The efficiency or effectiveness of:
 - i the Fire and Rescue Authority,
 - ii the Service which the Fire and Rescue Authority is responsible for maintaining and
- b. The efficiency or effectiveness of one or more other Fire and Rescue Authorities and Services

Responsibilities of the OPFCC Chief Finance Officer

- To determine the format and timing of the medium term financial strategies, one for each of policing and fire, to be presented to the Commissioner. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- To prepare annually medium term financial strategies, including options for the use of general balances, reserves and provisions, assumptions about future levels of government funding and potential implications for local taxation.
- To inform relevant partners of the financial planning framework and the requirements and timetable for funding proposals
- To provide advice and information on the value for money of services to facilitate the prioritisation of expenditure by the Commissioner in addressing any gap that may be identified between available and required resources.
- To determine the format of the revenue budgets to be presented to the Commissioner ensuring they comply with all legal requirements and with latest guidance issued by CIPFA
- To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations
- To advise the Commissioner on appropriations from/to and the appropriate level of general balances, earmarked reserves or provisions to be held.
- To submit a report to the Commissioner on the robustness of the estimates and the adequacy of reserves;
- To recommend to the Commissioner annual revenue budgets and capital programmes, including policies on minimum revenue provision and a suite of prudential indicators for the next three years.
- To recommend to the Commissioner a treasury management strategy incorporating an investment strategy

- To produce and issue information required by the billing authorities to explain how the precept will be used to pay for the cost of policing, in accordance with statutory requirements.
- To provide advice to the Commissioner with regards to asset management strategies for the property estate, Digital Data & Technology requirements, fleet and people proposed by the Chief Constable.
- Upon approval of the annual budget, the Chief Finance Officer is to submit the council tax requirement form to central government and precept notifications to Cumberland Unitary Authority and Westmorland & Furness Unitary Authority.
- The Chief Finance Officer is to produce, in accordance with statutory requirements, the council tax information leaflet.

Responsibilities of the Chief Constable and CC Chief Finance Officer

- To prepare a medium term forecast of proposed Constabulary and Group income and expenditure for submission to the Commissioner. The forecast shall have regard to:
 - i. the police fire and crime plan
 - ii. policy requirements approved by the Commissioner as part of the policy framework
 - iii. the strategic policing requirement
 - iv. unavoidable future commitments, including legislative requirements
 - v. initiatives already underway
 - vi. revenue implications of the draft capital programme
 - vii. proposed service developments and plans which reflect public consultation
 - viii. the need to deliver efficiency and/or productivity savings
 - ix. affordability
 - x. government grant allocations
 - xi. risk management and the use of reserves
 - xii. potential implications for local taxpayers
- To prepare detailed budget estimates for the Constabulary for the forthcoming financial year in accordance with the timetable, assumptions and format agreed, and to submit estimates and workings in the agreed format to the PFCC Executive Team for consideration.
- To identify all proposed individual major revenue projects (a major revenue project shall be defined as one in excess of the value shown in Section G).

- To support the development of the capital programme by providing a proposed strategy for the Commissioner's Digital Data & Technology requirements and Fleet and other areas.

Responsibilities of the Chief Executive

- To support the development of the capital programme by providing a proposed strategy for the Commissioner's estate

B2 Budgetary Control

Overview and Control

Budget management ensures that once the Commissioner has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling budget targets to be reviewed and adjusted during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

Continuously identifying and explaining variances against budgetary targets enables changes in trends and resource requirements to be identified at the earliest opportunity. The budget and funding arrangements provide an annually approved cash limit within which total expenditure must be managed, subject to the rules of virement, funding conditions and the terms of grant agreements.

The key controls for managing and controlling the budget are that:

- There is a nominated budget manager for each budget line and capital scheme who is accountable for the budgets under his/her direct control; and
- Funding and grant agreements include appropriate terms and conditions and require expenditure and performance/outcomes to be monitored and evidenced
- Regular monitoring and reporting of actual expenditure and income against set budgets

Budget Managers shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility. Management of budgets must not be seen in isolation. It should be undertaken in conjunction with service outcomes and performance measures.

For strategic monitoring and management purposes, the budgets shall identify operational and other fire costs, operational and other policing costs, PFCC costs, financing items and transfers to and from general balances and earmarked reserves.

Responsibilities of the Chief Executive, Chief Fire Officer and OPFCC Chief Finance Officer

The Chief Executive, Chief Fire Officer and OPFCC CFO have joint responsibility to manage the overall budget for Policing and Crime (Chief Executive and OPFCC CFO) and for Fire and Rescue (Chief Fire Officer and OPFCC CFO), including funding arrangements and terms, in consultation with partners. The OPFCC CFO will establish the timetable and reporting arrangements with funded partners and will provide a revenue budget monitoring report for presentation to the Commissioner. This will ensure financial monitoring information is received and can be reviewed throughout the financial year, alongside information on performance and outcomes in line with funding arrangements provided by the Commissioner.

The Chief Executive will ensure that total spending for the Commissioner's Office remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. **They will ensure fully costed staffing establishments are maintained and reconciled to payroll information on a monthly basis.** The Chief Executive will provide support arrangements for budget holders within the OPFCC ensuring appropriate lines of escalation to the Chief Executive and OPFCC CFO in respect of variations and the need to take action. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Executive, the Commissioner shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the Commissioner.

The Chief Fire Officer will ensure that total spending for the FRS remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. **They will ensure fully costed staffing establishments are maintained and reconciled to payroll information on a monthly basis.** The Chief Fire Officer will provide support arrangements for budget holders within the FRS ensuring appropriate lines of escalation to the Chief Executive, Chief Fire Officer and OPFCC CFO in respect of variations and the need to take action. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Fire Officer, the Commissioner shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the Commissioner.

Responsibilities of the Chief Constable and the CC Chief Finance Officer

The Chief Constable and CC CFO will:

- Adopt these financial regulations and maintain with the PFCC CFO, a detailed set of Financial Rules to support the proper administration of the Chief Constable's financial affairs.

- Ensure that in accordance with the financial rules that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility, as set out in financial delegations, should be aligned as closely as possible to the decision making process that commits expenditure. The CC CFO must be provided with a copy of budget holders and their budgetary responsibilities.
- Ensure that spending for the Constabulary remains within the overall allocation of resources and virement limits within each area of the budget set out within agreed budget approved by the Commissioner.
- Ensure a fully costed staffing establishment is maintained for the Constabulary and reconciled to payroll information on a monthly basis.
- Take corrective action where significant variations from the approved budget are forecast. Where projected income or expenditure varies from the budget by more than the limit set in section G, both the OPFCC CFO and Commissioner shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the Commissioner.
- Submit budget monitoring information in accordance with the requirements of the funding arrangement, containing the most recently available financial information. The reports shall be in a format and based on a timetable agreed with the Commissioner.
- Ensure that budget holders manage income and expenditure within their area, monitor performance and support the reporting of variances within their own areas to the Chief Constable and CC CFO, take any action necessary to avoid any adverse variation in expenditure from their budget allocation and alert the Chief Constable and CC CFO to any problems as soon as practicable.
- Manage the performance of budget holders and require detailed budget monitoring to be undertaken on a monthly basis and for this to be reported to the CC CFO.
- Ensure that budget holders receive sufficient training and financial support to enable them to undertake their budgetary control responsibilities.
- The Chief Constable and the CC CFO must keep the Commissioner regularly briefed on the implementation of major revenue projects, including those that are being delivered to generate savings that will have a substantial implication on the budget and the allocation of resources within the budget. These projects must be referred back to the Commissioner for further approval where amendments to the nature of the project are sought or the cost of the scheme are varying from budget in excess the limits shown in Section G.

Responsibility of Budget Holders

- To ensure they are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- To ensure that total spending remains within the overall allocation of resources they have received and take corrective action where significant variations are forecast.
- To ensure that relevant spending remains within any annual ring fenced or cash limited revenue budget which they are responsible and accountable for.
- To satisfy the Chief Constable, Chief Executive or Chief Fire Officer as appropriate, that expenditure proposed against carried forward underspend is in accordance with Police Fire and Crime Plan priorities and is non-recurrent in nature.

Revenue Virement

A virement is a planned reallocation of resources between approved budgets or heads of expenditure. A budget head is a line in the approved budget. The scheme of virement is intended to enable budgets to be managed with a degree of flexibility within the overall policy framework determined by the Commissioner and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

The rules of virement in these Regulations cover the arrangements and responsibilities for the whole of the Commissioner's budgets.

The overall principles of virement within these rules are to provide discretion in managing budgets responsibly and prudently such that there will only be a requirement to refer back to the Commissioner when a virement would incur changes in policy or where a virement might create a future year or continuing commitment. The PFCC (following guidance from the OPFCC CFO) can withdraw the ability for virement in any year should they feel it is prudent to do so.

The Chief Officers and partners shall still be held to account by the Commissioner for decisions made and the way in which resources are deployed. Key controls for the scheme of virement are:

- It is administered by chief officers within delegated powers within the limits set out within Financial Regulations. Any variation from this scheme requires the approval of the Commissioner;

- No virement may reduce the budget in a service forecast to overspend nor where the proposed virement would create an overspend. This applies at each level in the Constabulary, FRS and the OPFCC.
- The overall budget is agreed by the Commissioner. Budget holders are therefore only authorised to incur expenditure in accordance with the estimates that make up the budget.
- The PFCC is responsible for any transfers to and from OPFCC and Constabulary balances. There will be no transfer between CCFRA and OPFCC or Constabulary balances without a legal agreement.
- Virement does not create an additional overall budget liability.
- The OPFCC CFO and CC CFO shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.
- Virements can be approved by the OPFCC CFO (for the OPFCC and FRA) or CC CFO (for the Constabulary) where the additional expenditure is fully reimbursed by another body.
- Virements from revenue to capital financing (DRC) are permissible subject to the conditions listed above.
- No virements are permissible from capital to revenue or from revenue to capital.
- Virements to annual ring fenced or earmarked revenue budgets can only be agreed by the Commissioner.
- Chief officers and budget managers are authorised to incur expenditure in accordance with the estimates that make up the budget and ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring within the framework of the virement controls;
- When the virement is between an income budget line and an expenditure budget line which is directly related, approval is by the OPFCC CFO or CC CFO and the income and expenditure budgets will be increased for budget monitoring purposes. The CC CFO should seek the approval of the Police, Fire and Crime Commissioner through the OPFCC CFO where:
 - a virement might create a significant additional future year or continuing commitment. Revenue expenditure can only be funded from revenue funding;
 - a change in policy would create an additional financial liability beyond the level of the current budget;
 - a virement changes a public facing or politically sensitive element of the service;
 - a virement is undertaken for the purpose of commissioning a service from another organisation;
 - a virement is in excess of **£100,000 (or other amount)**

- Virement is not permitted in relation to: financing items such as asset charges; where the virement creates additional overall budget liability in existing or future years; where a virement would incur a change in policy; or where resources to be transferred were originally provided to meet expenditure of a capital nature.
- Any virement which creates an ongoing liability for future years for example in respect of staffing costs must also be subject to approval by the Commissioner. This ensures that cognisance is taken of the longer term budgetary impact.
- Virements are actioned on the financial system through journal entry and are subject to internal and external audit

The limits that apply on virements between budget headings are defined in Section G. All requests for virement must be made in the format prescribed by the OPFCC CFO and information on the virements within the limits set out in section G will be available to support budget monitoring report information. Any virement request outside the limits of these regulations requires the approval of the Commissioner.

Treatment of Year End Balances Overview and Control

A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards recommended by the OPFCC Chief Finance Officer will be presented to the PFCC for approval at year end for each financial year.

As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year. All reasonable endeavours shall be taken to provide a service that matches the approved budget.

There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances but full discussion will take place between the PFCC, Chief Constable or Chief Fire Officer and their respective officers.

Devolved budget holders who overspend their budget in any financial year may have their devolved budget reduced for the following financial year up to the amount of overspend, subject to the determination of the PFCC.

As a default position, **any underspends against budgets will be taken to the relevant organisation's reserves**. Any exception to this policy must be proposed by the Chief Fire Officer, Chief Executive or Chief Constable in consultation with the OPFCC Chief Finance Officer and CC Chief Finance Officer and determined by the PFCC.

B3 Capital Programme

Overview and Control

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value, such as land, buildings, and major items of DDaT and other equipment or vehicles. Capital expenditure can include “invest to save” type schemes whereby upfront capital investment can reduce ongoing revenue expenditure. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.

Capital investment can be undertaken providing the spending plans are affordable, prudent and sustainable. CIPFA’s Prudential Code sets out the framework under which the Commissioner will consider capital spending plans.

The capital programme comprises the medium term strategy for acquisition, planned improvements and disposal of major items of DDaT equipment, the property estates and the vehicle fleet and is an integral part of the Medium Term Financial Strategy. The programme is approved on a 5 year basis but includes a long term 10 year capital forecast to aid financial planning. The requirement for assets including planned cyclical replacement and in year revenue running costs should be set out in linked asset strategies.

The asset estate incorporating property, fleet, DDaT and other equipment is owned by the Commissioner. The Commissioner funds the improvements and on-going investment in assets that are available for use by the Constabulary, FRS and other partners. The PR&SRA 2011 provides that the Chief Constable can own assets, other than land, subject to the consent of the PFCC.

The capital programme is approved in three status categories: All schemes will begin as indicative when the MTFP is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceed to procurement in the MTFP.

- **Indicative** – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. The information requirements for schemes will be subject to CC CFO approval in consultation with the OPFCC CFO.

- **Delegated** – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the CC CFO, in consultation with the OPFCC CFO, for final approval. CC CFO delegations are limited to the financial amounts included for the scheme within the capital programme plus a variance of up to 10% or £100,000 whichever is the lower. The CC CFO in consultation with the OPFCC CFO, may vire from capital reserves to fund any balance for the scheme within the delegated limit.
- **Firm** - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

No capital expenditure shall be incurred unless the specific scheme is included in the capital programme approved by the PFCC or as subsequently modified.

Schemes within the Capital Programme will be required to pass through the capital expenditure approval process before any expenditure is committed. Requests for capital expenditure must be made in the format of a business case (see above).

Arrangements covering variations in contract conditions and prices are covered to be managed in accordance with the Corporate Governance Framework.

Finance and operating leases and any other credit arrangements shall not be entered into without the prior approval of the PFCC, following consultation with the OPFCC CFO and CC CFO, and sufficient revenue resources must be available to meet the repayments.

Responsibilities of the Police, Fire and Crime Commissioner

- Approve the estates, fleet and Digital Data & Technology strategies together with other proposals and plans for assets involving significant investment, together comprising the capital programme.
- Approve fully funded long term capital programmes including approval of those capital schemes that can commence and those that are subject to business case approval.
- Agree the annual capital programmes, and how they are to be financed.

- Approve delegations to the CC Chief Finance Officer in respect of managing the capital programme, including the commencement of capital schemes subject to business case
- Receive monitoring reports on the implementation of the approved programme

Responsibilities of the OPFCC Chief Finance Officer

- Working with the CC Chief Finance Officer to secure the development and implementation of capital strategies as part of the development of the Medium Term Financial Strategies for consideration and approval by the Commissioner.
- Submit five year rolling capital programmes to the Commissioner for approval within the limits set out in section G and including recommendations regarding the approval of capital schemes as firm or delegated, setting out the reason for the recommendation. These shall cover the forthcoming financial year and the following nine years. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- Identify available sources of funding the capital programmes, including the identification of potential capital receipts from disposal of property.
- Make recommendations to the Commissioner on the most appropriate arrangements for financing the programmes including the level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.
- Make recommendations with regard to the prioritisation of capital schemes, amount of funding for each scheme and phasing.
- Scrutinise and challenge business cases and other proposals for asset investment from the Constabulary, FRS and other partners.
- Authorise capital schemes to commence under delegations granted by the Commissioner.
- To ensure that no finance leases or other credit arrangements are entered into without the prior approval of the OPFCC CFO
- Provide advice and recommendations to the Commissioner in respect of consents for the CC to acquire assets.

- Prepare monitoring reports for the Commissioner on implementation of the approved programme and report on the outturn of capital expenditure as part of the annual report on the statutory accounts.
- Take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.
- Co-ordinate a joint budget monitoring report for presentation to the Police Fire and Crime Panel, as necessary, containing the most recently available financial information in a format agreed with the CC CFO.
- Approve capital virements within the limits set out in section G

Responsibilities of the Chief Fire Officer and OPFCC Chief Finance

Officer

The FRS use the assets comprising the Asset Estate to deliver operational fire and rescue services and the priorities within the Police Fire and Crime plan. The Chief Fire Officer, in consultation with the OPFCC CFO, is responsible for fully assessing the assets needed to meet fire and rescue operational requirements and preparing proposed capital strategies and detailed business cases for consideration by the Commissioner. The Chief Fire Officer is also responsible for the day-to-day management of operational assets other than land and buildings and this may include the implementation of approved capital schemes.

Approval of the annual capital programme by the Commissioner authorises the Chief Fire Officer to incur expenditure on schemes other than those requiring a detailed business case and providing expenditure on the scheme does not exceed the sum contained in the approved programme by more than the amounts identified in Section G. The Chief Fire Officer and OPFCC CFO will:

- Prepare a 5 year capital budget and a 10 year rolling programme of proposed capital expenditure on assets other than land and buildings for consideration and approval by the Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- All schemes within the capital programme should incorporate realistic estimates of future price inflation.

- Prepare a business case for all schemes in the capital programme other than land or buildings that are subject to a business case prior to scheme commencement. The business case to be approved by the Commissioner or OPFCC CFO subject to delegations. Ensure each capital project has a named officer responsible for managing the scheme, monitoring progress and ensuring completion of the scheme. No capital expenditure shall be incurred unless the scheme is approved to commence. A list of capital scheme managers must be provided to the OPFCC CFO.
- Ensure that, apart from agreed professional fees (e.g. feasibility studies and planning fees), no other capital or related revenue expenditure is incurred before the scheme is approved for commencement. Ensure that adequate records are maintained for all capital contracts
- Monitor the progress of the capital programme and expenditure throughout the year against the approved programme.
- Submit capital monitoring information to the OPFCC CFO on a regular basis throughout the year based on the most recently available financial information. Monitoring information will show spending to date and compare projected income and expenditure with the approved programme. The information shall be in a format and frequency agreed by the OPFCC CFO.
- Have effective arrangements in place to ensure that operational assets other than land and buildings are appropriately maintained and secured in accordance with the overall terms between the Commissioner and Chief Constable for such assets in operational use.
- Submit, for specified capital schemes in excess of the limit set out in section G, an evaluation of the business benefits of the scheme compared to the original business case.

Responsibilities of the Chief Constable and CC Chief Finance Officer

The Constabulary are a primary partner who use the assets comprising the Asset Estate to deliver operational policing and the priorities within the Police Fire and Crime plan. The Chief Constable, in consultation with the CC CFO, is responsible for fully assessing the assets needed to meet operational requirements of policing and preparing proposed capital strategies and detailed business cases for consideration by the Commissioner. The Chief Constable is also responsible for the day to day management of operational assets other than land and buildings and this may include the implementation of approved capital schemes.

Approval of the annual capital programme by the Commissioner authorises the Chief Constable to incur expenditure on schemes other than those requiring a detailed business case and providing expenditure

on the scheme does not exceed the sum contained in the approved programme by more than the amounts identified in Section G. The Chief Constable and CC CFO will:

- Prepare a 5 year capital budget and a 10 year rolling programme of proposed capital expenditure on assets other than land and buildings for consideration and approval by the Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- All schemes within the capital programme should incorporate realistic estimates of future price inflation.
- Prepare a business case for all schemes in the capital programme other than land or buildings that are subject to a business case prior to scheme commencement. The business case to be approved by the Commissioner or OPFCC CFO subject to delegations. Ensure each capital project has a named officer responsible for managing the scheme, monitoring progress and ensuring completion of the scheme. No capital expenditure shall be incurred unless the scheme is approved to commence. A list of capital scheme managers must be provided to the CC CFO.
- Ensure that, apart from agreed professional fees (e.g. feasibility studies and planning fees), no other capital or related revenue expenditure is incurred before the scheme is approved for commencement. Ensure that adequate records are maintained for all capital contracts
- Monitor the progress of the capital programme and expenditure throughout the year against the approved programme.
- Submit capital monitoring information to the OPFCC CFO on a regular basis throughout the year based on the most recently available financial information. Monitoring information will show spending to date and compare projected income and expenditure with the approved programme. The information shall be in a format and frequency agreed by the OPFCC CFO.
- Have effective arrangements in place to ensure that operational assets other than land and buildings are appropriately maintained and secured in accordance with the overall terms between the Commissioner and Chief Constable for such assets in operational use.
- Submit, for specified capital schemes in excess of the value specified in section G, an evaluation of the business benefits of the scheme compared to the original business case.

Responsibilities the Chief Executive

The Chief Executive is responsible for day-to-day management of land and buildings and this will include the implementation of approved capital schemes.

- To develop asset management plans for land and buildings and significant building components.
- Prepare a 5 year capital budget and a 10 year rolling programme of proposed capital expenditure on land and buildings for consideration and approval by the Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- All schemes within the capital projects plan should incorporate realistic estimates of future price inflation.
- Approval of the estate's capital programme budget by the Commissioner in February each year authorises the Chief Executive to seek planning permissions, incur professional fees and preliminary expenses as appropriate, and commit expenditure against approved schemes.
- Approve planned disposals to include the consideration of securing and permissions for change of use, planning permission for future developments etc to maximise the potential sale proceeds from a site.
- To enter into property leases, finance leases or other credit arrangements with the value or term up to the limits set out in Section G on behalf of the Commissioner.
- To determine, in consultation with the OPFCC CFO, the terms of any agreement between the Commissioner and CC for the use of operational assets and the terms of any consent under which assets can be acquired by the CC.
- Approve capital virements within the limits set out in section G.

■ B4 Maintenance of Balances and Reserves

Overview and Control

The Commissioner must decide the level of general reserves before deciding the level of council tax. Reserves are maintained as a matter of prudence and all are owned by the Commissioner. They enable the organisations to provide for cash flow fluctuations and unexpected costly events and thereby help protect from overspending the annual budget should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

Responsibilities of the Police, Fire and Crime Commissioner

- To approve a policy on reserves and balances, including the appropriate minimum level of general balances.
- To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- To approve the allocation of monies to and from general and earmarked reserves
- To approve the arrangements for drawing down earmarked reserves including any delegations granted to the OPFCC CFO.

Responsibilities of the OPFCC Chief Finance Officer

- To advise the Commissioner, in collaboration with the CC CFO, on reasonable levels of balances and reserves and report to the Commissioner on the adequacy of reserves and balances before the annual budget and council tax is approved.
- To approve in-year appropriations to and from earmarked reserves in accordance with the budget plan and the arrangements for drawing down earmarked reserves set out in section G. These will be separately identified in the Annual Statements of Accounts.
- To publish a Reserves Strategy on the Constabulary and PFCC and FRS websites.

Responsibilities of the Chief Constable and CC Chief Finance Officer

- To ensure that the annual revenue budget, including planned movements in earmarked reserves is sufficient to finance foreseeable operational needs without having to request additional approval.

- To present a business case to the PFCC Executive Team for specific one-off expenditure items to be funded from general reserves.
- To operate within the terms and conditions set for any reserves delegated by the Commissioner for the Chief Constable to manage.

Introduction

This section of the regulations covers risk and resources and the controls we have in place to manage both. It incorporates responsibilities and requirements in respect of risk management and business continuity. It also covers our internal control environment including responsibility and arrangements for audit, preventing fraud and corruption, ensuring the security of our assets and investments and controls over the employment of staff. This section of the regulations also sets out the controls that must be in place to protect resources we hold in trust, including trust fund and property and how we manage resources that are gifted to us.



C1Risk Management and Business Continuity

Overview and Control

It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk and includes consideration of the overall arrangements for insurance. Its objectives are to secure the assets of the Commissioner, CCFRA and the Constabulary and to ensure continued corporate and financial objectives are met. In essence it is, therefore, an integral part of good business practice.

Overall responsibility for risk management rests with the Commissioner who must also hold the Chief Constable and Chief Fire Officer to account for the effectiveness of arrangements for managing risk within the Constabulary and FRS respectively. These arrangements are set out within the OPFCC risk management strategy and framework. These financial regulations set out the minimum requirements in respect of risk management that the Chief Officers of the OPFCC, FRS and Constabulary must comply with. Arrangements for insurance are made jointly between the Commissioner and Chief Constable.

Responsibilities of the Police, Fire and Crime Commissioner

- To annually approve a risk management strategy and strategic risk register.
- To receive a report on an annual basis setting out the overall arrangements for insurance.
- To receive regular reports from the Chief Constable on the management of Constabulary strategic risks.

Responsibilities of Chief Officers

- To prepare risk management strategies, subject to scrutiny by the Joint Audit Committee, that promotes a culture of risk management awareness and review risks as an ongoing process.
- To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
- To ensure that a comprehensive risk register is produced and updated regularly, that the strategic risk register and significant operational risks are subject to scrutiny by the Joint Audit Committee, and that corrective action is taken at the earliest possible opportunity in respect of identified risks
- To make all appropriate employees aware of the risk management strategy and their responsibilities for managing relevant risks
- Ensuring all appropriate staff are aware of their responsibilities to notify their Chief Officer immediately of any loss, liability or damage that may lead to a claim against the PFCC together with the information required.
- To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis
- To approve, before any contract for work is made, that insurance cover is to be furnished by the contractor in respect of any act or defaults, unless cover is provided by the Commissioner
- To ensure that appropriate insurance arrangements are put in place on the advice of the OPFCC CFO and CC CFO. Required limits are set out in Section G.
- To ensure that employees, or anyone covered by insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim or ex-gratia activity.
- To ensure arrangements exist for the notification of any terms of indemnity that are requested

Responsibilities of the Chief Executive

- To evaluate and authorise any terms of indemnity that is requested by external parties

Responsibilities of the OPFCC Chief Finance Officer and CC CFO

- To advise the Chief Executive, Chief Fire Officer and Chief Constable on appropriate arrangements for insurance; acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken
- To arrange for regular reviews to be undertaken of own self-insurance arrangements and, following these reviews, to recommend to the Chief Executive, Chief Fire Officer and Chief Constable a course of action to ensure that, over the medium term, the funds are available to meet all known liabilities
- To ensure that appropriate insurance cover is provided including where new risks are identified or circumstances affecting risks change
- To ensure that claims made against insurance policies are made promptly
- To negotiate all claims in consultation with other officers where necessary.
- To notify the PFCC promptly of all new risks that require insurance and of any alterations affecting existing insurance.
- To review any matters likely to have financial implications in respect of future insurance costs, the ability to insure or the level of funding and annual contribution to any insurance provision and reserves.
- To present an annual written claims report to the PFCC summarising activity for the year.

Responsibilities of the Joint Audit Committee

- To monitor the effective development and operation of risk management, review the risk profile and monitor progress of the Commissioner, as both PCC and CCFRA, and the Chief Constable in addressing risk-related issues reported to them.

C2 Internal Control System

Overview and Control

Internal control refers to the systems of control devised by management to help ensure objectives of the organisation are achieved in a manner that promotes economical, efficient and effective use of resources and that assets and interests are safeguarded.

The organisations require an internal control framework to manage and monitor progress towards strategic objectives and the fulfilling of statutory obligations. There are a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of objectives and priorities. Systems of internal control are necessary to manage these risks. Systems of internal control are established in order to provide achievement of:

- Efficient and effective operations
- Reliable financial information and reporting
- Compliance with laws and regulations
- Effective management of risk

Overall responsibility for the system of internal control rests with the Commissioner who must also hold the Chief Constable and Chief Fire Officer to account for the effectiveness of internal control arrangements within the Constabulary and FRS respectively.

Responsibilities of Chief Officers

- To implement effective systems of internal control, in accordance with advice from the OPFCC CFO and CC CFO. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- To ensure that effective key controls exist and that management control systems are operating effectively. These should include the development and implementation of appropriate policies, the setting of objectives and plans, monitoring financial and other performance/operational information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities and ensure appropriate arrangements are in place.

- To ensure that effective key controls are operating in financial and operational systems and procedures. This includes ensuring the safeguarding of assets, establishing appropriate segregation of duties, putting in place authorisation and approval procedures and ensuring robust information systems to support monitoring, management and control.
- The Chief Executive, Chief Fire Officer and the Chief Constable must secure the production of Annual Governance Statements for their respective organisations. The statement for the OPFCC must be signed by the Commissioner, the Chief Executive and the OPFCC Chief Finance Officer. The statement for the Constabulary must be signed by the Chief Constable and the CC Chief Finance Officer.

Responsibilities of the Joint Audit Committee

- To review the Annual Governance Statements of the Commissioner and Chief Constable prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

C3 Audit Requirements

Overview and Control

Internal Audit

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

The requirement for an internal audit function for local authorities including FRAs is set out in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police and Fire Services the requirement to maintain effective audit arrangements is derived from the Accounts and Audit Regulations 2015 (as amended) which state that a "relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

In fulfilling this requirement regard must be given to the Public Sector Internal Audit Standards (PSIAS) and the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA. These documents set out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.

An effective internal audit function provides assurance with regard to the operation of internal control systems, that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.

Responsibilities of the Police, Fire and Crime Commissioner and the Chief Constable

The Commissioner and Chief Constable are responsible for ensuring the provision of an adequate and effective internal audit service for their respective organisations. The Chief Constable must make available to the Commissioner the right of access to all Constabulary audit and inspection reports and provide the Commissioner with the authority to instruct internal audit investigations

The Commissioner and Chief Constable will:

- Recruit and appoint 3-6 members of the Joint Audit Committee. These members should be independent of both the Commissioner and the Constabulary and CCFRA.
- Establish the Joint Audit Committee's Terms of Reference.
- Review and sign annual letters of representation and submit to the external auditor.
- Receive and act upon the annual assurance statement from the Joint Audit Committee.
- Review and present the Internal Audit Strategy to the Joint Audit Committee for approval.

Responsibilities of the OPFCC Chief Finance Officer and CC CFO

- The OPFCC CFO and CC CFO shall advise the Commissioner and make arrangements for internal audit on behalf of the Commissioner and the Chief Constable. The OPFCC CFO and CC CFO will ensure that an annual review of the effectiveness of the internal audit service is undertaken in line with the 2015 Accounts and Audit regulations and that the findings of the review are reported to the Joint Audit Committee and Commissioner as part of consideration of the Annual Governance Statement including the effectiveness of internal controls.
- The CC CFO will advise the Chief Constable as to the effectiveness of audit arrangements. The OPFCC CFO will also ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by internal audit prior to implementation.

Responsibilities of the Joint Audit Committee

The Joint Audit Committee will fulfil the terms of reference recommended by the CIPFA Audit Committees/Practical Guidance for Local Authorities and Police. The Committee will:

- Annually review the internal audit charter and resources.
- Review the internal audit plan and any proposed revisions to the internal audit plan
- Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence
- Consider the Head of Internal Audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements

- Consider summaries of internal audit reports and such detailed reports as the committee may request from the Commissioner or the Chief Constable including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
- Consider a report on the effectiveness of internal audit to support the Annual governance statement, where required to do so by the Accounts and Audit regulations

Responsibilities of the Police, Fire and Crime Commissioner and Chief Officers

To ensure that internal auditors, having been security cleared, have the authority to:

- Access premises at all reasonable times
- Access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance
- Receive any information and explanation considered necessary concerning any matter under consideration
- Require any employee to account for cash, supplies or any other police and OPFCC asset under their control
- Access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- Internal Audit shall have direct access to all Chief Officers and employees, where necessary.

Responsibilities of the Head of Internal Audit

- To prepare, in consultation with the Commissioner, Chief Constable, and OPFCC CFO and CC CFO, a medium term strategic audit plan and an annual audit plan that conforms to the PSIAS and the internal audit charter as well as the organisations strategic risk assessment, for consideration by the independent Audit Committee.
- To attend meetings of the Joint Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
- To present an annual report to the Joint Audit Committee, including an opinion on the effectiveness of the internal control environment within the OPFCC and within the Constabulary.

- Internal audit shall provide an undertaking to respect the confidential nature of the service and to employ suitable staff only.

Responsibilities of Chief Officers and all service managers

- To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.
- To ensure relevant senior managers contribute to the development of the annual audit plan through the identification of all significant financial and operational risks in order that they are subject to cyclical audit.
- To notify the OPFCC CFO and CC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of police property or resources. Pending investigation and reporting, the Chief Executive/Chief Constable/Chief Fire Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

Investigation of internal financial irregularities within the Constabulary shall normally be carried out by the Professional Standards Department, who shall consult with the Head of Internal Audit as appropriate and keep them informed of progress. At the conclusion of the investigation the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised.

Investigations within the FRS will normally be carried out in accordance with Fire & Rescue Service Policy on Disciplinary Procedures wherein the Service Investigations Officer (SIO) shall consult with the Head of Internal Audit as appropriate and keep them informed of progress. The operation of this Regulation shall be in accordance with agreed protocol between the SIO and Internal Audit and as authorised by the OPFCC Chief Finance Officer. The Chief Finance Officer will keep the chair of the Joint Audit Committee informed of any suspected fraud. At the conclusion of the investigation, the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure the risk of recurrence is minimized.

External Audit

The external auditor has rights of access to all documents and information necessary for audit purposes.

The basic duties of the external auditor are governed by a code of audit practice produced by the National Audit Office. The code of audit practice sets out the auditor's objectives to review and report upon:

- the financial aspects of the audited body's corporate governance arrangements;
- the audited body's financial statements;
- aspects of the audited body's arrangements to secure Value for Money.

In auditing the annual accounts the external auditor must satisfy themselves that:

- the accounts are prepared in accordance with the relevant regulations;
- they comply with the requirements of all other statutory provisions applicable to the accounts;
- proper practices have been observed in the compilation of the accounts and the statements present a true and fair view; and
- the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

Responsibilities of the Police, Fire and Crime Commissioner, the Chief Constable and the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that for the purposes of their work the external auditors are given the access to that which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner and achieve outcomes as expected.
- To receive and agree the annual audit letter and governance report

Responsibilities of the OPFCC CFO and CC CFO

- To liaise with the external auditor and advise the Commissioner and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
- To provide the Home Office with a copy of the annual audit letter

Responsibilities of the Joint Audit Committee

The Joint Audit Committee will fulfil the terms of reference recommended by the CIPFA Audit Committees/Practical Guidance for Local Authorities and Police. The Committee will:

- Consider the procurement route to appoint a prospective external auditor..
- Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory Value for Money.
- Consider the external auditors annual management letter, relevant reports, and the report to those charged with governance
- Consider specific reports as agreed with the external auditor
- Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Other Inspection Bodies

The Constabulary, FRS and the OPFCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMICFRS and the HM Revenue & Customs, who should be afforded the same rights of access as internal and external audit.

C4 Preventing Fraud and Corruption

Overview and Control

The Commissioner and the Chief Constable will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside their organisations. Expectations of propriety and accountability are that the Commissioner, Chief Officers and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. It is expected that all individuals and organisations (e.g. suppliers, contractors, and service providers) with whom business is transacted will act with honesty and integrity and without thought or actions involving fraud or corruption.

Responsibilities of the Police, Fire and Crime Commissioner

- To approve the overall arrangements recommended by the Chief Executive and Chief Fire Officer to protect against fraud and corruption within the OPFCC and FRS respectively, and hold the Chief Constable to account for arrangements within the Constabulary

Responsibilities of the Chief Executive (Monitoring Officer), Chief Fire Officer and Chief Constable

- To foster a culture that will not tolerate fraud and corruption.
- To adopt and maintain effective anti-fraud, anti-corruption and anti-money laundering arrangements.
- To maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Executive and Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- To ensure that adequate and effective internal control arrangements are in place.

- To adopt and maintain respective policies and register for the registering of interests and the receipt of hospitality and gifts, including the Commissioner, police officers and all employees including where gifts and hospitality have been declined. To implement and maintain a clear internal control framework to be followed by all members and employees.
- To notify the relevant Chief Finance Officer immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources.
- To adhere to appropriate legislation, e.g. the Public Disclosure Act for 1998

Responsibility of the Chief Executive (Monitoring Officer)

- To arrange for any suspected incidents of fraud or corruption within the OPFCC and CCFRA to be reported and investigated in conjunction with the OPFCC CFO and Head of Internal Audit.

Responsibilities of the OPFCC Chief Finance Officer and CC Chief

Finance Officer

- To undertake an annual Fraud Risk Assessment on behalf of the OPFCC, FRS and Constabulary.
- To ensure any fraud in relation to the OPFCC, FRS or Constabulary are communicated immediately to the internal auditors in order that any internal control weaknesses can be addressed.

C5 Assets

Overview and Control

Assets are held in the form of land, property, vehicles, ICT and other equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery.

There should be arrangements in place for the security of both assets and information required for service operations and proper arrangements must be in place for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management. The asset register should provide information about assets so that they are:

- Accurately recorded and classified
- Safeguarded against loss
- Used efficiently and effectively
- Adequately maintained
- Valued in accordance with statutory and management requirements

The Commissioner will own and fund all assets regardless of whether they are used by Commissioner as PCC or CCFRA, by the Constabulary or by any combination of these bodies.

The Chief Constable is responsible for the direction and control of the Force and will therefore have day-to-day direction and control of policing assets other than land, buildings and significant building components.

The Chief Fire Officer is responsible for the direction and control of the FRS and should therefore have day-to-day management of all assets used by the FRS other than land, buildings and significant building components.

The Chief Constable cannot have an interest in land therefore management of land, buildings and significant building components falls under the responsibility of the Chief Executive.

The Commissioner funds all assets regardless of whether they are used by the Commissioner as PCC or CCFRA, by the Constabulary, by both bodies and other partners. The Commissioner consults the Chief Constable and Chief Fire Officer in planning the budget and developing a medium term financial forecast. Both these processes involve a full assessment of the assets required to meet operational policing requirements, including ICT infrastructure, land, property, fleet and equipment.

Responsibilities of the Police, Fire and Crime Commissioner

To approve an estates asset management plan, including disposals.

Responsibilities of the Chief Officers

In respect of all assets that are owned and/or used, the Chief Officers will ensure that:

- Assets are only used for official purposes and are available for use when required and are properly accounted for
- All employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation
- All employees are aware of their responsibilities with regard to safeguarding the security of DDaT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies

Responsibilities of the OPFCC CFO and the CC CFO

In respect of all assets that are owned and/or used, the CC CFO will ensure that

- An asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
- Assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
- No asset is subject to personal use by an employee without proper authority
- Valuable and portable items such as computers, cameras and video recorders are identified with security markings
- Assets are insured where appropriate
- Assets excluding land and buildings no longer required are disposed of in accordance with the law and these financial regulations as per the requirements of Section G.

- Statutory, regulatory and other inspection/tests are conducted in accordance with cyclical asset management and maintenance plans to ensure assets meet health and safety and other regulatory requirements in operational use
- An asset register shall be maintained for accounting purposes all fixed assets with a value in excess of the limits shown in schedule G, in a form approved by the OPFCC CFO. Assets are to be recorded when they are acquired. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the requirements specified by the OPFCC CFO.
- To ensure that inventories are maintained for insurance purposes in a format approved by the OPFCC CFO that record an adequate description of items with a value in excess of the amount shown in Section G. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops). A central register shall be maintained for all ICT hardware by the Digital Data & Technology Department.
- To ensure that there is at least an annual check of all items on the inventory in order to verify their location, review condition and investigate any surpluses or deficiencies. The annual check is to be co-ordinated by the Central Services Department but will be the responsibility of Heads of Service or his or her representative who shall not be responsible for the day to day maintenance of the inventory.
- ICT strategies (for the CCFRA and the Constabulary respectively) are produced and presented to the Commissioner for consideration and endorsement. This will form part of the development of the capital programme and annual budget process.
- Fleet management strategies (for the CCFRA and the Constabulary respectively) are produced and presented to the Commissioner annually for consideration in September and final approval in March each year. This will form part of the development of the capital programme and annual budget process.
- The property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions, in consultation with the Chief Executive.

Responsibilities of the Chief Executive

- To ensure that an estates strategy is produced and presented to the Commissioner for approval. This will form part of the development of the capital programme and annual budget process.

- To ensure that:
 - assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place;
 - lessees and other prospective occupiers of our land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;
 - title deeds to property are held securely;
 - assets no longer required are disposed of in accordance with the law and the regulations of the organisation as set out in Section G;
 - appropriate and timely information is provided to the CC CFO or OPFCC CFO for policing and for the CCFRA respectively to enable comprehensive asset registers to be maintained.
 - Land and Buildings are valued in accordance with these Regulations
- Lessees and other prospective occupiers of land owned by the Commissioner are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate

Stocks and Stores

Responsibilities of Chief Officers

- To make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the OPFCC CFO and CC CFO.
- To undertake a complete stock check at least once per year either by means of continuous or annual stocktake. The stocktake shall be undertaken and verified by separate individuals and then signed as an accurate record. The stock returns are then subject to independent reconciliation to the general ledger by the finance team. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- Discrepancies between the actual level of stock and the book value of stock may be written-off, in consultation with the OPFCC CFO and CC CFO.
- To write-off obsolete stock, up to the limits shown in Section G. Amounts for write off above this value must be referred to the OPFCC CFO and CC CFO for approval supported by a written report.

- To ensure that significant values of stocks and stores at 31 March each year are certified and included in the annual accounts.

Intellectual Property

Intellectual property is a generic term that includes inventions and writing. If any Intellectual property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the OPFCC, CCFRA and the Constabulary may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.

In the event that the OPFCC, CCFRA or the Constabulary decides to become involved in the commercial exploitation of inventions, the matter should be brought to the attention of the Chief Executive. In these circumstances, the Commissioner and the Chief Constable will approve an intellectual property policy and procedures for their respective organisations. The Chief Executive and Chief Constable will be responsible for the preparation of guidance on intellectual property procedures and ensure all employees are aware of and comply with the procedures.

Asset Disposal

Assets shall be disposed of when in the best interests of the organisation and at the most advantageous price. Where this is not the highest offer, a report must be prepared for the OPFCC CFO outlining the reasons.

Responsibilities of the CC Chief Finance Officer

- To dispose of policing assets other than land and buildings at the appropriate time and at the most advantageous price. Where this is not the highest offer, this can only be done with the agreement of the OPFCC CFO.
- All asset disposals shall be recorded in the asset register or inventory as appropriate.

Responsibilities of the OPFCC Chief Finance Officer

- To dispose of CCFRA assets other than land and buildings at the appropriate time and at the most advantageous price.

- All asset disposals shall be recorded in the asset register or inventory as appropriate.

Responsibilities of the Chief Executive

- To dispose of land and buildings at the appropriate time and at the most advantageous price. Where this is not the highest offer, this can only be done with the agreement of the OPFCC CFO.
- All asset disposals shall be recorded in the asset register or inventory as appropriate.

Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that income received for the disposal of an asset is properly banked and accounted for.
- To ensure that appropriate accounting entries are made to remove the value of disposed assets from the records and to include the sale proceed if appropriate.

C6 Treasury Management and Banking

Overview and Control: Treasury Management

Treasury Management is defined as 'the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

It is important that treasury activities are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the capital sums involved.

The Commissioner has adopted the CIPFA Code of Practice on Treasury Management. The primary requirements of the Code are to have arrangements in place for:

- A treasury management strategy statement, stating the policies, objectives and approach to risk management of its treasury management activities;

- Approved Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- Approval of the annual Treasury Management Strategy Statement (TMSS) including the annual investment strategies and MRP policy
- An annual report and as a minimum a Mid Term Review report covering Treasury Management activities.

Responsibilities of the Police, Fire and Crime Commissioner

- To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice
- To approve the annual TMSS including the annual investment strategy and MRP policy
- To receive and approve an annual report on treasury management activity and in year review reports

Responsibilities of the OPFCC Chief Finance Officer and CC CFO

- To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
- To prepare reports on the PFCCs treasury management policies, practices and activities, including, an annual TMSS, including annual investment strategy and MRP policy and quarterly review reports
- To ensure the treasury management strategy and in year review reports are subject to review by the Joint Audit Committee as part of the arrangements for approval by the Commissioner
- To execute and administer treasury management in accordance with the CIPFA Code and the Commissioner's strategy
- To arrange borrowing and investments, in compliance with the CIPFA Code and strategy
- To ensure that all investments and borrowings are made in the name of the Police, Fire and Crime Commissioner for Cumbria
- To secure specialist consultancy and advice in respect of treasury management activity

Responsibilities of the Joint Audit Committee

In compliance with the CIPFA Code of Practice on Treasury Management, the Commissioner has nominated the Joint Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies. In fulfilling this role the Committee will:

- Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory
- Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity.
- Review the treasury risk profile and adequacy of treasury risk management processes.
- Review assurances on Treasury Management (for example internal audit reports)

Overview and Control: Banking Arrangements

The Commissioner and Constabulary's banking activities are controlled by a single contract which provides a wide range of specialist banking services. A consistent and secure approach to banking services is essential in order to achieve optimum performance from our bankers and the best possible value for money.

The Commissioner undertakes to provide banking arrangements that may be used by authorised officers of the Constabulary in order to ensure efficiency in the financial arrangements between the Commissioner and the Chief Constable.

Responsibilities of the OPFCC Chief Finance Officer

- To have overall responsibility for the banking arrangements for the Commissioner and Chief Constable.
- To oversee the establishment and maintenance of bank accounts.
- To authorise the opening and closing of all bank accounts. No other employee shall open a bank account unless they are performing a statutory function in their own right
- To arrange for bank reconciliations to be undertaken on a timely and accurate basis

- To determine signatories on all bank accounts

Responsibilities of the CC Chief Finance Officer

- To maintain inventories of all Constabulary-held stock

The CC CFO may undertake daily management and operation of bank accounts under the arrangements between the Commissioner and Chief Constable for shared financial services. The CC CFO is responsible under this arrangement for ensuring the operation of satisfactory control systems, seeking confirmation from the bank that it is satisfied with such control systems and providing assurance of such to the OPFCC CFO. The Chief Constable may determine to open bank accounts subject to the consent of the Commissioner and in conjunction with the OPFCC CFO.

Overview and Control: Imprest Accounts/Petty Cash

Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the accounts and correctly reimbursed to the account holder.

Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To provide appropriate employees with cash, bank imprests to meet minor expenditure on behalf of the OPFCC/Constabulary.
- To determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- To prepare detailed Financial Rules for dealing with petty cash, to be agreed with the OPFCC CFO and CC CFO, and these shall be issued to all appropriate employees.
- To ensure the petty cash facility is not used as a mechanism to avoid normal procurement routes.

C7 Money Laundering

Overview and Control

The OPFCC and the Constabulary are alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. There is a requirement to report suspicious cash deposits in any currency in excess of £10,000 (or equivalent) to the National Crime Agency (NCA) or a successor body..

In order to protect the Commissioner and Constabulary from money laundering internal control procedures will be monitored to ensure they are reliable and robust and cash deposits will be limited to a maximum of £5,000 (excluding seized cash). Any suspicious activity or transaction will be reported to the relevant body at the earliest opportunity. Chief Officers must undertake appropriate checks to ensure all new suppliers and counterparties are bona fide.

Responsibilities of the OPFCC Chief Finance Officer

- To be the nominated Money Laundering Reporting Officer (MLRO) for the Chief Constable and the Commissioner under the arrangement for shared financial services and nominate the function to the CC CFO during periods of absence
- Upon receipt of a disclosure, to consider, in the light of all information, whether it gives rise to suspicion of money laundering.
- To disclose relevant information to the National Crime Agency (NCA) or a successor body.
- To ensure that the arrangements for shared financial services between the Commissioner and Chief Constable make adequate arrangements for protection from money laundering including awareness raising and training for staff engaged in cash receipting.

Responsibilities of Officers and Staff

- To notify the OPFCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime
- Cash bankings from a single source over £5,000 should be refused and reported to the OPFCC CFO. This instruction does not apply to seizures and subsequent banking under the Proceeds of Crime Act.

C8 Corporate Credit, Debit and Fuel Cards

Overview and Control

Expenditure on credit cards must only be for official business and must be appropriately authorised and recorded. All credit cards are issued in the name of the Commissioner. The Chief Constable is prohibited statutorily from entering into such credit arrangements.

Credit and debit cards are used by the OPFCC, CCFRA and Constabulary in the course of business. Credit cards are made available as an alternative method of payment in a number of circumstances including:

- in relation to designated officers who, in the course of their official business, have an immediate requirement for expenditure;
- in specialist business continuity circumstances where goods are needed urgently;
- for making online purchases where this method of purchasing achieves the best value for money and payment must be made at the point of placing an order.

Every effort should be made to ensure payment of goods and services is by invoice wherever possible and credit cards should only be used as a last resort when this is not possible.

Debit Cards are used only for official business and only by specifically authorised officers for operational purposes.

Fuel cards are provided to ensure the economic purchase of fuel for the vehicle fleet and hire cars used in the course of business. All staff must use fuel cards for the purchase of business fuel wherever it is possible to do so, except for FRS appliances which should use bulk fuel..

Responsibilities of the OPFCC Chief Finance Officer

- The OPFCC CFO will approve credit/debit card policy and procedures.
- The OPFCC CFO will authorise the application for all credit cards and debit cards where these are outside the arrangements within credit/debit card policy
- The OPFCC CFO will provide financial rules and credit and debit card policy and procedures to all card holders; procedures will specify items that must not be purchased using the corporate credit card, the process and evidence required to substantiate card expenditure and arrangements for authorising that expenditure is in line with the procedure.

- The OPFCC CFO will arrange for credit and debit card reconciliations to be undertaken on a timely and accurate basis.

Responsibilities of the Chief Officers

- Chief Officers will ensure that arrangements for authorising expenditure are undertaken by a member of staff more senior to the credit/debit card holder. The Chief Executive will authorise credit card expenditure made by the Chief Constable and Chief Fire Officer.

Responsibilities of the Card Holders

- Credit/Debit Card holders must ensure that purchases are in accordance with approved procedures and provide receipted details of all payments made by corporate credit/debit card each month, including nil returns, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.
- Fuel cards must be used wherever possible for the purchase of business fuel. The use of fuel cards must comply with relevant procedures.

C9 Staffing

Overview and Control

Staff are employed by both the Commissioner (both as PCC and FRA) and the Chief Constable and form the largest element of the annual budgets. An appropriate HR strategy and workforce plan should exist, in which staffing requirements and budget allocations are matched. This is particularly important for support staff who provide shared services to meet the needs of both the Commissioner and the Constabulary.

The responsibilities below are those of the Chief Executive in respect of staff who are employed by the Commissioner in the OPFCC, of the Chief Fire Officer in respect of staff employed by the Commissioner in the FRA, and of the Chief Constable for police officers and staff who are employed in the Constabulary.

Responsibilities of the Chief Executive, Chief Constable and Chief Fire Officer

- To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements, HR policies, budgets and strategies and that there is a proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- To ensure that staffing budgets provide an accurate forecast of staffing levels and advise the Commissioner on the budget necessary in any given year to cover estimated staffing levels
- To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
- To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- To approve, in consultation with the OPFCC CFO and CC CFO, policy arrangements for premature retirements on grounds of ill-health or efficiency and redundancy arrangements for all staff.
- To ensure that arrangements are in place for individual line managers to recover all ID badges, force assets, door fobs, keys etc and to ensure that all access to systems is removed upon an employee leaving the organisation.
- The Chief Executive/ PFCC's Chief Finance Officer will be offered the opportunity to participate in recruitment and dismissal processes of police and FRS staff delivering shared support services above the rank or grades set out below This includes determination of any specific terms to be proposed as part of a recruitment or dismissal process, for example relocation packages, pension strain/abatment, ill health retirement.
 - Police - Superintendent and staff above grade SP10
 - Fire and Rescue - Area Manager and green book grade 18 and above

C10 Trust Funds and Unofficial Funds

Overview and Control

These are funds other than those of the Commissioner, which are controlled wholly or partly by staff by reason of their employment.

Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them. Our financial procedures and financial regulations should be viewed as best practice, which should to be followed whenever practicable.

Trust funds can only be opened with specific approval from the Chief Constable/Commissioner.

Responsibilities

- The Chief Executive must be aware of all trust funds associated with the OPFCC and the Chief Constable must be aware of all trust funds associated with the Constabulary.
- The OPFCC CFO must be informed of the purpose and nature of all trust funds and shall be entitled to verify that adequate standards are being observed, identify whether funds are properly audited and report on the arrangements.
- All employees acting as trustees on behalf of the Commissioner or Chief Constable shall ensure that a treasurer and independent auditor are appointed, that reliable accounting systems and procedures are operated, and investments are properly managed and that accounts are audited as required by law and submitted annually to the appropriate body.

C11 Evidential and Non-Evidential Property

Overview and Control

The Chief Constable is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership. This duty of care extends to private property of an individual e.g. a suspect in custody.

Responsibilities of the Chief Constable and the CC Chief Finance Officer

- To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision; these procedures shall be made available to all appropriate employees. For more detailed information please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
- To determine procedures for the safekeeping of evidential or non-evidential property; these procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items where appropriate and shall ensure that there is an adequate segregation of duties and regular inventory checks.
- To issue separate financial procedures for dealing with cash, including seized cash under the Proceeds of Crime Act
- To deduct income tax on any interest earned on seized cash or found monies whilst held in his possession and account to both HMRC and to any person to whom such monies are subsequently returned.

Responsibilities of all Officers and Staff

- To comply with standard operating procedures in relation to evidential, non-evidential and other private property.
- To notify the OPFCC Chief Finance Officer and CC Chief Finance Officer immediately in the case of loss or diminution in value of such property.

C12 Gifts, Loans and Sponsorship Policy

Overview and Control

This does not include the receipt of hospitality and gifts – see section C4.

The Commissioner and Chief Constable may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will either enhance or extend the service which would normally be provided. The terms on which gifts or loans are accepted may allow commercial sponsorship of some policing and commissioner activities.

Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes. They can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the Commissioner's annual gross revenue budget.

Responsibilities of the Chief Officers

- To determine whether gifts, loans or sponsorship will be accepted
- To ensure there are guidelines in place for staff with regard to gifts, loans and sponsorship and that all staff are aware of and operate within the guidelines.
- To ensure guidelines provide that the OPFCC CFO are advised of any gifts, loans or sponsorship prior to acceptance to ensure that decision making takes into consideration any financial implications including those pertaining to insurance and taxation.

Responsibilities of the OPFCC Chief Finance Officer, CC Chief Finance Officer, Chief Executive (Monitoring Officer) and Chief Officers

- To present an annual report listing all gifts, loans and sponsorship for approval by the Commissioner.
- To maintain a central register of all sponsorship initiatives and agreements including their true market value. The register will be made available to the Commissioner, who shall satisfy themselves that it provides a suitable account of the extent to which such additional resources have been received.
- To bank cash from sponsorship activity in accordance with normal income procedures.

Introduction

This section of the financial regulations sets out responsibilities and the required arrangements for systems and processes to manage income, including external funding, ordering and paying for goods and services, ensuring staff and members are properly paid, including ex-gratia payments and that all those systems and processes include proper arrangements to account for tax.

Arrangements for systems and processes are managed by the OPFCC CFO and CC CFO as part of the arrangements for shared support services between the Commissioner and the Chief Constable. This includes all arrangements for financial systems and administration, including receipting income, incurring expenditure, discharging creditors and recovering debt.



D1 General Overview

Overview and Control

There are many systems and procedures relating to the control of assets and resources, including purchasing, costing and management systems. There is increasing reliance on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They contain controls to ensure that transactions are properly processed and errors detected promptly. The OPFCC CFO and CC CFO both have a statutory responsibility to ensure that financial systems are sound and should therefore be notified of any proposed new developments or changes.

Responsibilities of the Chief Constable, Chief Fire Officer and the Chief Executive

- To ensure all staff and those acting on behalf of the Constabulary, CCFRA and OPFCC adhere to processes and procedures, taking management action where there is failure to comply.
- To ensure that there is a documented and tested business continuity plan to allow system processing to resume quickly in the event of an interruption.
- To register compliance with the Data Protection Act 2018 ensuring that data processing involving personal information is handled correctly.

Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

To make arrangements for the proper administration of the financial affairs, including to:

- Issue advice, guidance and procedures for staff and others acting on behalf of the OPFCC, CCFRA and the Constabulary
- Determine the accounting systems, form of accounts and supporting financial records
- Establish arrangements for the audit of the financial affairs of the Constabulary and the CCFRA and OPFCC
- Approve any new financial systems to be introduced

- Approve any changes to existing financial systems

To ensure, in respect of systems and processes, that:

- Systems are secure, adequate internal controls exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
- Appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously.
- A complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa.
- Systems are documented and that staff and others acting on behalf of the Commissioner or Chief Constable are appropriately trained in relevant processes and procedures.
- To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.
- To establish a Scheme of Delegation, identifying staff authorised to act upon the behalf of Chief Officers in respect of income collection, placing orders, making payments and employing staff.

D2 Income

Overview and Control

The Commissioner is the recipient of all funding relating to policing and crime reduction, including government grant and precept and other sources of income. Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.

The Commissioner should ensure that there are arrangements in place to ensure that expected charges are clearly identified in budgets and that costs are accurately attributed and charged. When considering budget levels the Commissioner should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.

The purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them. When specifying resource requirements the Chief Constable will identify the expected income from charging. The Commissioner and Chief Constable should adopt National Police Chiefs' Council (NPCC) charging policies in respect of mutual aid.

When specifying resource requirements, the annual budget plan and the medium-term financial plan will identify the expected income from charging. This should take account of NPCC charging policies in respect of mutual aid.

Responsibilities of the Police, Fire and Crime Commissioner and the Chief Constable

- To adopt the NPCC national charging policies and national guidance when applying charges, including those for special policing services, under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.

Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT
- To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies; charges should be at full cost recovery except where regulations recommend otherwise or with the express approval of the Commissioner or Chief Constable.
- To ensure that all income is paid fully and promptly into the designated Income Bank Account; appropriate details should be recorded to provide an audit trail and money collected and deposited reconciled on a monthly basis.
- To ensure income is not used to cash personal cheques or make other payments.
- To ensure appropriate controls exist over the management and supply of receipt forms, books or tickets and similar items. Official receipts or other suitable documentation shall be issued for all income received

- To operate effective debt collection procedures
- To secure appropriate arrangements, in consultation with the Chief Executive, for debt recovery, including legal action where necessary
- To approve the write-off of bad debts, in consultation with the Chief Executive, up to the level shown in Section G. Amounts for write-off above this value must be referred to the Commissioner for approval, supported by a written report explaining the reason(s) for the write-off.
- To have regard to section 18 of the Fire and Rescue services Act 2004 when applying charges for chargeable services and to keep scales of fees and charges under review with such reviews being carried out at least annually.
- To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the Commissioner.
- The OPFCC CFO will prepare detailed Financial Rules for dealing with income under the arrangements for shared support services, and issue them to all appropriate employees.

D3 Ordering and Paying for Work, Goods and Services

Overview and Control

Public money should be spent in accordance with the financial and regulatory framework and policies. The organisation has a statutory duty to ensure financial probity and best value. These joint Financial Regulations and purchasing procedures help to ensure that the public can receive value for money.

These procedures should be read in conjunction with the Contract Procedure Rules

The responsibilities set out below are those of the OPFCC CFO. All ordering and payments are made in the name of the Commissioner although the goods and services procured will be used by the Commissioner and the Constabulary.

Responsibilities of the OPFCC Chief Finance Officer

- To maintain procurement regulations covering the principles to be followed for the purchase of goods and services and to ensure that all payments are made in accordance with this policy.

Responsibilities of the OPFCC Chief Finance Officer in respect of the CCFRA and OPFCC and CC Chief Finance Officer in respect of the Constabulary

- To secure the issue of official orders for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other authorised exceptions.
- To approve the form of orders and any exceptions to official orders.
- Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of OPFCC contracts.
- Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with the Contract Procedure Rules.
- To ensure orders for goods and services are appropriately authorised by a designated officer in accordance with the scheme of delegation.
- Payments are not normally made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order.
- To ensure that payments are made to the correct person, for the correct amount, on time (i.e. within supplier payment terms) and are recorded properly, regardless of the method of payment.
- To ensure that VAT is recovered where appropriate.
- To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- To ensure that all purchases made through e-procurement and credit card purchases follow the procedures set out within the Contract Procedure Rules.
- To ensure adequate separation of duties between ordering, receiving and paying for goods and services.
- To secure the preparation of detailed Financial Rules for dealing with the ordering and payment of goods and services, and to ensure these are issued to all appropriate employees.

Responsibilities of the Chief Officers

- To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the organisation and that such persons take no part in the selection of a supplier or contract with which they are connected.
- To ensure declarations are made and recorded as appropriate within the register of interests, secondary employment register and related party transaction disclosure forms in accordance with the arrangements for anti-fraud and corruption (policy and procedure).
- To ensure that staff are aware of and comply with the Contract Procedure Rules
- To nominate the OPFCC CFO as lead officer with responsibility for ensuring the provision of services for ordering and payment under the terms of the shared services agreement. To make provision within the Constabulary financial rules that the lead officer is responsible for adopting the standards within these regulations and providing assurance of such.

Responsibilities of the Director of Legal Services

- Provision of advice on contracts including provision of standard terms and conditions.
- Securely storing all contracts related to the procured goods and services (including those under seal) acquired on behalf of the COPFCC/Constabulary by the Commercial Department.

Responsibilities of the Commercial Business Partner

- Maintaining a procured goods and services Contracts Register.
- Maintaining records of all contract exemptions available as attachments to the relevant contract or purchase record and also copied in sequential date order in a paper file for Audit purposes.
- Advising Authorised Officers with regards to all aspects of procurement.
- Producing and maintaining procurement guidance in virtual and printable formats.
- Developing and implementing a procurement strategy.
- Monitoring the appropriate use of contracts.
- Monitoring aggregated procurement amounts for recommendation as fit for transferral to properly contracted procurements.
- Producing ad-hoc and annual reports on procurement activity.

- Authorising all approved lists.

D4 Employee Payroll, Pension & Other Expenditure

Overview and Control

Employee payroll costs comprise the largest item of budget expenditure within the Constabulary and FRS. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals' conditions of employment.

The responsibilities set out below are those of the Chief Executive for employees within the OPFCC and of the Chief Fire Officer for employees in the CCFRA. The Chief Constable is required to fulfil the same responsibilities for employees of the Constabulary.

Responsibilities of the Chief Executive, Chief Fire Officer and Chief Constable

- To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations, or variations in the correct format and to the timescales required.
- All changes to establishment are recorded and appropriately signed off prior to any change being enacted.
- To ensure, in consultation with the OPFCC CFO and CC CFO, the secure, accurate and reliable payment of salaries, overtime, pensions, allowances, compensation and other benefits to existing and former employees and members.
- To ensure that tax, pension and other deductions are made correctly and paid over at the right time to the relevant body.
- To pay all valid travel and subsistence claims or financial loss allowance, where they comply with policy and are authorised.
- To pay salaries, wages, pensions and reimbursements by the most economical means.

- To ensure any contract for payroll services will incorporate reimbursement by the provider of any costs associated with any payroll error and associated corrective action in the event of an error and the provider having received the correct payroll data
- To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements and compliance with IR35 regulations. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- To ensure that, in consultation with the OPFCC CFO and CC CFO, specialist advice is obtained as necessary and adequate and effective procedures are operated to comply with statutory requirements for payroll deductions.
- To secure the preparation of detailed Financial Rules for dealing with payments to employees, to be agreed with the OPFCC CFO, and these shall be issued to all appropriate employees.

D5 Taxation (PAYE, VAT and national insurance)

Overview and Control

Like all organisations, the OPFCC, CCFRA and Constabulary are responsible for ensuring their tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. The following responsibilities are those of the OPFCC CFO and CC CFO for relevant transactions of the Commissioner and of the Constabulary and transactions made on behalf of the Commissioner under the shared services arrangements for financial administration.

Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that arrangements are in place for the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements

- To ensure that arrangements are in place for the timely completion and submission of VAT claims, inputs and outputs to HMRC
- To ensure taxable transactions are identified, properly carried out and accounted for within stipulated timescales with a record maintained in accordance with requirements
- To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations
- To provide details to the HMRC regarding the construction industry tax deduction scheme.
- To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.
- To ensure that all tax liabilities are correctly disclosed in the annual statement of accounts.

D6 Pensions

Overview and Control

Employers including the Constabulary OPFCC and CCFRA have a legal obligation to offer employees a pension scheme. The Chief Constable is the Scheme Manager for the Police Officer Pension Scheme. Police officers are automatically joined into the Police Pension scheme and police staff are automatically joined into the Local Government Pension Scheme. The Chief Fire Officer is the Scheme Manager for the Firefighter Pension Schemes. Operational employees are automatically enrolled into the 2015 Firefighter Pension scheme and corporate employees are automatically enrolled into the Local Government Pension Scheme. Pensions are a complex and ever changing area with new legislation, taxation implications and reporting requirements to meet. The Local Government Pension Scheme is managed by Westmorland and Furness Council and the Constabulary, OPFCC and CCFRA are the Local Government scheme administrating authorities. The Home Office are responsible for the Firefighter Pension schemes and the organisation acts as a “holding account” although the transactions are shown in the PFCC statement of accounts

Responsibilities

Responsibilities of the Chief Constable and Police, Fire and Crime Commissioner

The Chief Constable and the Commissioner must also ensure that all people involved in governing and administering public service pension schemes should have the appropriate skills and expertise. However, there is a specific legal obligation on pension board members to have knowledge and understanding of their scheme rules, their scheme's documented administration policies and pensions law.

The Chief Constable and the Commissioner have the responsibility for ensuring they each produce an Employer Discretion policy in relation to the Local Government Pension scheme. The Local Government Pension Scheme is managed by the Cumbria Pension Fund.

Responsibilities of the Chief Constable

To ensure compliance with the Public Services Pensions Act 2013 the Chief Constable has a number of legal responsibilities acting in the role of Pension Scheme Manager for the Police Officer Pension Scheme ensuring the following:

- ensuring that appropriate arrangements for the management of police officer pensions are put in place
- establishment of a Police Pension Board.
- provision benefits information to members
- publishing information on pension boards
- keeping certain records
- that pension boards members don't have conflicts of interest
- adequate internal controls are established and operate effectively
- reporting late payment of contributions
- nominating an appropriately trained employer representative for the pensions board

Responsibilities of the Chief Fire Officer

- To ensure that there are adequate arrangements for administering fire pensions and Local Government Pension Scheme (LGPS) matters on a day-to-day basis.
- To record and make arrangements for the accurate and timely payment of pensions and fire pensions to the scheme administrators.
- The appointment of a Pension Administrator to administer the LGPS and Firefighter Pensions Schemes on behalf of the PFCC.

- To ensure Pension Boards are established to administer the schemes in accordance with current legislation and regulations.
- To ensure that timely and accurate information is supplied to the Home Office for the Top Up arrangements.
- To ensure that timely information is supplied to the actuaries.
- To refer internal disputes relating to pensions to the Scheme Manager in the first stage, with second stage disputes being referred to a panel consisting of the Deputy Chief Fire Officer and representatives from finance and legal.

D7 Ex Gratia Payments

Overview and Control

An ex gratia payment is a payment made where no legal obligation has been established. An example may be recompense to a police officer or employee for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty.

Responsibilities of the Chief Constable and Chief Fire Officer

- To make ex gratia payments, on a timely basis, to members of the public or employees for damage or loss to property or for personal injury or costs incurred as a result of police or FRS action, where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the OPFCC, CCFRA and the Constabulary up to the limits set and in section G;
- To maintain details of ex gratia payments in a register.
- The circumstances of the proposed payment must not have the effect of circumventing other pay and allowances, policies, rates and rules. All ex gratia payments should be reviewed and authorised in accordance with the Constabulary Scheme of Delegation. Any ex gratia payment above the limit in section G will require the approval of the Commissioner.
- To provide a copy of the ex-gratia payments register to the Chief Executive for review at the end of each financial year.

D8 Government Procurement Cards

Overview and Control

Government Procurement (Credit) Cards may provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties. They provide an alternative method of buying and paying for relatively low value goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions.

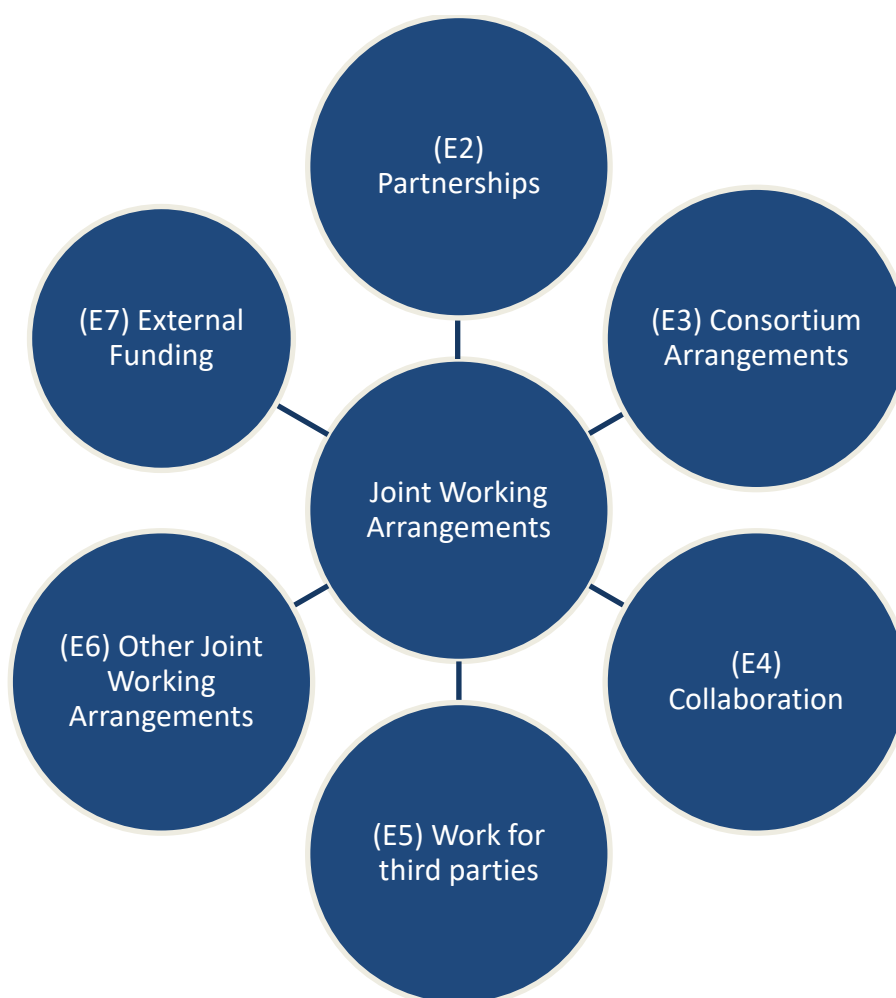
Responsibilities of the OPFCC Chief Finance Officer

- To undertake periodic reviews of the register of individuals and limits assigned to each card.
- To ensure that all card holders are aware of the financial instructions relating to the use of cards.
- To ensure that all purchases are checked to ensure compliance with approved policies (e.g. Gifts, Gratuities and Hospitality, Catering).
- To ensure that the process requires receipted details of payments, particularly VAT receipts and all requirements of the providers electronic receipting and payments processes are adhered to.

E1 General Overview

Introduction

Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers. Joint working arrangements can take a number of different forms, each with its own governance arrangements. The OPFCC, CCFRA and Constabulary element of all joint working arrangements must comply with the financial regulations.



These joint working arrangements can be grouped under the following headings:

- Partnerships
- Consortia
- Regional working
- Collaboration

Joint working arrangements entail common responsibilities:

- To act in good faith at all times and in the best interests of the joint working arrangement's aims and objectives
- To be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
- To be open about any conflicts that might arise
- To encourage joint working and promote the sharing of information, resources and skills
- To keep secure any information received as a result of joint working arrangement activities or duties that is of a confidential or commercially sensitive nature
- Where appropriate, to promote the project

In all joint working arrangements the following key principles must apply:

- The arrangements to enter into joint working must have been authorised by the Commissioner or Chief Constable as appropriate
- Before entering into the agreement, a risk assessment has been prepared
- Such agreements do not impact adversely upon the services provided by OPFCC, CCFRA or Constabulary
- Project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
- All arrangements are properly documented
- Regular communication is held with other partners throughout the project in order to achieve the most successful outcome
- Audit and control requirements are satisfied

- Accounting and taxation requirements, particularly VAT, are understood fully and complied with
- An appropriate exit strategy has been produced

E2 Partnerships

Overview and Control

The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:

- Are otherwise independent bodies;
- Agree to co-operate to achieve a common goal; and
- Achieve it to create an organisational structure, process or agreed programme, and share information , risks and rewards

The number of partnerships, both locally and nationally, is expanding in response to central Government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:

- Comply with statutory requirements
- Deliver strategic objectives in new and better ways
- Improve service quality and cost effectiveness
- Ensure the best use of scarce resources and access new resources
- Deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need
- Forge new relationships and find new ways to share risk

Partnerships typically fall into three main categories, statutory based, strategic, and ad-hoc.

- Statutory based: These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships (CSPs) and Local Strategic Partnerships (LSPs)

- Strategic: These are partnerships set up to deliver core policing, crime reduction or fire and rescue objectives. They can either be PFCC-area-wide or local.
- Ad-hoc: These are typically locally based informal arrangements.

As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, the Commissioner is free to pool funding as they and their local partners see fit. The Commissioner may also make grants under Community Empowerment in support of new or local fire and rescue priorities. The Commissioner can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies. This may include acting as a lead commissioner of services, agreeing jointly the shared priorities and outcomes expected to be delivered through the contract, grant or funding arrangement with each provider.

Responsibilities of the Police, Fire and Crime Commissioner

- To have regard to relevant priorities of local partners when considering and setting the Police Fire and Crime Plan.
- To make appropriate arrangements to commission services from either the Constabulary, external providers or jointly with partners
- To make decisions in respect of awards of grant and entering into grant arrangements.

The commissioner is able to make grants in connection with commissioning of services that:

- In the opinion of the Commissioner, will secure, or contribute to securing, crime and disorder reduction
- Are intended by the Commissioner to help victims or witnesses of, or other persons affected by, offences and anti-social behaviour.

Responsibilities of Chief Officers

- To consult, as early as possible, the PFCC CFO and CC CFO in respect of any partnering arrangements to ensure the correct treatment of taxation and other auditing and accounting arrangements.

- To produce a Memorandum of Understanding (MOU), funding arrangement or conditions of funding as appropriate for any partnership arrangement incorporating appropriate terms and conditions for the project; this document should be signed by the Chief Executive.
- All partnerships, joint working arrangements and MOUs with operational and financial implications should be approved by the relevant operational lead and CC CFO or OPFCC CFO as appropriate.

Responsibilities of the Chief Executive

- To keep a register of statutory and other legally formalised partnerships, consortia and collaboration agreements.
- To secure the safekeeping of registers of commissioned services, grant awards and grant agreements and for ensuring that records are maintained of exemptions to grant procedures.
- To maintain robust and up to date grant conditions; to ensure the grant regulations are complied with, including a robust performance management framework and to seek assurance that appropriate accounting and auditing regulations are complied with.
- To ensure the exercise of due diligence through effective processes and procedures prior to decision making
- To ensure the overall arrangements for assurance when awarding funding and that total funding awarded through grants and granted agreements is in line with allocated budgets.
- To meeting all publication requirements in respect of grants and grant agreement.

Responsibilities of the Director of Legal Services

- To provide legal advice on grant agreements including grant terms and conditions.

E3 Consortium Arrangements

A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure and must be approved by the Commissioner. The Chief Constable has no statutory powers to enter into a consortium without the Commissioner's approval.

Responsibilities of Chief Constable

- To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework
- To consult, as early as possible, the OPFCC CFO and CC CFO to ensure the correct treatment of taxation and other accounting arrangements
- To produce a business case to show the full economic benefits to be obtained from participation in the consortium
- To produce a Memorandum of Understanding (MOU), funding arrangement or conditions of grant agreement as appropriate for any partnership arrangement incorporating appropriate terms and conditions for the project; this document should be signed by the Chief Executive
- To seek the Commissioner's approval for the entering into a Consortium

E4 Collaboration

Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, Chief Constables and PFCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or Commissioners. Any collaboration which relates to the functions of a police force must first be agreed with the Commissioner and with the local policing body and Chief Constable of the force concerned.

Bluelight Collaboration - The Policing and Crime Act introduced a statutory duty for the three emergency services (Police, Fire and Ambulance) to keep collaboration opportunities under review and to collaborate where a proposal is in the interests of efficiency, effectiveness or public safety. Similar responsibilities surround Bluelight collaborations as policing collaborations.

The local policing bodies shall jointly hold their Chief Constables to account for any collaboration in which their Constabulary is involved and any such proposal must be discussed with the OPFCC CFO in the first instance.

Responsibilities of the Chief Officers

- To ensure that each activity covered by collaborated arrangements is subject to the financial regulations of one of the Commissioners involved. The particular Commissioner's financial regulations should be selected having regard to the staffing, activity and location of the collaborated activity.
- To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- To consult, as early as possible, the OPFCC Chief Finance Officer to ensure the correct treatment of taxation and other accounting arrangements.
- To produce a business case to show the full economic benefits to be obtained from participation in the collaboration/consortium.
- To produce a Collaboration agreement setting out the appropriate governance arrangements.

E5 – Work for Third Parties

Overview and Control

Current legislation enables the Commissioner to provide fire and rescue services to other bodies. Such work may enable economies of scale and existing expertise to be maintained. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Responsibilities of the Chief Fire Officer

- To ensure that:
 - proposals for assistance are costed in consultation with OPFCC Chief Finance Officer,
 - that contracts are drawn up where appropriate,
 - that no contract is subsidised by the organisation,
 - that contracts do not impact adversely on the services provided.
 - that charges are made in accordance with policy.

- that, where possible, payment is received in advance of the delivery of the service that the Commissioner is not put at risk from any bad debts.

Responsibilities of the OPFCC Chief Finance Officer

- To ensure that appropriate insurance arrangements are in place.

E6 Other Joint Working Arrangements

Overview and Control

Where services are provided to other bodies outside of normal obligations, for which charges are made e.g. training, special services, arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is compliant with any applicable regulations and legislation, including ensuring there are powers to undertake the work.

Responsibilities of Chief Officers

- To ensure that proposals for assistance are costed, that no contract is subsidised and that, where possible, payment is received in advance of the delivery of the service so that the organisation is not put at risk from any liabilities such as bad debts.
- To ensure that appropriate insurance arrangements are in place.
- To ensure that all contracts are properly authorised and documented
- To ensure that such contracts do not impact adversely on the services provided by the organisation.
- The agreement of the Commissioner will be required to all tender submissions which may be publicly or politically sensitive. Otherwise, the submission of tenders for the supply of goods and/or services should be approved as set out in section G.

E7 External Funding

External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the organisation. Funds from external agencies provide additional resources to enable police and crime and fire and rescue objectives to be delivered. However, in some instances, such funding is linked to tight specifications and may not be flexible enough to link to the Police Fire and Crime Plan.

The main sources of such funding will tend to be specific government grants, additional contributions from other public bodies, central government and charitable funding accessed through bidding rounds, and donations from third parties (e.g. towards capital expenditure)

Responsibilities of Chief Officers

- To pursue actively any opportunities for additional funding where this is considered to be in the interests of the organisation
- To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements
- To ensure that funds are acquired only to meet police and crime or fire and rescue needs and objectives
- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
- To ensure that any conditions of external funding are in accordance with the approved policies of the Commissioner. If there is a conflict, this needs to be taken to the Commissioner for resolution.
- To ensure that any opportunities to pursue external funding are authorised and that applications are made in the Commissioner's name as the statutory recipient of all funding

Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding arrangement are met.

Responsibilities of Service Managers

- To ensure all applications for external funding are brought to the attention of the CC CFO or the OPFCC CFO. No external funding may be accepted without the agreement of the CC CFO or the OPFCC CFO.

These guidance notes are supplemental to the arrangements for Anti-Fraud and Corruption and should be read in conjunction with those documents.

The OPFCC CFO and CC CFO have responsibility under section 114 of the Local Government Finance Act 1998 to make a report if it appears that any person holding any office or employee or member of any collaborative body on which the Commissioner or the Constabulary is represented:

- Has made, or is about to make a decision which involved or would involve the Commissioner or the Chief Constable incurring expenditure which is unlawful;
- Has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Commissioner or the Chief Constable; and
- Is about to enter an item on account, the entry of which is unlawful.

It is also the duty of the Chief Executive and Monitoring Officer to prepare a report for the Commissioner with respect to any proposal, decision or mission by any person holding any office or employment which may contravene any enactment, rule of law or code of practice or any maladministration or injustice as defined. In doing so it is the Monitoring Officer's duty so far as is practicable to consult with the OPFCC CFO. A copy of such a report shall be sent to the external auditor.

To provide for effective action to deal with any fraud and corruption and to assist the OPFCC CFO and CC CFO in the performance of the duty to ensure the financial affairs of the Constabulary, the CCFRA and the OPFCC are properly conducted, the Commissioner and Chief Constable will approve arrangements for an Anti-Fraud and Corruption Policy and a Plan that will be adhered to in the circumstances of any suspected or actual breach of financial regulations or Contract Procedure Rules.

Where a breach of standing orders or financial regulations has occurred of a non-malicious nature this will be dealt with by management action. Management action may result in the instigation of disciplinary proceedings. Management action will be directed toward the member of staff or officer responsible for the breach. This may be a manager where there has been a failure in the responsibility to ensure subordinates are aware of and trained in the use of the orders/regulations.

There are no formal exemptions to the financial regulations. Where there is a robust reason that the regulations are unable to be applied, authorisation must be given by the OPFCC CFO. In the event that the OPFCC CFO or CC CFO requests an exemption from the financial regulations, this must be approved by the Commissioner.

Introduction

The Commissioner expects anyone acting under this scheme to draw to their attention any issue which is likely to be regarded as novel, contentious or repercussive. In addition, the Commissioner is ultimately accountable for the Police Fund and Fire General Fund. Before any financial liability affecting the Police Fund that the Commissioner might reasonably regard as novel, contentious or repercussive is incurred; prior written approval must be obtained from the Commissioner's office. Delegations for such approval are set out in this scheme. References to Sections refer to the relevant part of these regulations where the regulation limit is to apply.

The regulation limits apply in respect of delegations between the Commissioner and the Commissioner's staff, both in the OPFCC and the FRA, and between the Chief Constable and the Chief Constable's officers and staff.

Section B: Financial Planning and Control

Financial Planning: The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined as one in excess of an estimated value of **£100,000** in the Constabulary and **£30,000** in the OPFCC and CCFRA.

Budgetary Control: Major projects need not be referred back to the Commissioner for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the additional cost of the scheme exceeds the lesser of **10%** or **£100,000** in the Constabulary and **the lesser of 5% or £10,000** in the OPFCC and CCFRA..

Where the net position on the Constabulary or FRS budget is forecast to over- or under-spend by more than **£500,000** or where the position is known to have changed by more than **£500,000** since the last monitoring report, the OPFCC CFO must be notified as soon as the variation is known. Where this occurs, an analysis of forecast expenditure against each of the Subjective Headings and reasons for the projected or forecast under or over spending must be provided. Any overspend of Funding will entitle the Commissioner, subject to consultation with the Chief Constable or Chief Fire Officer as appropriate, to reduce the Funding Amount of one or a number of other Subjective Headings so that total expenditure does not exceed the Total Funding Amount. The Commissioner may also offset any

overspend against amounts made available in respect of Funding in future years, subject to consultation with the Chief Constable or Chief Fire Officer as appropriate.

Where the net position on the OPFCC or CCFRA budget is forecast to over- or under-spend by more than £150,000 or where the position is known to have changed by more than £150,000 since the last monitoring report, the OPFCC CFO must be notified as soon as the variation is known.

Virements: Funding for each Subjective Heading may only be applied towards the purposes allocated to that Subjective Heading other than within the overall limits for virement.

Virements between Subjective Headings are permitted up to a cumulative value of £250,000 in any single financial year. All virements above the limit must be authorised by the OPFCC Chief Finance Officer.

All individual virements within the OPFCC and CCFRA revenue budget over £30,000 must be authorised by the OPFCC CFO.

All individual virements within the Constabulary revenue budget over £100,000 and under £150,000 must be authorised by the CC CFO.

All individual virements in any revenue budget over £150,000 must be authorised by both the OPFCC CFO and the Chief Executive.

The OPFCC CFO in collaboration with the CC CFO is authorised to approve a virement of any amount within the capital budget to address issues of timing where the scheme is approved and the virement is consistent with the business case for the scheme. This includes virements to and from capital reserves and future year budgets to bring forward schemes where there is capacity and a business imperative to commence schemes in advance of the planned programme.

Year End Balances: Year end balances will be returned to general balances other than where specific approval has been given to carry forward those budgets. Budget holders may apply to the OPFCC CFO (for OPFCC and CCFRA budgets) or CC CFO (for Constabulary budgets) to carry forward any underspend. The OPFCC CFO may authorise carry forward of budget underspend where the amount of the individual

application is less than £100,000 and where the under spend is due to circumstances beyond the budget holders control and there is likely to be an unbudgeted liability for the unspent sum in the following financial year. Budget holders who overspend their budget in any financial year may have their budget reduced for the following year subject to the determination of the Commissioner after consultation with the OPFCC CFO.

Any other application to carry forward budgets must be approved by the Commissioner.

Capital Programme: The Chief Executive must be notified of all proposed property leases or renewals before any agreement is made. Any lease with a value in excess of £50,000 pa or any lease over 5 years in duration shall be subject to the Commissioner's approval.

Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made. Schemes need not be referred back to the Commissioner for further approval unless the additional cost of the scheme exceeds 10% or £100,000, whichever is the lower amount.

Evaluations of the business benefits of the scheme compared to the original business case must be submitted for specified capital schemes in excess of £500,000.

The capital programme is approved in three status categories: All schemes will begin as indicative when the MTFP is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceed to procurement in the MTFF..

- **Indicative** – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. The information requirements for schemes will be subject to CC CFO approval in consultation with the OPFCC CFO.
- **Delegated** – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the CC CFO, in consultation with the OPFCC CFO, for final approval. CC CFO delegations are limited to the financial amounts included for the scheme within the capital programme plus a variance of up to 10% or £100,000 whichever is the lower. The CC CFO in consultation with the OPFCC CFO, may vire from capital reserves to fund any balance for the scheme within the delegated limit.

- **Firm** - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

Section C: Management of Risk and Resources

Risk Management and Business Continuity: the Required Insurances include (but are not limited to):

- Public liability insurance with a limit of indemnity of not less than **fifty million pounds (£50,000,000)** in relation to any one accident;
- Product liability insurance with a limit of indemnity of not less than **fifty million pounds (£50,000,000)** annual aggregate
- employer's liability insurance with a limit of indemnity of not less than **fifty million pounds (£50,000,000)** in relation to any one accident
- professional indemnity insurance with a limit of indemnity of not less than **two hundred and fifty thousand pounds (£250,000)**

Assets: The de-minimus for capital expenditure is **£25,000**. The de-minimus for capital income is **£10,000**. Single items below this amount are treated as revenue. Items of individual cost value below **£25,000** are capitalised where they are acquired as part of a rolling programme and combined for the purposes of procurement. For capitalised expenditure, the CC CFO shall secure that an asset register is maintained. The asset register will comprise:

- Land & Buildings - All values of land and building
- Vehicles – all values of vehicles
- Computers – computer assets procured within the rolling annual capital programme with cumulative value above **£25,000**
- Plant & Equipment – plant and equipment assets procured within the rolling annual capital programme with cumulative value above **£25,000**

The Chief Officers shall maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value of **£1,000**

Discrepancies between the actual level of stock and the book value of stock may be written off by the CC CFO for Constabulary stock and by OPFCC CFO for OPFCC and CCFRA stock, up to the level shown below. Amounts for write off above the value below must be referred to the OPFCC CFO for approval.

- Individual items £5,000
- Overall annual limit on all stock £15,000

Obsolete Constabulary stock, or equipment and materials surplus to requirements may be written off by the CC Chief Finance Officer up to the level shown below. Obsolete OPFCC or CCFRA stock and amounts for write off above the value below must be referred to the OPFCC CFO or CC CFO for approval.

- Individual items £5,000
- Overall annual limit on all stock £15,000

The Chief Executive may dispose of surplus land, buildings, vehicles and items of equipment up to the estimated value shown below. Disposals above this value are to be reported to the Commissioner for prior approval.

- Land & Buildings £250,000
- Equipment £10,000
- Vehicles £10,000

Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement.

- Land & Buildings £500,000
- Equipment £15,000

Section D: Systems and Processes

Income: Individual amounts may be written off by the OPFCC CFO or CC CFO up to £10,000. Amounts for write off above this value must be referred to the Chief Executive for approval.

All cases where write off action results from theft or fraud shall be referred to the OPFCC CFO or CC CFO for approval up to a maximum of £10,000 and to the Commissioner for approval of amounts in

excess of that sum.

Ordering of Goods and Services: Quotations shall be obtained or tenders invited from suppliers or contractors in accordance with the requirements set out in the Contract Procedure Rules

Ex Gratia Payments to officers and staff: The Constabulary and FRS may make ex-gratia payments up to **£4,999** (per claim) in any individual instance, for damage or loss of property or for personal injury to an officer, member of staff or any member of the extended police or fire and rescue family, in the execution of duty in accordance with its scheme of delegation and as set out in the financial rules. Payments of **£5,000** or above must be approved by the Commissioner. Payments under **£5,000** are delegated to the DCC and CC CFO for approval.

Summary of All Procurement Regulations

The procedure to be followed shall be determined by reference to the estimated value of the purchase as set out below. Unless specified otherwise the value of the contract is the estimated whole life cost (start-up cost + annual cost x duration), excluding VAT.

Threshold and Type	Value	Quotation/Tender Process	Responsible for Procurement
Quote procurement Values. New suppliers must be Credit and Company Rated before they can be registered as a supplier or receive a PO.	Non-catalogue purchase up to £5k	Place order with supplier best able to provide value for money. Should be with a supplier already on purchasing system. Record of reasons for selection need to be retained. Requisition to be sent to Procurement Officer for PO	Devolved
Contractors working on premises must comply with vetting requirements prior to appointment.	Non-catalogue purchase between £5,001 to £15,000	Minimum 2 competitive written or electronic quotations. Must demonstrate value for money and the aggregated spend cannot exceed £15k. Business decision with attachments to be sent to Procurement Officer for PO.	Devolved
	Non-catalogue purchase between £15,001 to £25,000	Minimum 3 competitive written or electronic quotations. Must demonstrate value for money and the aggregated spend cannot exceed £25k. Business decision with attachments to be sent to Procurement Officer for PO.	Devolved
Tender and Framework Values.	Between £25,001 to £50,000	Detailed specification and confirmation of funding required. Procurement publish request for tenders on relevant tendering portals.	Contracts & Procurement: Supplies (Central Purchasing Team, Supplies & Workflow)
Public Contract Procurement Regulations apply. All require a Contract Signature Request Form before issue of PO	Between £50,000 to Public Contracts Regulation Threshold	Confirmation of funding is required before consulting procurement for assistance and advice in preparing tender for publishing on appropriate tendering portals.	Contracts & Procurement: Contracts team
	Over Public Contracts Regulation Threshold	Confirmation of funding is required before consulting procurement for assistance and advice in preparing full tender for publishing on appropriate tendering portals.	Commercial Services team

Contracts Register

A record of all contracts let with a value in excess of £10,000 shall be maintained by the Commercial Business Partner (within the Constabulary) and PFCC CFO (for the OPFCC and CCFRA). Consideration must be given to the appropriate period for which records should be stored – 6 years from expiry of a normal contract, 12 years from the expiry of a contract made under deed or a major contract, 15 years for a contract for works.

Financial and Other Reporting

Reporting of expenditure to date and projections shall occur on a regular basis through the OPFCC and Force management boards in accordance with the following structure.

For OPFCC and Force

Reporting Officer	Business Area	Reports to	Frequency
Chief Executive	OPFCC	PFCC	Monthly
DCC	Financial Services	Executive Board - Police	Monthly
CC CFO		Executive Board - Police	Monthly
ACC	Operations	Executive Board - Police	Monthly
ACC	Specialist Capabilities	Executive Board - Police	Monthly
Director of Legal Services		DCC	Monthly
Head of Marketing and Comms		DCC	Monthly
Head of Digital Data and Technology	Digital Services	Strategic Change Board	Monthly
Commercial Business Partner	Procurement	ACC	Monthly
Director of Performance and Change		Strategic Performance Board	Monthly
Superintendent	Professional Standards	DCC	Monthly
Chief Superintendents	Local Policing	ACC Operations	Monthly
Det Chief Superintendent	Crime and Intel Command	ACC	Monthly
Chief Superintendent	Operations	ACC Operations	Monthly

For CCFRA

Reporting Officer	Business Area	Reports to	Frequency
Chief Executive	OPFCC	PFCC	Monthly
Chief Fire Officer		Executive Board	Monthly
Deputy Chief Fire Officer		Expenditure Management Group	Monthly
Assistant Chief Fire Officer		Expenditure Management Group	Monthly
OPFCC CFO		Expenditure Management Group	Monthly
Head of People and Talent	HR, Pensions, Resourcing	Expenditure Management Group	Monthly
Head of Safety and Assurance	Performance, Assurance and H&S	Expenditure Management Group	Monthly

Transformation and Programme Lead	Transformation and Digital	Expenditure Management Group	Monthly
Area Manager	Preparedness	Expenditure Management Group	Monthly
Area Manager	Service Delivery		Monthly
Area Manager	Prevention and Protection	Expenditure Management Group	Monthly

For all bodies

The following information is to be disclosed in accordance with the timescales specified. The format of information specified within this Schedule will be subject to the approval of the Commissioner.

The list is not exhaustive and the Commissioner reserves the right to make requests for ad-hoc information appropriate to the function of holding the Chief Constable or Chief Fire Officer to account. Any such requests should be responded to as soon as practicable having regard to the urgency of the request and in any event within 5-10 Working Days of receipt of the request. Where the Chief Constable or Chief Fire Officer is unable to meet the timescale for an information request, the Commissioner must be notified as soon as possible and in any event within 4 Working Days of receipt of the request and an alternate reasonable timescale must be offered.

Information should be provided electronically other than where it is not possible to do so. Electronically includes notification of the links to systems/websites where the information is held. The information requirements are:

HR/Establishment

- I. The total budgeted establishment (FTE & budgeted cost) of Police Officers and Operational Fire employees analysed by rank/role and deployment area to be provided by 30 November in respect of the following Financial Year.
- II. The actual number of Police Officers and Operational Fire employees as at the end of each month analysed by rank/role and deployment area compared to the budgeted number.
- III. The total budgeted establishment (FTE & budgeted cost) of Police and Community Support Officers, Police staff and Corporate FRS employees analysed by deployment area be provided by 30 November in respect of the following Financial Year.
- IV. The actual number of Police Community Support Officers, Police staff and Corporate FRS employees as at the end of each month analysed by deployment area compared to the budgeted number.
- V. Information on planned changes in respect of the following Financial Year to the establishment of Police Officers and Operational Fire employees analysed by rank/role and deployment area and PCSO's/Police Staff/Corporate FRS employees analysed by deployment area to be provided by 30 November. Information should include the impact of the planned changes on Police, Fire and Crime Plan priorities and performance targets.

- VI. Publication of gender pay gap information on an annual basis as at 31 March, in accordance with requirements.

Fleet

- I. A 5 year Fleet Strategy will be prepared, one for the Constabulary and one for the FRS, in the September following the PFCC election and will cover the 5 year term of office of the PFCC, this will be discussed at a thematic meeting with the PFCC. Annual updates on progress against the strategy will be provided as part of the Corporate Services Annual Plan in September. For the Chief Constable, this will be to the September meeting of the Public Accountability Conference.
- II. Further specific data requirements to be agreed annually as part of the arrangements for the respective Services' Fleet Strategy.
- III. An asset list for the purposes of insurance to be provided annually to the relevant CFO in accordance with the deadlines notified in the insurance return.
- IV. The planned programme in respect of procurement of fleet vehicles and the procurement route for the Funding Period to be provided by 31 January in respect of the following financial year. The programme to include the value, number, deployment area and specification of planned vehicle acquisitions.

Digital Data & Technology

- I. A 5 year Digital Data and Technology Strategy, one for the Constabulary and one for the FRS, will be prepared in the September following the PFCC election and will cover the 5 year term of office of the PFCC, this will be discussed at a thematic meeting with the PFCC. Annual updates on progress against the strategy will be provided in September. For the Chief Constable this will be as part of the Corporate Services Annual Plan to the September meeting of the Public Accountability Conference.
- II. An asset list, one for the Constabulary and one for the FRS, for the purposes of insurance to be provided annually to the relevant CFO in accordance with the deadlines notified in the insurance return.
- III. The planned programme in respect of procurement of DDAT and the procurement route for the Funding Period to be provided by 31 January in respect of the following financial year.

Estates

- I. A single 5 year Estate Strategy will be prepared for both the Constabulary and the FRA, in the September following the PFCC election and will cover the 5 year term of office of the PFCC, this will be discussed at a thematic meeting with the PFCC. Annual updates on progress against the strategy will be provided in September. For the Chief Constable this will be as part of the Corporate Services Annual Plan to the September meeting of the Public Accountability Conference.
- II. Further specific data requirements to be agreed annually as part of the arrangements for each Estate Strategy.
- III. An asset list, one for the Constabulary and one for the FRS, for the purposes of insurance to be provided annually to the relevant CFO in accordance with the deadlines notified in the insurance return.
- IV. The planned programme in respect of procurement of estates schemes; the planned programme in respect of estate disposals or acquisition; and the planned programme in respect of acquisition or termination of property leases, for the Funding Period to be provided by 31 January in respect of the following financial year.

Commercial

- I. An annually updated 5 year Commercial Strategy, one for the Constabulary and one for the FRS, supported by annually agreed performance measurement data to assess VFM and monitor key objectives within the Procurement Strategy. The strategy to incorporate an annual procurement plan (value and contract duration) for procurements exceeding £50,000. To be provided for the following Financial Year in September. For the Chief Constable this will be for the meeting of the Public Accountability Conference.
- II. An annual retrospective procurement report, setting out the achievement against the procurement strategy and plan and including a list of all procurement exemptions granted under procurement regulations. For the Chief Constable this is to be provided to the Public Accountability Conference in September (in advance of JAC in November) in respect of prior year procurement performance.

- III. A list of any procurements (to include value and contract duration) required to be undertaken during the following Financial Year not included in the annual procurement plan. Such supplementary list to be submitted 30 days in advance of the requirement to commence any such procurement process. The list is to incorporate reasons why the requirement to procure was unforeseen during the budget planning process.

Finance

- (i) List of budget holders: name, grade/rank and amount of budget over which the officer or staff member has authority by 30 April in respect of the current Financial Year (upon request).
- (ii) A reconciliation of the original and revised budgets following the use of virement must be provided to the OPFCC Chief Finance Officer on a monthly basis accompanying a monthly internal update of the overall budget position.
- (iii) A detailed analysis of actual income and expenditure and year end forecast income and expenditure against revenue and capital budgets on a quarterly basis 42 days after each quarter within the Funding Period (with the first such quarter ending on 30 June). The Chief Constable and Chief Fire Officer will comply with any requirements of the Commissioner in relation to the format (including the level of detail) that this analysis is to take.
- (iv) A detailed budget proposal for income and expenditure for revenue and capital budgets for each Subjective Heading in respect of the following Financial Year by 30 November (subject to funding settlements). The Chief Constable and Chief Fire Officer will comply with any requirements of the Commissioner in relation to the format (including the level of detail) that this proposal is to take.
- (v) A detailed analysis of savings proposals planned for implementation part way through the Funding Period and their impact on the establishment and amount of expenditure within each of the Subjective Headings to be provided by 30 November in respect of the following Financial Year.
- (vi) Payments made against the funding amount of value £500 and above for each quarter within the Funding Period to be provided in accordance with transparency requirements and within a target period of one month from the end of each quarter. NB For the Constabulary, Central Services Department provide this info as part of transparency data.

- (vii) Financial information in accordance with the accounts closure requirements and timetable and other timetables/demands as necessary to meet statutory and regulatory requirements and returns for government and other bodies in respect of the finances of the Chief Constable, CCFRA and the Commissioner.
- (viii) An annual revenue and capital budget outturn report by 31 May each year in accordance with the requirements set out in paragraph 7.4 (page 7) above.

Other

The Chief Constable and Chief Fire Officer will provide information to the Commissioner in respect of received sponsorship in accordance with the requirements of the Commissioner's financial regulations.

The Chief Constable will provide information to the Commissioner to comply with the requirements of the Elected Local Policing Bodies (Specified Information) Order 2012, and amendment orders.

The Chief Constable and Chief Fire Officer will provide copies to the Commissioner of Policies and Procedures as requested.



**Police Fire and Crime Commissioner
and
Chief Constable
of Cumbria Constabulary**

DECISION MAKING FRAMEWORK

Approved: Police, Fire and Crime Commissioner - 8 October 2024

Contents

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1. Approach to Decision Making

Decisions taken by the PFCC will arise from the discharge of their statutory functions as the Fire & Rescue Authority and in relation to policing and crime. The PFCC will demonstrate probity, regularity and transparency in their decision making and will therefore take decisions in accordance with the Good Governance Standards for Public Service (the Nolan Principles) but also as a matter of law. All decisions will be taken in the public interest.

The PFCC and the Office of the Police Fire & Crime Commissioner (OPFCC) will apply good governance principles to all decisions regardless of significance and impact.

The Statutory Framework for decision making by the PFCC consists of:

- Police Reform and Social Responsibility Act 2011.
- Policing Protocol Order.
- Policing and Crime Act 2017
- Fire and Rescue Service Act 2004.
- Regulatory Reform (Fire Safety) Order 2005.
- Civil Contingencies Act 2004.
- Fire and Rescue National Framework (2018).
- Crime and Disorder Act 1998
- (Revised) Financial Management Code of Practice.
- Data Protection Act 1998 and the Freedom of Information Act 2000.
- Equality Act 2010.
- Health & Safety at work regulations and codes.
- The Police, Fire and Crime Commissioner for Cumbria (Fire & Rescue Authority) Order 2022

The Scheme of Delegations sets out the discharge of the PFCC's functions and may be subject to amendment. The Scheme of Delegations is detailed in section 3 of the Corporate Governance Framework.

The exercise of any delegated authority to take a decision in the discharge of the Cumbria Commissioners function is subject to the following:

- The person making the decision has first considered a written report prepared by the appropriate officer.
- The person making the decision has given due consideration as to whether or not the decision is a key decision as defined within this policy.
- Any decision taken shall be in accordance with the budget and policy framework, financial and procurement regulations and any condition imposed by the law, the Corporate Governance Framework and any relevant statutory guidance.
- Any person may, as they determine appropriate, refer any matter falling within their delegated authority to the Cumbria Commissioner.
- The fact that a function has been delegated shall not prevent the discharge of that function by the person that delegated the function.

2. Principles of Decision Making

The key to achieving well informed decisions is through a sound process, good management, and effective leadership. All decisions being taken whether by the PFCC or those that have been delegated should include in the supporting report evidence of how consideration and regard has been given to the following:

- Understanding local needs, resources and priorities and consider the views of partners and stakeholders,
- Based on the knowledge agree outcomes and how they can be delivered effectively, efficiently, equitably and sustainably,
- Establish all the relevant and material facts,
- Consult those who might reasonably consider they would be adversely or significantly affected,
- Seek appropriate specialist advice,
- Consider all reasonable courses of action open to the PFCC,
- Ensuring value for money is obtained,
- Consider risk, performance, and financial information,
- A presumption in favour of openness and transparency must exist,
- The need to have due regard to the government Security Classifications when considering disclosure of reports and documents supplied to the PFCC.

3. Urgent Key Decisions.

There may be occasions where the circumstances of a decision dictates that only some elements of the checklist will be employed or that the PFCC is required to consider and make a key decision, for example an urgent decision would limit the amount of engagement that could be undertaken. However, all measures will be taken to ensure that urgent decisions are infrequent.

4. Contentious Issues / Decisions

Occasions will arise when the 'line' between strategic and operational will be ambiguous. These issues/decisions will be classified as 'contentious'. To avoid possible conflict in who should take the decision the principle of 'due regard' will be employed.

Contentious decisions can be defined as those of a political nature, matters of a high public/media interest, matters likely to impact on a community(ies), high risk issues (e.g. upon significant financial risk, reputation, public confidence) and could include the following:

- Actions that conflict with priorities set out in the PFCC Police, Fire and Crime Plan that will impact on the delivery of the plans outcomes,
- Policy changes – A decision that has a direct impact on local communicates, for example the reorganisation of local Fire and Rescue Services.
- Political issues – These could be any number of areas and a checklist could be derived from the Police, Fire and Crime Plan.
- Material Financial Impact.

5. Recording Decisions

To ensure the PFCC adheres to the principles of openness and transparency the information used to inform the decision-making process will be recorded in documents and reports used by officials and the PFCC. An accurate record of the discussion prior to taking a decision will be recorded and will include the rationale for discounting options.

6. Exclusions

There will be occasions when some information will not be appropriate to be published due to confidentiality reasons. The potential reasons (as described in Local Government Act 1972 – Schedule 12A and Freedom of Information Act 2018) are:

- Information relating to an individual.
- Information which is likely to reveal the identity of an individual.
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the PFCC or a Minister of the Crown and employees of, or office holders under, the authority.
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- Information which reveals that the authority proposes to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or to make an order or direction under any enactment.
- Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

Decision related information may also be restricted where security restrictions are placed on the information held by either Cumbria Constabulary or Cumbria Fire & Rescue Service. Wherever possible careful consideration will be given to the classification of restricted information to ensure that the public has access to the widest range of information possible. This decision will be made by the OPFCC Chief Executive as the Monitoring Officer, following appropriate advice from legal.

7. Publications of decisions and information relating to decisions

As an absolute minimum the PFCC will publish all statutory decisions together with the information relating to the decision. All available forms of communications will be utilised, including:

- Office of the Police Fire and Crime Commissioner website – decision records and associated papers
- Press/Media releases
- Public Meetings
- Social Media
- Annual Reports

8. Statutory Officers

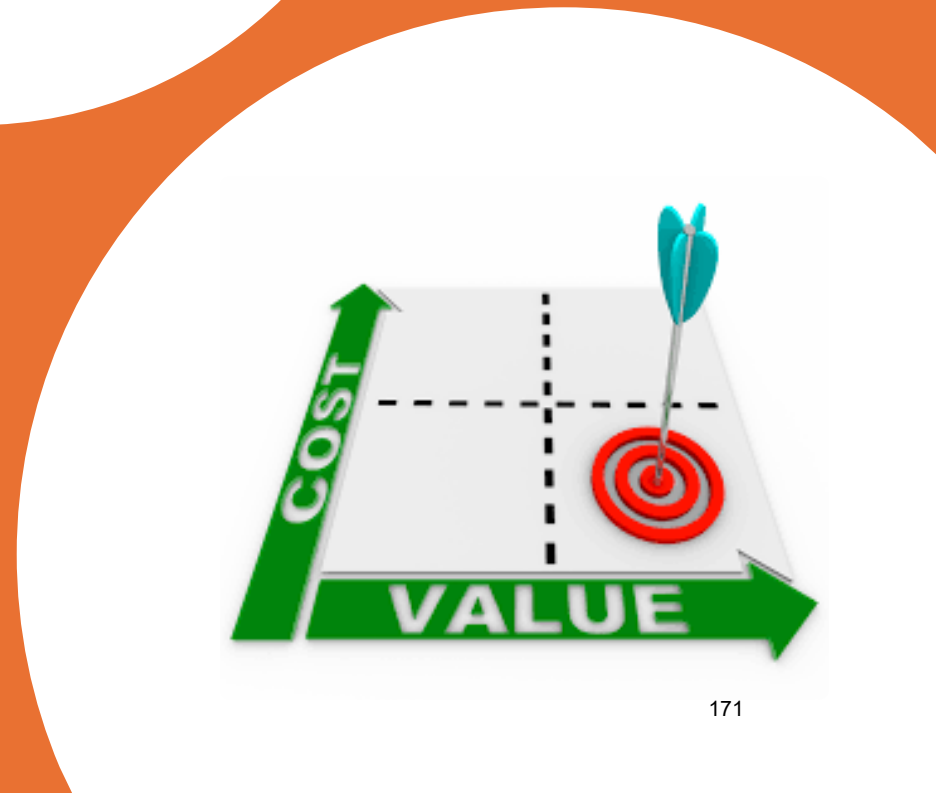
The OPFCC Chief Executive (Monitoring Officer) and / or OPFCC Chief Finance Officer are part of the legal framework to report contraventions of the law or

maladministration. They have ultimate responsibility for identifying any deviation from the core principles of good governance and to report anything which gives rise to concern over a proposal, decision, or omission. These roles will therefore provide the gatekeeper for ensuring this policy and its principles are implemented.



Cumbria FRS

Value For Money



Last updated 10/02/2026

Select or drag fields to populate this visual

2025/26 Value for Money Profiles

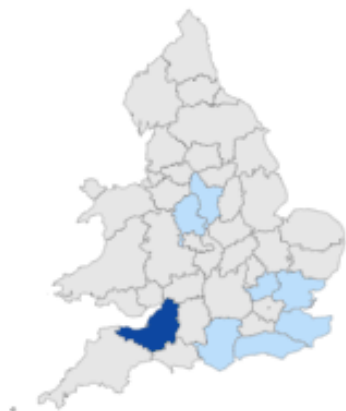


These value for money profiles allow you to explore performance and spending of police forces in England and Wales. Select the force you are interested in below. The map will show your chosen force's most similar group (MSG), a set of similar forces which many of the charts will highlight. You can use the selectors below the map to specify if you want London forces to be included in charts. For further advice, see the Guidance page.

Choose force

Avon and Somerset

Map



Selector to remove London forces

- City of London
- Metropolitan Police

Back

Data Glossary

Guidance

- Force Overview
- Resourcing Overview
- Financial resilience
- Crime Outcome Efficiency
- Telephony
- Sickness Leave
- Officers in support roles
- Investigate by objective: spend
- Investigate by objective: staff
- Home office funding : National summary
- Outlier analysis
- Actual v budget comparison

Rough Agenda

- Start with HMICFRS
- Is there anything else that can help us
- Look at longer term resourcing
- Some National Comparisons
- Prompt Debate – Your session



Fire & Rescue Service 2023–25

Effectiveness, efficiency and people

An inspection of Cumbria Fire and Rescue Service

Cumbria latest

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Understanding fire and risk		Preventing fire and risk	
	Public safety through fire regulation		Best use of resources	
	Responding to fires and emergencies		Promoting values and culture	
	Responding to major incidents		Right people, right skills	
	Future affordability		Promoting fairness and diversity	
			Managing performance and developing leaders	

It's not a league table but.....

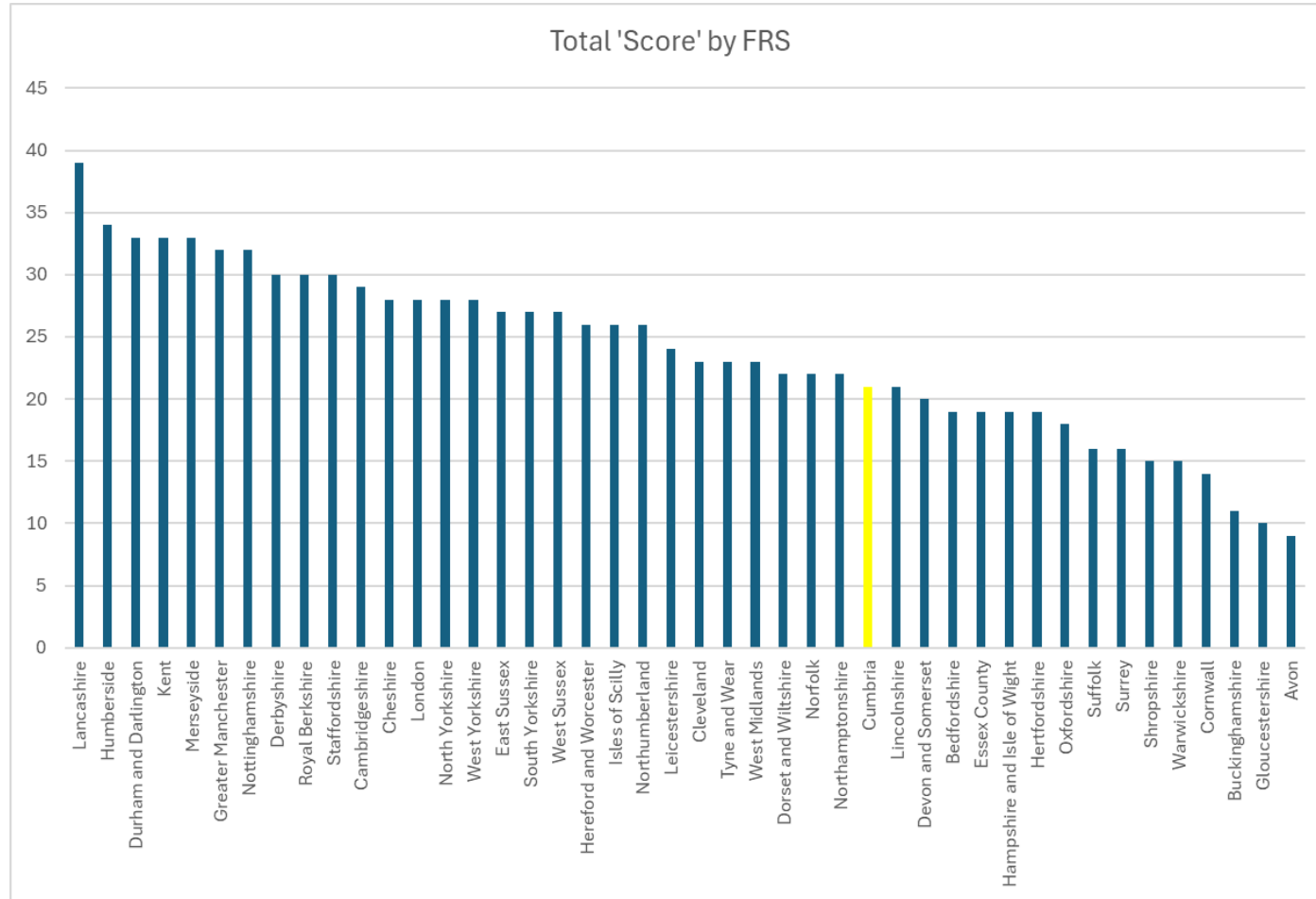
Fire & Rescue Service

2023–25

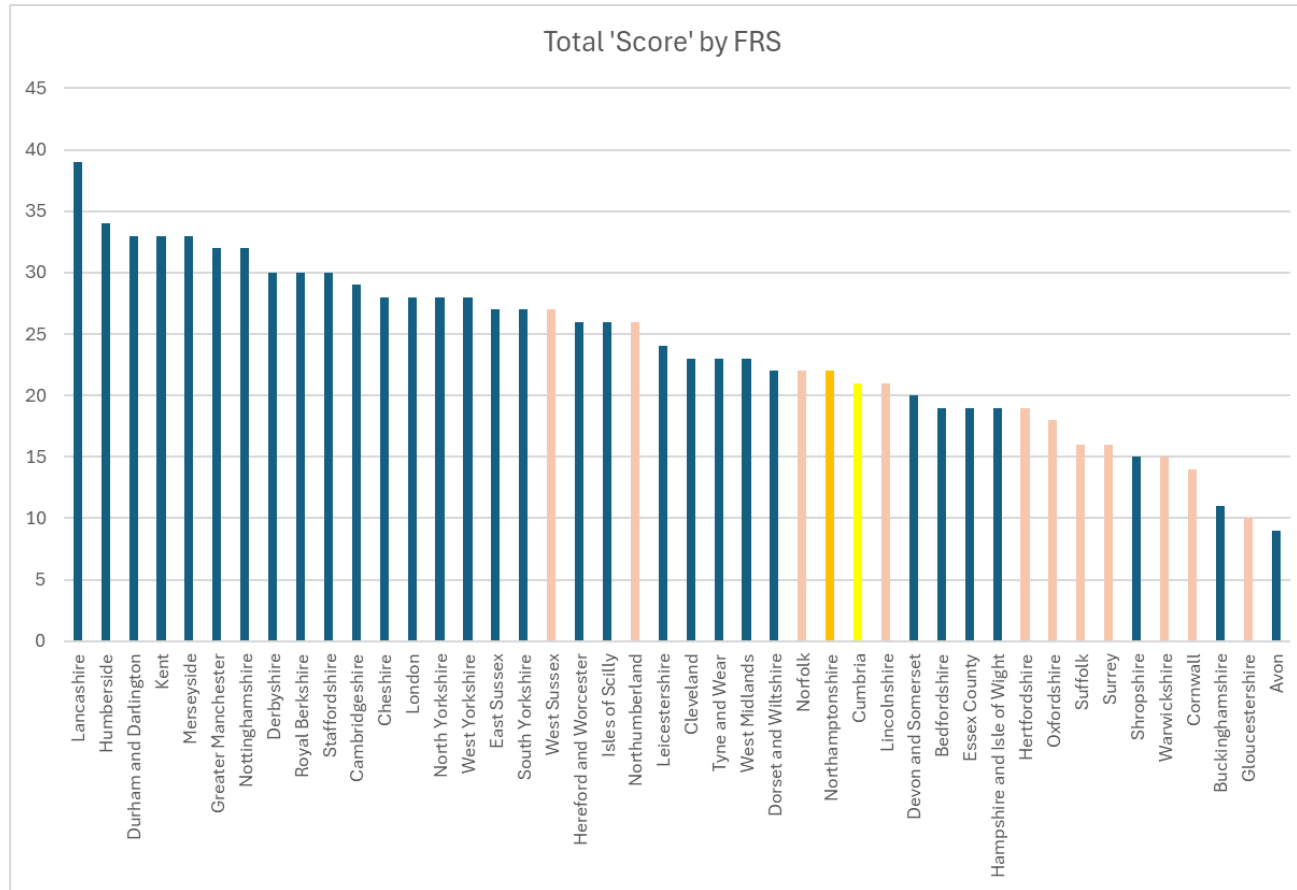
Effectiveness, efficiency and people

An inspection of Cumbria Fire and Rescue Service

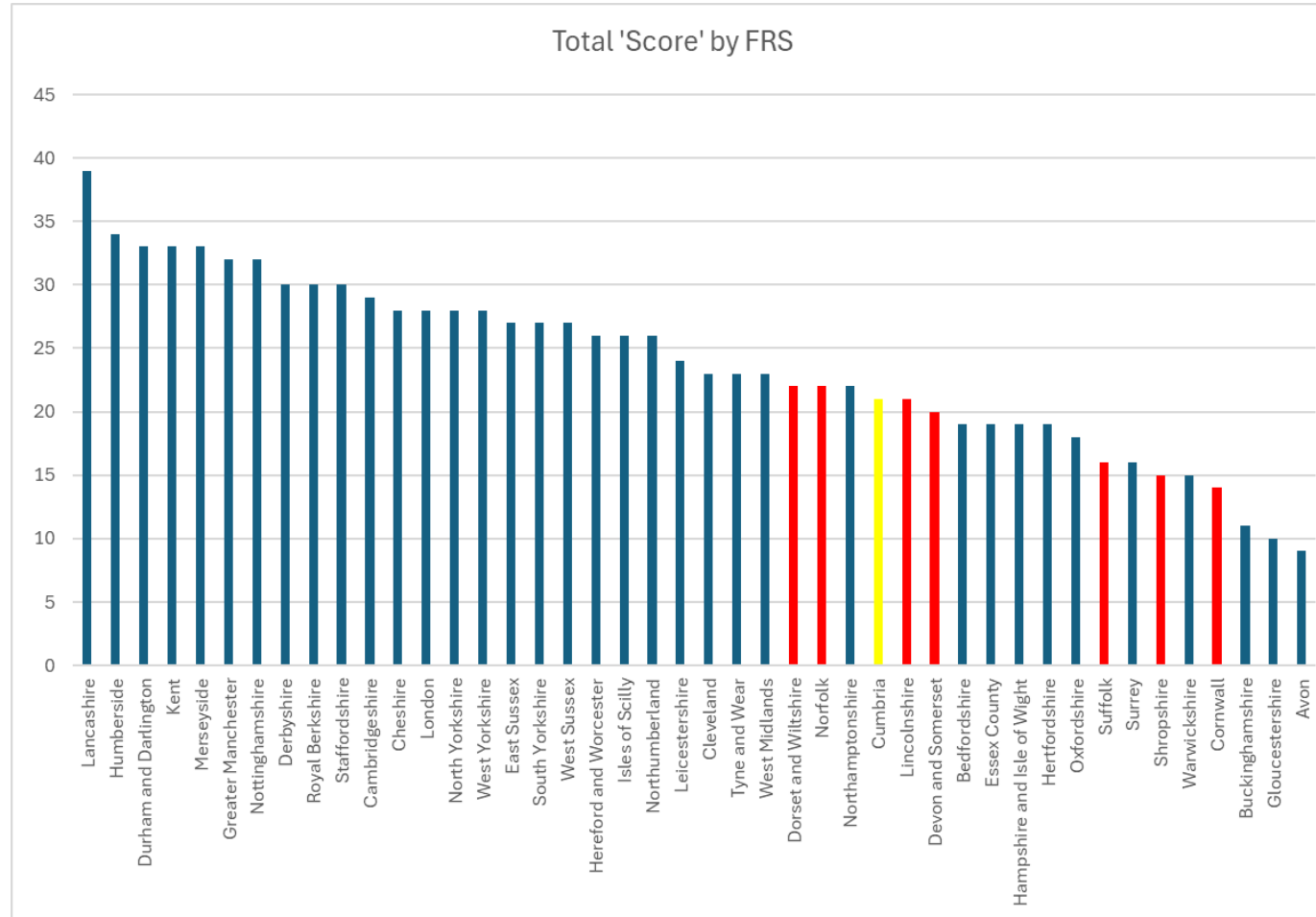
What if it was a league Table?



Counties/Ex Counties Struggle?



More than 50% WTE from On-Call



HMICFRS – Specific Scores Compared to All

Better than Average

- Responding to fires and other emergencies
- Responding to major and multi-agency incidents

W Making Best Use of Resources

- Understanding the risk of fire and other emergencies
- **Preventing fires and other risks**
- **Promoting the right values and culture**
- Ensuring fairness and promoting diversity
- **Managing performance and developing leaders**

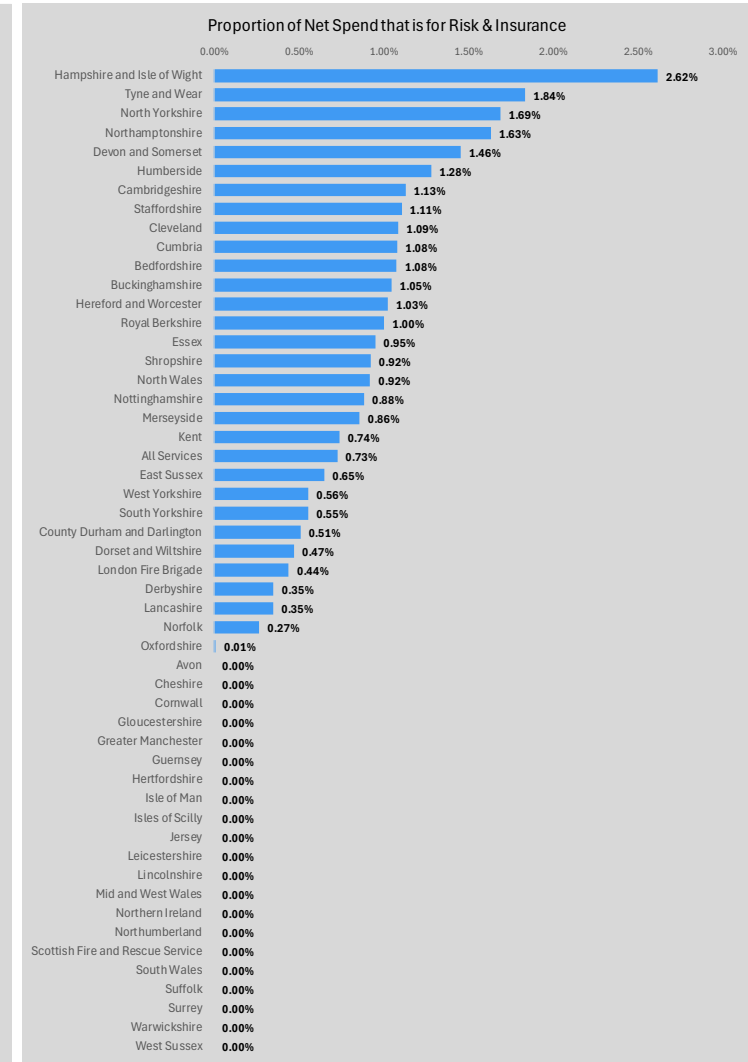
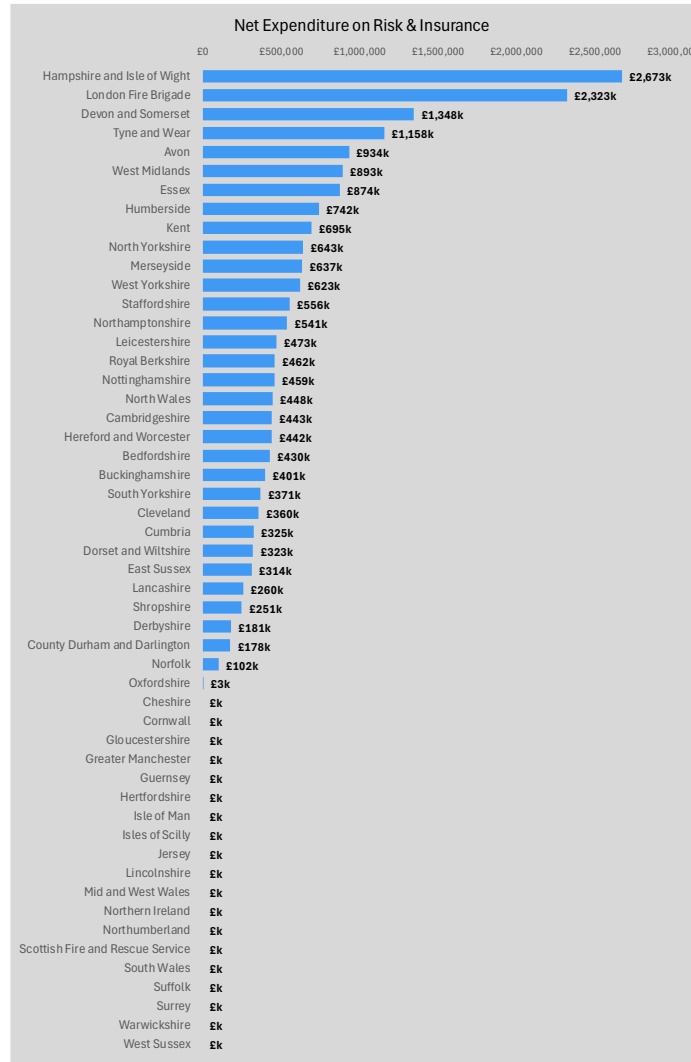
What Else can help – National Benchmarking

Select Budget: Risk & Insurance
 Select Measure: Net

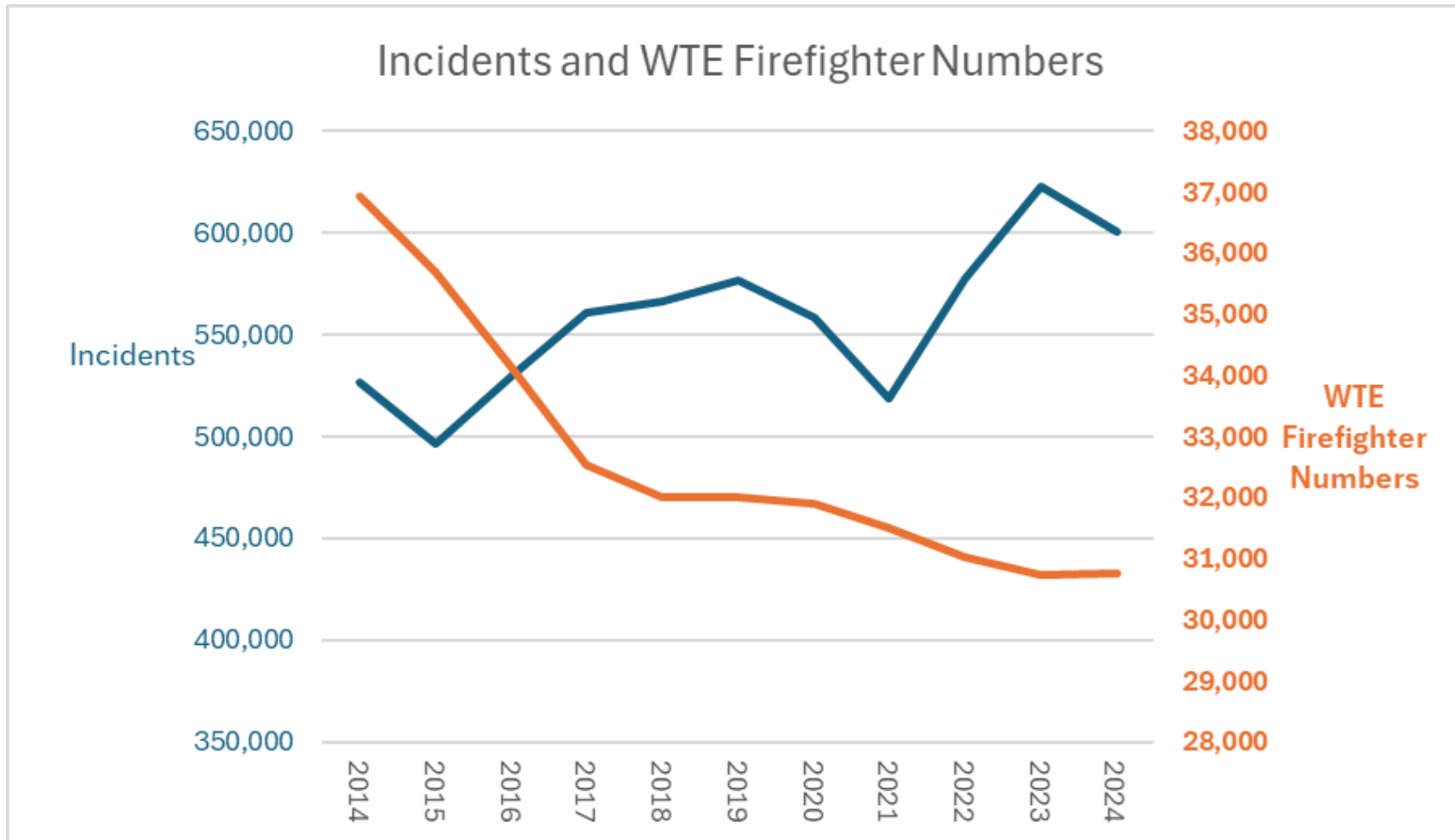


Please note: The "All Services" total, is only shown on the Proportion chart (right)

Service	Spend	Proportion of Spend
All Services	£20,866,324	0.73%
Avon	£934,000	0.00%
Bedfordshire	£430,097	1.08%
Buckinghamshire	£400,876	1.05%
Cambridgeshire	£443,000	1.13%
Cheshire	£0	0.00%
Cleveland	£360,000	1.09%
Cornwall	£0	0.00%
County Durham and Darlington	£178,000	0.51%
Cumbria	£325,432	1.08%
Derbyshire	£181,000	0.35%
Devon and Somerset	£1,348,000	1.46%
Dorset and Wiltshire	£323,000	0.47%
East Sussex	£313,903	0.65%
Essex	£874,361	0.95%
Gloucestershire	£0	0.00%
Greater Manchester	£0	0.00%
Guernsey	£0	0.00%
Hampshire and Isle of Wight	£2,672,731	2.62%
Hereford and Worcester	£442,000	1.03%
Hertfordshire	£0	0.00%
Humberside	£742,000	1.28%
Isle of Man	£0	0.00%
Isles of Scilly	£0	0.00%
Jersey	£0	0.00%
Kent	£695,000	0.74%
Lancashire	£260,000	0.35%
Leicestershire	£473,000	0.00%
Lincolnshire	£0	0.00%
London Fire Brigade	£2,322,938	0.44%
Merseyside	£636,673	0.86%
Mid and West Wales	£0	0.00%
Norfolk	£102,000	0.27%
North Wales	£447,712	0.92%
North Yorkshire	£642,826	1.69%
Northamptonshire	£541,000	1.63%
Northern Ireland	£0	0.00%
Northumberland	£0	0.00%
Nottinghamshire	£459,000	0.88%
Oxfordshire	£3,000	0.01%
Royal Berkshire	£462,000	1.00%
Scottish Fire and Rescue Service	£0	0.00%
Shropshire	£251,117	0.92%
South Wales	£0	0.00%
South Yorkshire	£371,460	0.55%
Staffordshire	£556,000	1.11%
Suffolk	£0	0.00%
Surrey	£0	0.00%
Tyne and Wear	£1,158,200	1.84%
Warwickshire	£0	0.00%
West Midlands	£893,000	0.67%
West Sussex	£0	0.00%
West Yorkshire	£623,000	0.56%

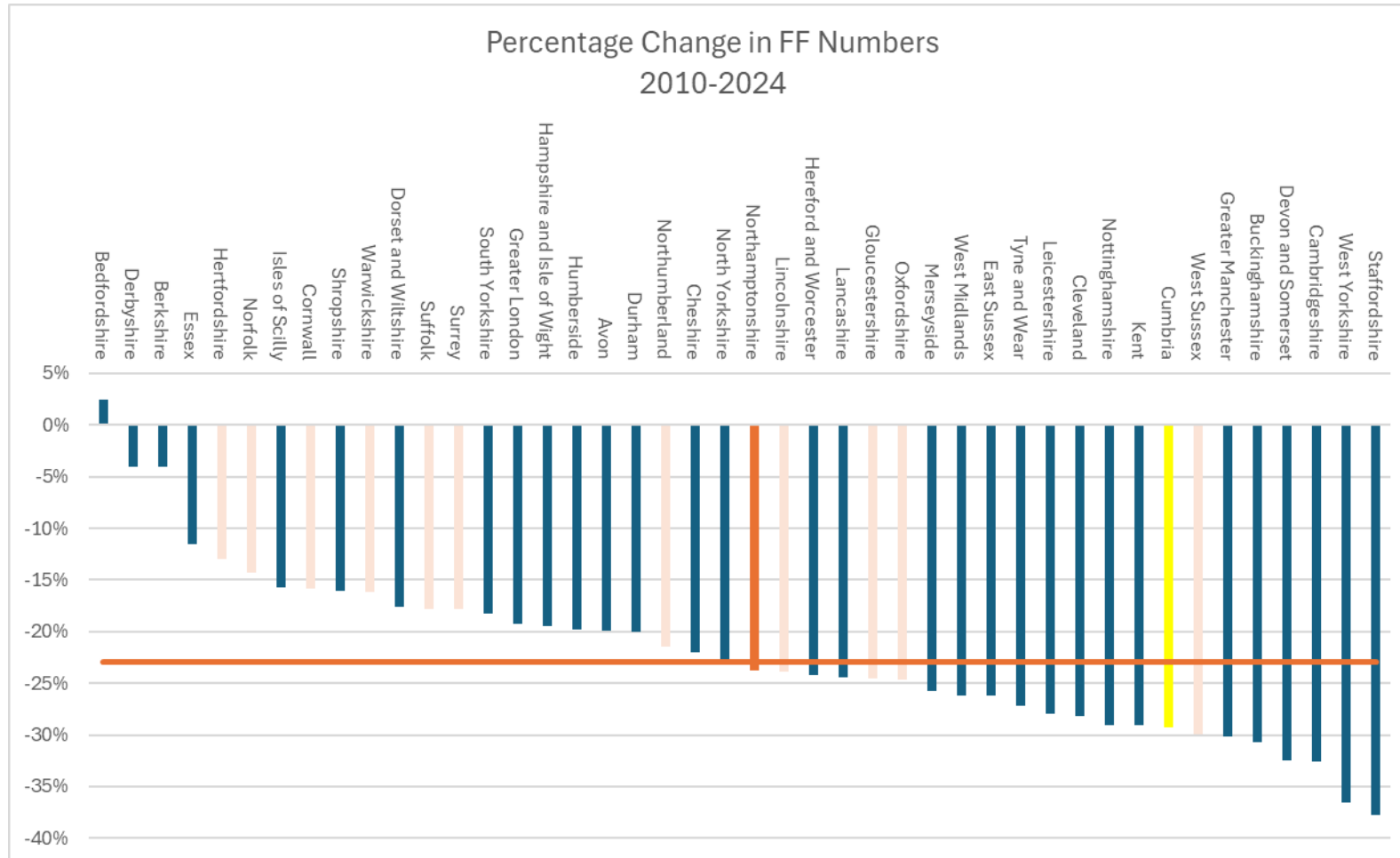


National FF reductions Whilst Incidents Up

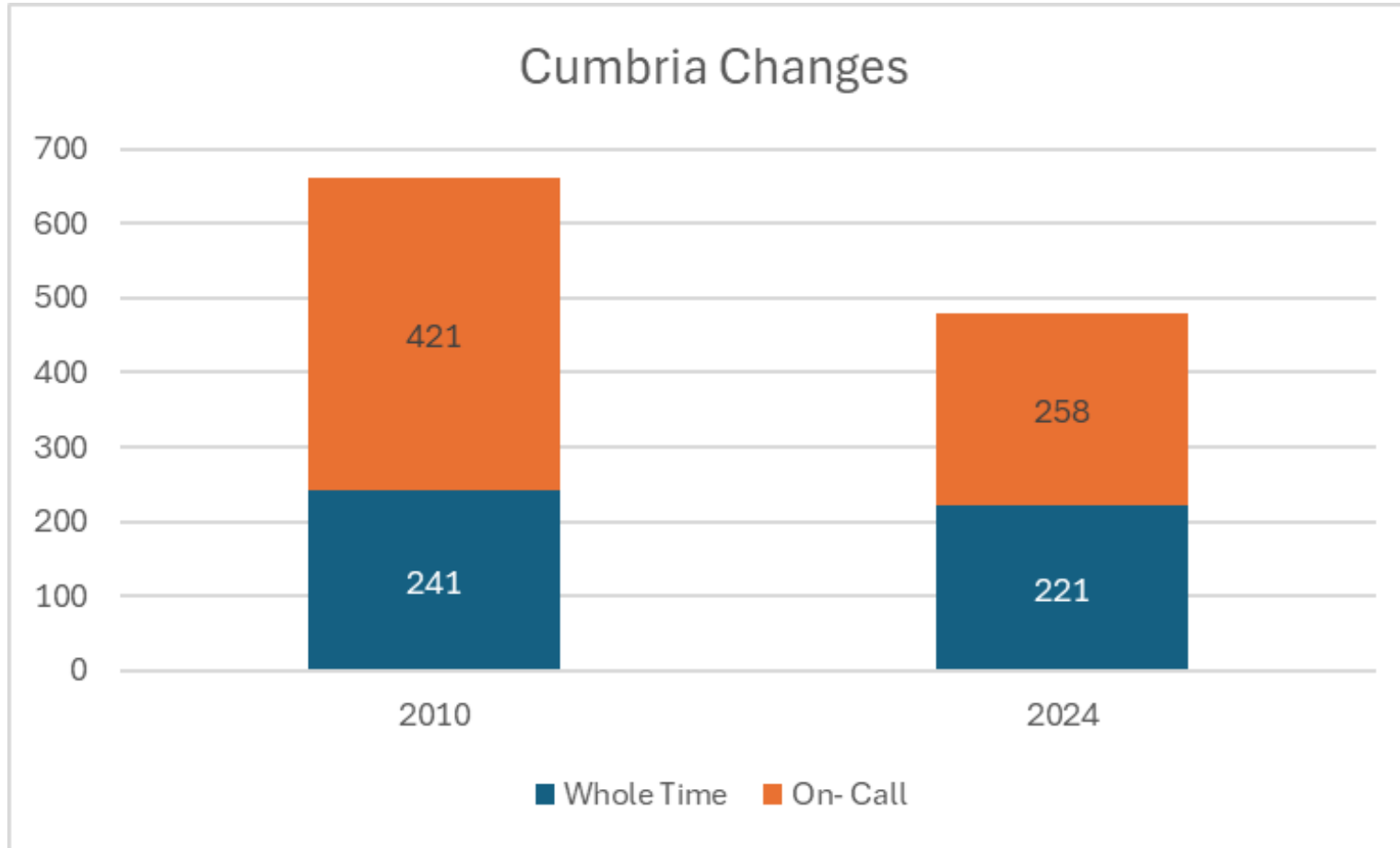


National Reduction FF Over 14 years

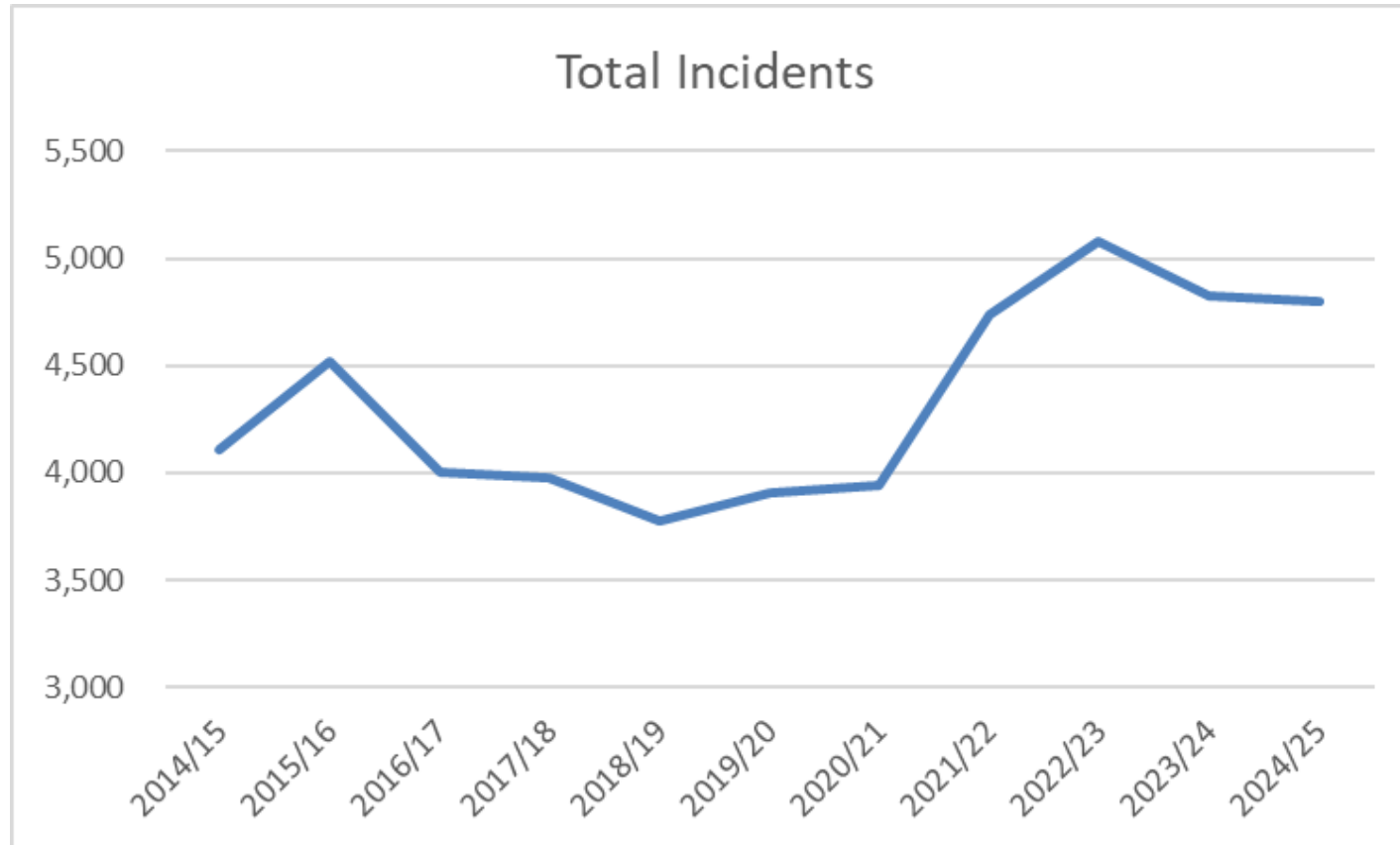
National Total = 11k or 23%



Cumbria – Reducing On-Call

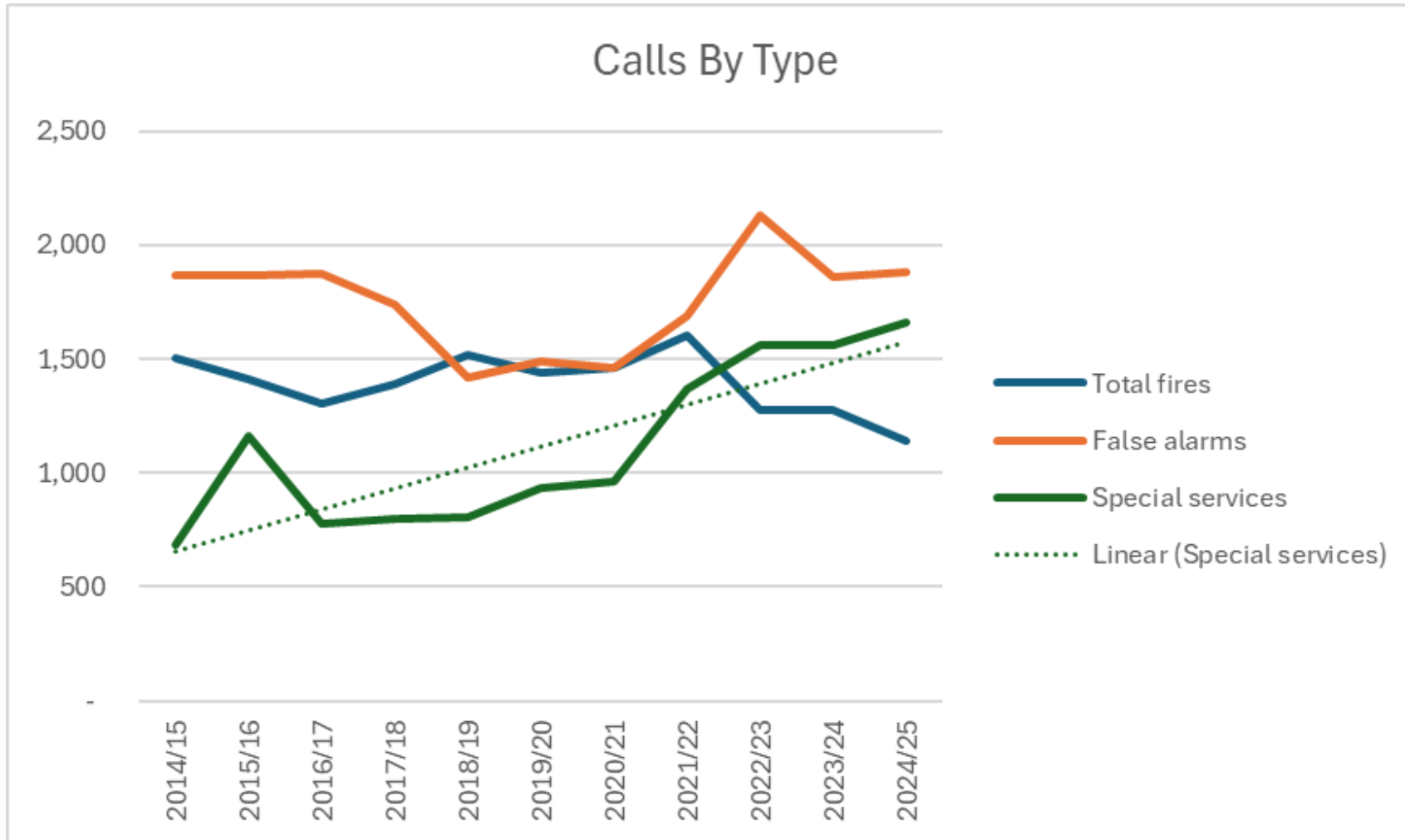


Incidents have Increased

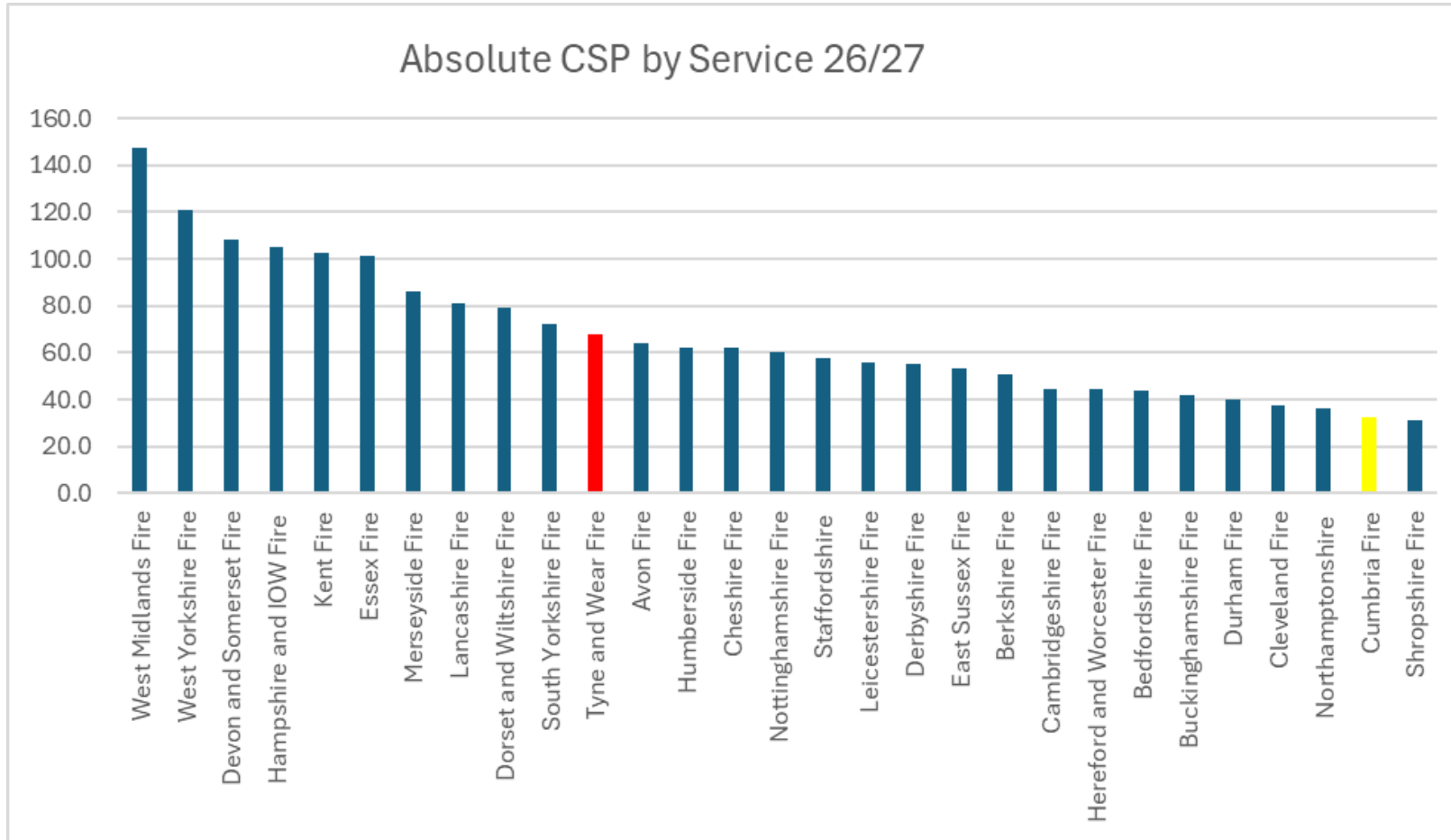


13 per day

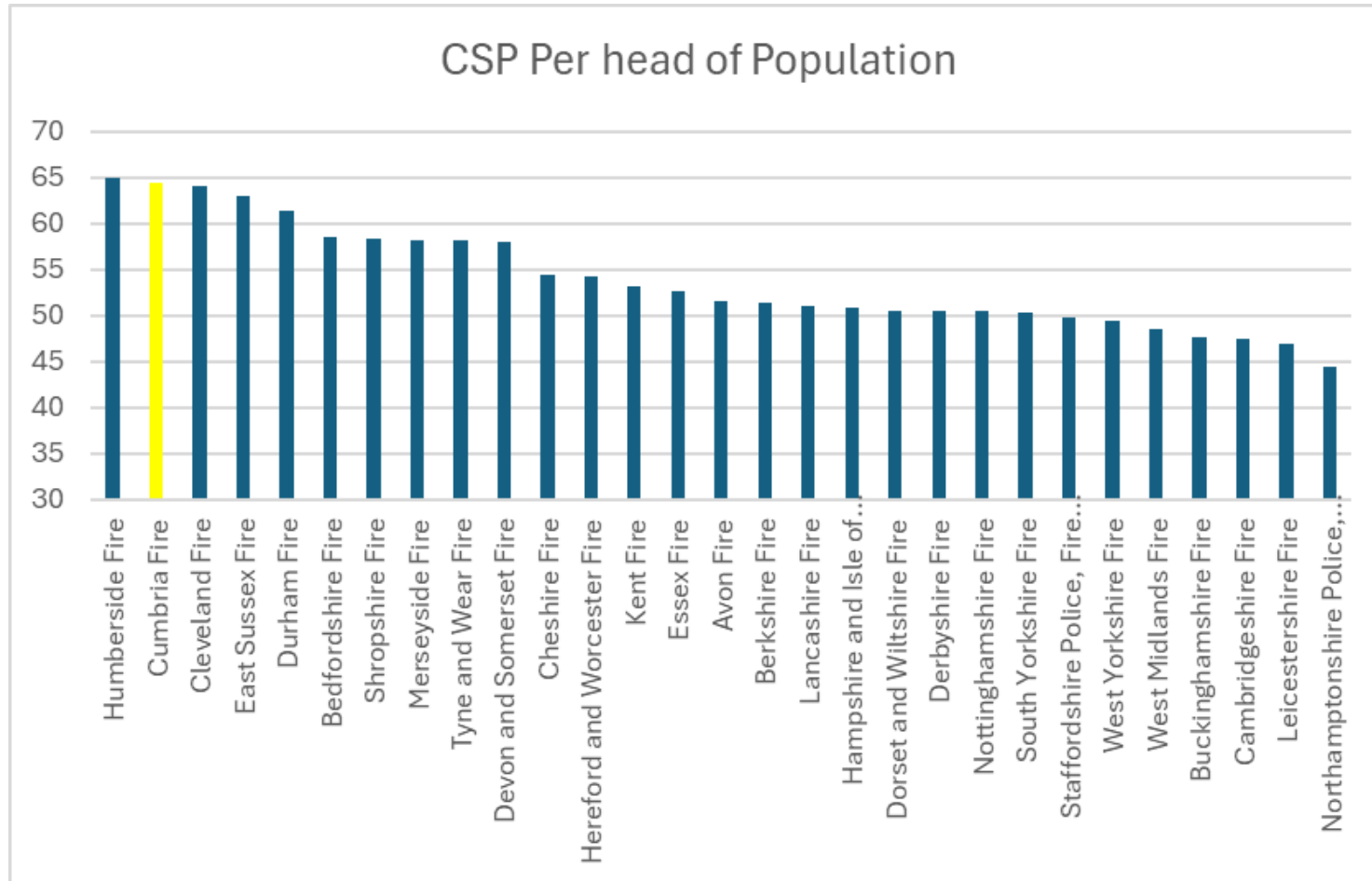
Less Fires- More Special Service Work

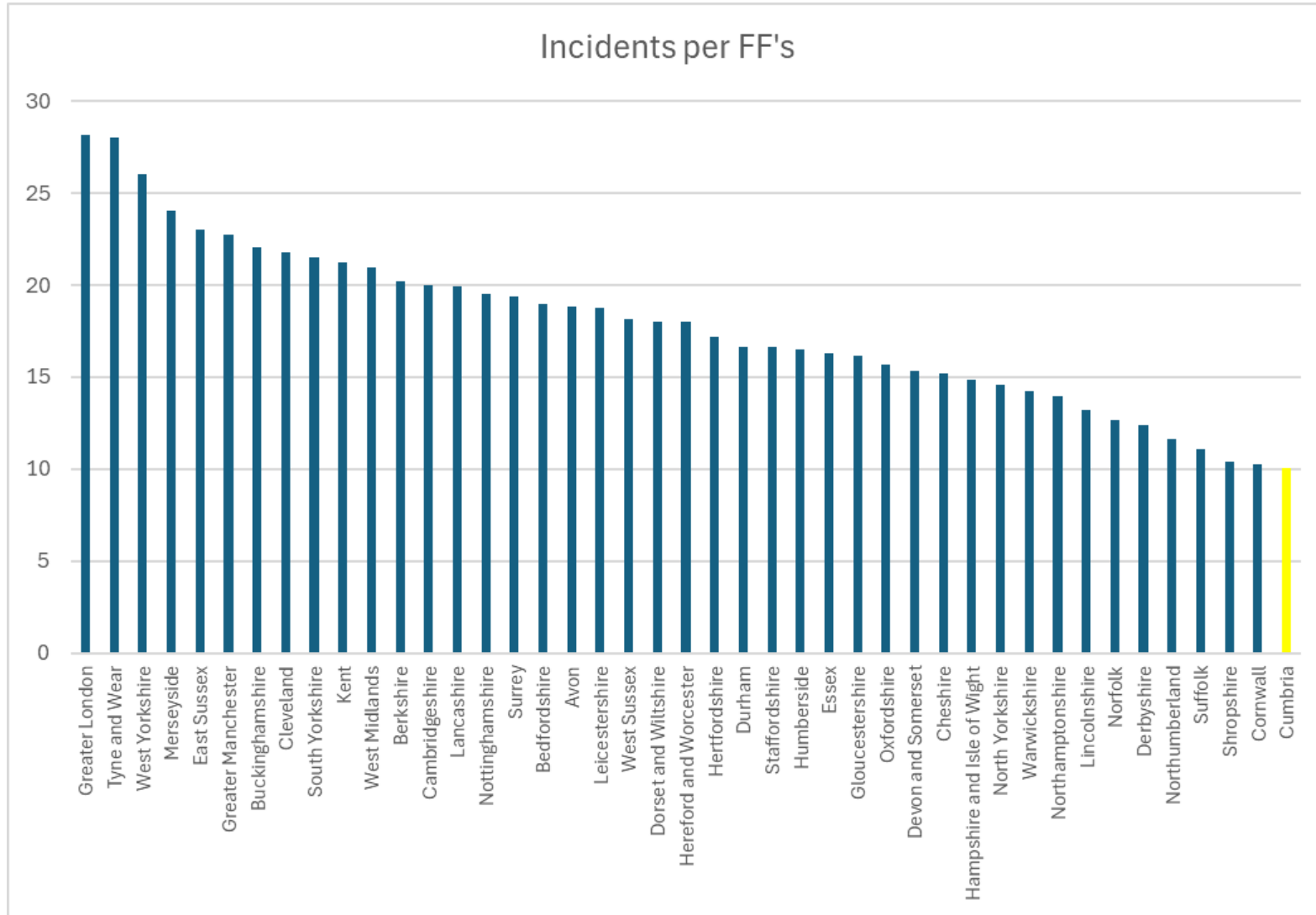


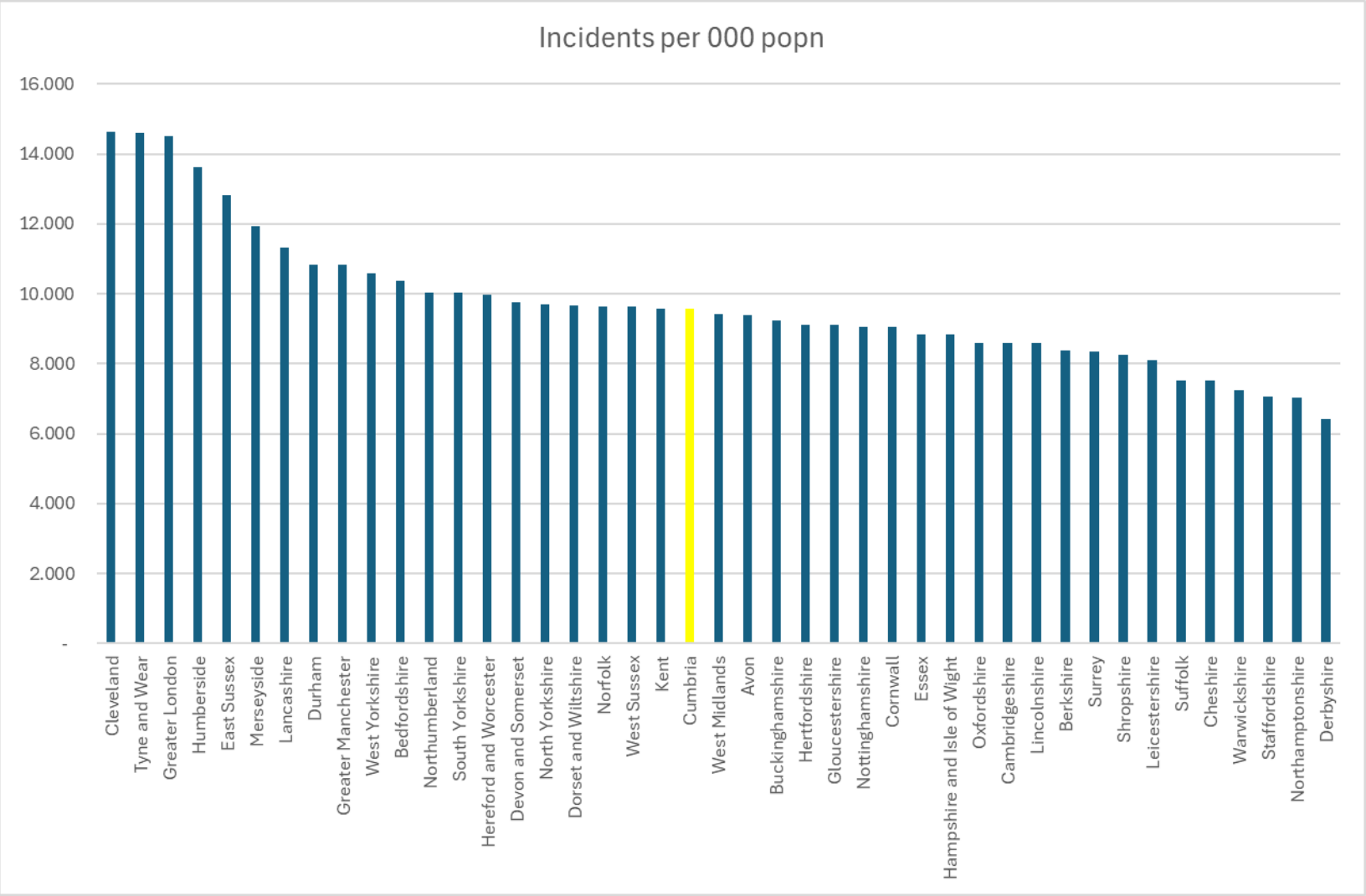
Budgets



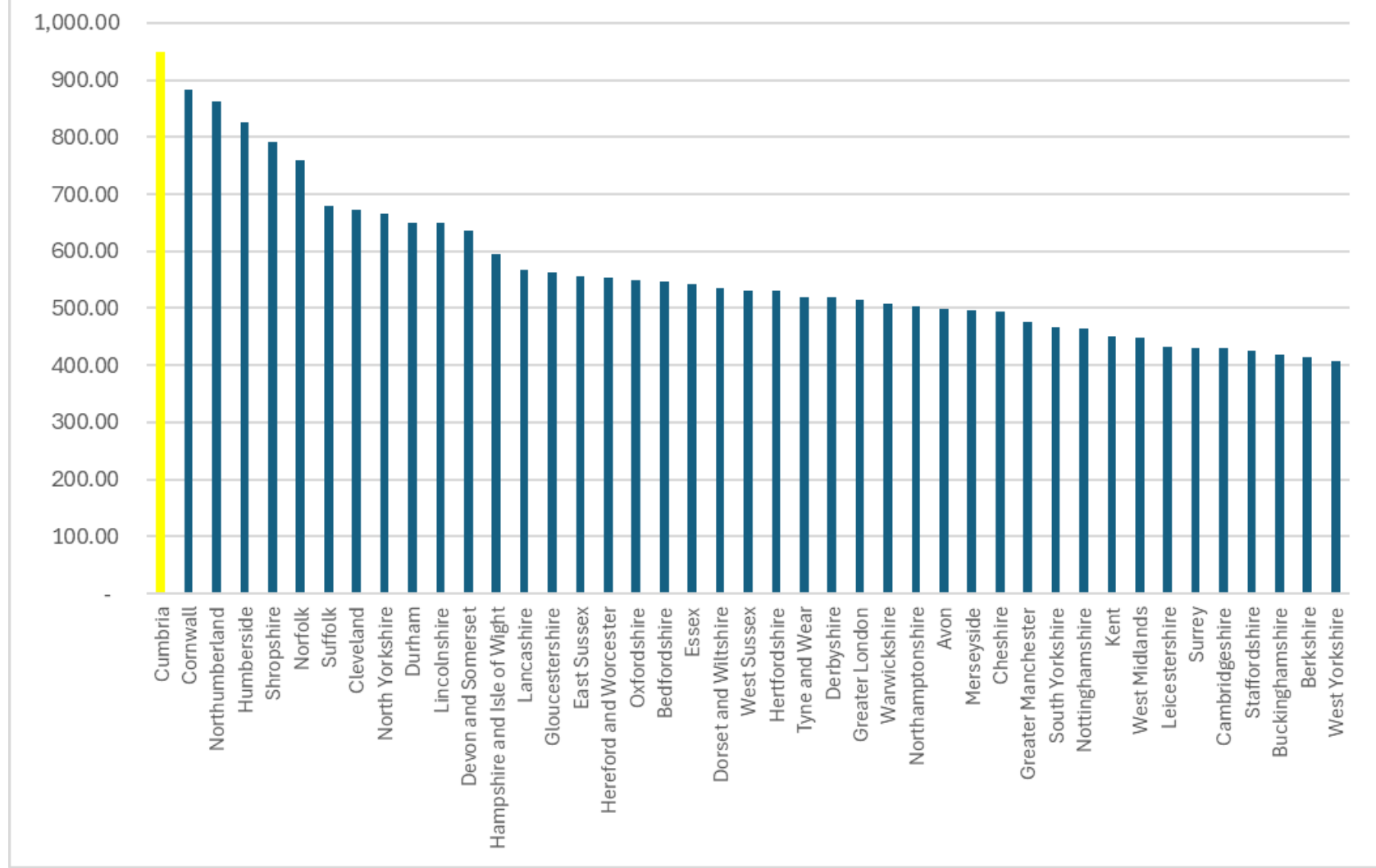
Budgets per Head







WT FF's per '000 head of population



Questions and Thoughts



Joint Audit Committee

Meeting Date: Wednesday 25 March 2026

Agenda Item: 8a

Report of: Chief Fire Officer Paul Hancock

Corporate Update

Purpose of Report

1. This report provides an overview of local and national issues affecting Cumbria Fire and Rescue Service.

Recommendation

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

Local Issues

Bid for Second Wholetime or Day-Crewed Fire Engine at Barrow

3. The Service has formally written to the Secretary of State for Defence; the Secretary of State for Housing, Communities and Local Government; and the Under-Secretary of State (Minister for Building Safety, Fire and Democracy) seeking their consideration and support for our bid for a second appliance in Barrow.
4. The introduction of a second wholetime or day-crewed pump at Barrow is seen as an operational imperative. It aligns directly with the continued growth and development of the town and planned increase in production and activity at BAE Systems.

Operational Cover Review

5. The service has now completed its operational fire cover review and is developing proposals with the Commissioner for the future provision of operational cover for the county. The purpose of the review is to:
 - Analyse the current service profile and create and setup appropriate models of fire cover.
 - Apply the NFCC methodology to dwelling fires, RTCs, and Other Buildings.
 - Use optimisation models to determine the optimal deployment of CFRS appliances at existing and greenfield locations.
 - Use modelling to investigate changes to duty systems, crewing and pump availability scenarios.
 - Create a degradation plan based on various stages of reduced resource levels.
 - Evaluate special appliance locations based on risk and incident demand.
6. This data has now been considered by the Service Leadership Team who have applied their knowledge and experience to come up with several scenarios that will ensure its resources are used in the most effective way to serve the people of Cumbria.
7. The decision on which proposals to proceed with resides with the PFCC, and once that decision is made, they will be subject to full consultation and scrutiny.

National Issues

HMICFRS Inspection Programme

8. Since late 2025, services are being assessed under the new Round 4 2025–27 HMICFRS framework. This means that:
 - Governance and authority scrutiny is explicitly built into the inspection process.
 - Culture, misconduct and values are core and enduring inspection themes.
 - HMICFRS monitoring portal will track compliance and improvement in real time.

These changes elevate workforce culture, authority oversight and ethical leadership from “improvement areas” to national policy expectations.

NFCC National Leadership and Policy Alignment

9. The National Fire Chiefs Council (NFCC) has aligned its 2025–26 and 2026–27 priorities with national reform, focusing on:
- Prevention and protection reform
 - National operational doctrine
 - Digital, data and technology standards
 - Workforce culture and leadership development

The NFCC now is playing a central role in co-designing elements of reform with MHCLG rather than acting solely as a representative body.

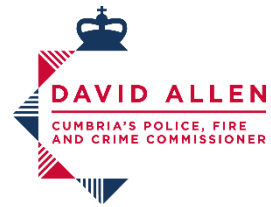
Fire Safety (Residential Evacuation Plans) Regulations 2025

10. Although made in July 2025, the implementation phase of this legislation has become active in the last six months. The regulations come into force on 6 April 2026 and require person-centred evacuation planning for vulnerable residents.
11. FRSs have a statutory role in information sharing, enforcement and in operational planning assumptions as the new legal duty comes into force. This will increase the protection workload and tightens expectations around intelligence, inspection and response planning.

Local Government Reform

12. The introduction of a directly elected mayor through the creation of a Cumbria Combined Authority represents a significant opportunity for Cumbria Fire and Rescue Service to benefit from stronger county-wide leadership and closer alignment with wider public service reform. Following the formal consent given by Cumberland Council and Westmorland and Furness Council in October 2025, the Combined Authority is expected to be established in April 2026, with the first mayoral election scheduled for May 2027.
13. While the initial devolution deal is focused on economic growth, transport, skills and housing, it provides a platform for improved integration between fire and rescue, community safety, resilience, housing standards and infrastructure investment. Over time, this could enhance strategic influence for the Service, strengthen partnership working, and improve access to devolved funding streams.
14. For the Fire and Rescue Service, the emerging mayoral model offers the potential to reinforce its role as a key contributor to place-based safety, prevention and resilience, provided that operational independence and a county-wide approach to risk management are maintained.

Paul Hancock OBE QFSM
Chief Fire Officer



Joint Audit Committee

Title: OPFCC Corporate Update

Date of Meeting: March 2026

Agenda Item No: 8b

Originating Officers: Gill Shearer, OPFCC Chief Executive

This update provides the Joint Audit Committee with a headline summary of recent developments within the Office of the Police, Fire and Crime Commissioner.

1. White Paper

The White Paper outlines proposals for potential pathfinder mergers to test new policing structures. However, regionalisation presents a risk for smaller, high-performing forces such as Cumbria, as the removal of specialist capabilities can make them harder to access through regional tasking arrangements, ultimately reducing the level of service to local communities.

In Cumbria, our roads policing team provides an essential service, operating across a large rural network with significant seasonal pressures and challenging weather conditions. Their local knowledge and specialist skills are critical to public safety. The same applies to our firearms unit, whose operational decisions rely on an in-depth understanding of the environments in which they work. For these reasons, we do not support a single national model for roads policing or firearms, as it would diminish the local expertise required to manage risk effectively.

The White Paper does include some positive proposals, notably the further centralisation of serious organised crime and counter-terrorism functions.

2. Devolution

On 17 July 2025, the Minister of State for Local Government and English Devolution confirmed that the Devolution Priority Programme had completed public consultations on proposals to establish Mayoral Strategic Authorities.

On 14 October 2025, both Cumberland Council and Westmorland and Furness Council gave their final approval to the Government's devolution proposals, marking a significant step toward more locally driven decision-making.

The new Combined Authority will benefit from enhanced powers and funding not available to the existing councils, including access to a £333 million Cumbrian Mayoral Investment Fund over 30 years.

The first meeting of the Combined Authority is scheduled for 18 March. It will comprise two constituent members from each authority, alongside non-constituent and associate elected members appointed to provide professional insight and strengthen stakeholder engagement.

The OPFCC is scheduled to transfer to the Combined Authority following the Mayoral Elections in May 2027, with the transition expected to be delivered through a straightforward 'lift-and-shift' of existing services.

3. Budget

On 12th February 2026, the PFCC approved a balanced budget for both policing and fire for 2026/27.

Achieving this has required setting the council tax precept at the maximum permissible level for both policing and fire. The police budget is based upon a Band D council tax precept increase of £14.94 (4.61%) in 2026/27, with a budget gap emerging of £1.7m in 2027/28 rising to £6.8m by 2030/31. The 'Future Programme', led by Deputy Chief Constable, is progressing a number of projects to address this gap, and this will continue to be rigorously scrutinised.

The fire budget is based upon a Band D council tax precept increase of £4.95 (5.04%) in 2026/2027. Significant pressures remain on the expenditure budget, particularly in relation to pay and inflation. Without identifying savings, a budget gap of £1.541m would arise. A savings target of £780,000 has been agreed for 2026/27, with the remaining £761,000 to be drawn from reserves for that year, after which reserves will be rebuilt to prudent levels. To deliver the required savings, a Financial Strategy and Savings Board has been established to review all aspects of the service and identify opportunities. This will continue to be rigorously scrutinised.

Internal Audit Progress Report – Fire & Rescue Service

Joint Audit Committee (25th March 2026)

Cumbria Police, Fire & Crime Commissioner

Contents

1 Introduction

2 Key Messages for Joint Audit Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Appendix C: Assurance Definitions and Risk Classifications

Global Internal Audit Standards (UK public sector)

Our work was completed in accordance with Global Internal Audit Standards (UK public sector).

1 Introduction

This report provides an update to the Joint Audit Committee in respect of the progress made in against the Internal Audit Plan for 2025/26 and brings to your attention matters relevant to your responsibilities as members of the Joint Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Global Internal Audit Standards (UK public sector).

This progress report covers the period 13th November 2025 – 5th March 2026.

2 Key Messages for Joint Audit Committee Attention

Since the last meeting of the Joint Audit Committee, there has been the focus on the following areas:

2025/26 Audit Reviews

The following reviews have been finalised from the 2025/26 Audit Plans:

- Collaboration and Partnerships (Moderate Assurance)

The review focussed on the working arrangements in place with Sellafield. Findings highlighted were with regard to the requirement for formalisation of the arrangements in place between the parties.

The reviews below are currently in progress:

- Key Financial Systems (fieldwork)
- Risk Management (fieldwork)
- Cyber (fieldwork)

Audit Plan Changes

Joint Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.

- There are no changes requested at this time.

MIAA – Assured provider to the NCSC Cyber Resilience Audit Scheme

We are proud to announce that MIAA has been officially recognised as an Assured provider under the National Cyber Security Centre's (NCSC) Cyber Assessment Framework (CAF).

This accreditation marks a major milestone for MIAA and reflects our ongoing commitment to helping organisations strengthen their cyber resilience and safeguard critical systems and services.

This achievement, which is the result of a rigorous assessment process, demonstrates our credentials in auditing against the NCSC's Cyber Assessment Framework and, highlights the exceptional skills and experience of our staff as well as our organisational commitment to the highest cyber security standards. While this recognition is a tremendous achievement for MIAA, its greatest value lies with our clients, who can be confident they are engaging highly skilled individuals and a trusted, high-quality audit provider.

The Cyber Resilience Audit (CRA) scheme provides assurance for organisations delivering independent cyber audits, with a strong focus on the Cyber Assessment Framework (CAF). By becoming an NCSC Assured Provider, MIAA has demonstrated:

- Expertise in auditing against the CAF.
- Independence and integrity in delivering high-quality assessments.
- Dedication to helping organisations manage cyber risks in an ever-changing threat landscape.

Added Value

. Briefings






Our latest briefings/blogs/podcasts are:



- [Celebrating 10 Years of the MIAA Internship Programme: Reflections from Our 2024 Interns](#)
- [Andy Maloney Blog: Neighbourhoods First: Transforming Local Health and Care Together](#)
- [25/26 MIAA Insight - AI Governance Checklist](#)

Appendix A: Contract Performance

The Global Internal Audit Standards (UK public sector) state that 'In the UK public sector, a chief audit executive must prepare such an overall conclusion at least annually in support of wider governance reporting, mindful of any specific sector obligations or processes. This overall conclusion must encompass governance, risk management and control.'

Below sets out the overview of delivery for your Head of Internal Audit Opinion for 25/26:

HOIA Opinion Area	Qtr as per Plan	TOR Agreed	Status	Assurance Level	Report Issued	Audit Committee Reporting
Core/ Mandated Assurances						
Key Financial Systems	4 (was 3)		Fieldwork			
Risk Management	4		Fieldwork			
Risk Based Assurances						
Values, Health and Wellbeing	2		Final report issued	Substantial	6 th November 2025	November 2025
Station Management Framework	1		Final report issued	Moderate	6 th November 2025	November 2025
Collaboration and Partnerships	2		Final report issued	Moderate	24 th February 2026	March 2026

HOIA Opinion Area	Qtr as per Plan	TOR Agreed	Status	Assurance Level	Report Issued	Audit Committee Reporting
Corporate Purchase Cards	2		Final Report Issued	Limited	12 th November 2025	November 2025
Cyber – Organisational Controls	3		Fieldwork			
Follow Up						
Qtr 1 & 2		N/A	Complete	N/A		September 2025
Qtr 3		N/A	Complete	N/A		November 2025
Qtr 4		N/A				March 2026

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Joint Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Completion of the plan within agreed timetable and budget	Each Joint Audit Committee	Green	There has been ongoing engagement and communications with management regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Final audit report issued within 10 days of receiving a management response	Each Joint Audit Committee	Green	All reports have been issued on a timely basis on receipt of management responses.
Final audit reports have been agreed by the nominated Senior Leadership Executive	Each Joint Audit Committee	Green	All reports have been agreed and approved by the lead executive.
Proportion of recommendations raised which are agreed by management	Each Joint Committee	Green	All actions arising from audit reviews have been accepted by management.
Percentage of recommendations which are implemented	Each Joint Audit Committee	Green	From 23 (100%) outstanding due recommendations, 16 (70%) recommendations have been completed in total. There are 7 (30%) overdue

Element	Reporting Regularity	Status	Summary
			recommendations, awaiting an update or evidence is required.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 65% qualified staff. The Senior Team delivering the Internal Audit Service to the organisation are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. MIAA conforms with the Global Internal Audit Standards (UK public sector).

Appendix C: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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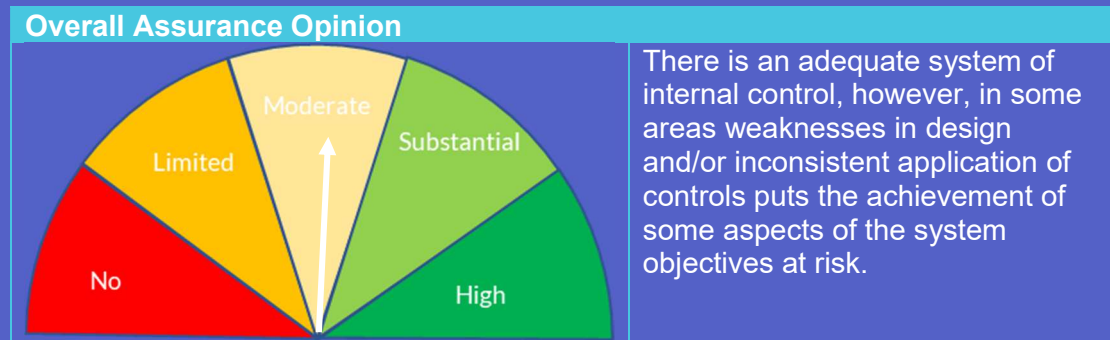
Email:

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Partnerships and Collaboration Review Assignment Report 2025/26 Final

Cumbria Fire and Rescue Service

310CCFRA_2526_003



Contents

1 Executive Summary

2 Findings and Management Action

Appendix A: Engagement Scope

Appendix B: Assurance Definitions and Risk Classifications

Appendix C: Report Distribution

MIAA would like to thank all staff for their co-operation and assistance in completing this review.

This report has been prepared as commissioned by the organisation and is for your sole use. If you have any queries regarding this review, please contact the Engagement Manager. To discuss any other issues then please contact the Director.

1 Executive Summary

Overall Audit Objective: To evaluate the effectiveness of the systems to govern and manage the collaboration arrangements in respect of the Sellafield Collaboration.

Key Findings/Conclusion

There is no formal agreement between the two organisations setting out the aims and objectives, roles and responsibilities and the working, governance and financial arrangements. We evidenced that there was the intention to establish a Memorandum of Understanding in 2023 and 2024 and some actions had been taken around this. There had, however, subsequently been a breakdown in interoperability working and the formal meeting structure, following changes in personnel/ responsibilities in the organisations and this did not progress. The interoperability arrangements and Quarterly Liaison Meetings have now been re-established fully from September 2025, with an assigned Liaison Officer in each organisation, and we were informed that there is still the intention to put in place a formal agreement.

Quarterly Liaison Meetings had taken place between the two organisations with formal agendas and a Terms of Reference document, the latest version of which had been due for review in January 2025. We evidenced the inclusion of standard agenda items notably in respect of operational interactions with issues, learning and actions discussed; training interactions including planning, monitoring and discussion around the feedback; and updates from Sellafield Fire and Rescue Service (SFRS) around regulatory scrutiny. The scope and membership of the meeting, as defined in the Terms of Reference, was vague and going forward this is a tripartite meeting with representation from BAE FRS. Revised Terms of Reference need to consider the arrangements for discussion of items specific to each collaboration and whether there are confidentiality issues. We also noted that there was no reporting into the CFRS governance structure following the Quarterly Liaison Meeting to provide assurance on the collaboration and interoperability or to formally escalate matters of concern.

Issues with staff access to site through security clearance and allocation of passes had been an ongoing concern, although we noted some new arrangements to improve this process. We recommend that arrangements for security clearance process for future collaborations should be agreed in writing in advance with details of the requirements of each organisation, stages of the process, timescales, information sharing requirements and financial responsibilities. Performance indicators/ monitoring arrangements should be established with a defined process for escalating issues for resolution.

Objectives Reviewed	RAG Rating
Formal Agreement	Red
Roles and Responsibilities	Amber
Governance Arrangements	Amber
Information Sharing Arrangements	Green
Assessment of Effectiveness	Green
Overall Assurance Rating	Moderate

Recommendations		
Risk Rating	Control Design	Operating Effectiveness
Critical		
High	1	
Medium	3	
Low		
Total	4	0

Chief Fire Officer Comments

I welcome the audit findings and concur with the recommendations set out within the report.

I have recently met with the Chief Fire Officer at Sellafield, and we agreed that it is timely to reinvigorate and refresh our collaborative working arrangements. This will ensure that we are fully discharging our respective statutory duties and obligations, including the matters identified in the report.

A further strategic meeting is scheduled for March 2026, at which the audit findings will be formally shared with the Chief Fire Officer and his senior team. Following that discussion, a joint action plan will be developed to address the recommendations through a strengthened and collaborative partnership approach.

Similar arrangements are also being progressed with BAE Systems to ensure consistent oversight and effective joint working.

Areas of Good Practice

- There are dedicated liaison officers for both organisations with responsibility for working on the collaboration.
- A formal Quarterly Liaison Meeting had been in place up to 2024 to discuss interoperability including organisational structure and personnel updates, incidents, training, regulatory scrutiny, procedures, and issues around security clearance and allocation of passes for access to site. Meetings had a formal agenda and were minuted. The meetings had been fully re-established in September 2025, with an introductory meeting having taken place in May 2025.
- In respect of the Quarterly Liaison meetings which took place between 2022 and 2024, we evidenced an effective system for the follow up on agreed actions. An action tracker had been maintained with responsibilities assigned. All live actions were subject to discussion at the next meeting, with detailed minutes around progress, or confirmation of completion and additional actions assigned where appropriate. We were informed that an action tracker will be set up to record actions in the meetings from December 2025 onwards.
- A CFRS officer works under a secondment arrangement in managing the procedural documentation for SFRS. This initially involved the alignment of policies, wherever possible, and on an ongoing basis this work across two organisations ensures the sharing of information, and that changes in procedures of either organisation are fed back to the other. Minutes of the Quarterly Liaison Meetings (2022-2024) evidenced detailed discussion around specific procedures which were more complex to align.
- We noted that CFRS Service Issue 0801 (Interoperability with SFRS) which outlines the differences in procedures and protocols when responding to incidents on the Sellafield site had been set with a year review period, due October 2025 and this review and update was in progress, as required, at the time of the audit.
- An interoperability calendar had been set up by CFRS to log all planned events (meetings, training, inspections, inductions etc) and to record either completion or the organisation responsible for cancellation. SFRS were to be provided with access to this calendar.
- We evidenced training plans which had previously been set up for a two-year period, formally documented on an interoperability simulated incident form which included the objectives and resources for the organisations. We noted that this programme had been monitored at the Quarterly Liaison Meeting and assurances had been provided around the feedback in respect of training. Areas for improvement from training and actual incidents had informed future training or initiated actions within the meeting action tracker.
- Operational meetings have taken place on a more frequent basis and these have been scheduled to discuss operational issues and updates and to plan training and receive feedback.
- Representation from CFRS is part of the membership of the Sellafield chaired Security & Resilience Executive Response Group which now takes place on a bi-annual basis. Minutes of the last 3 meetings evidence organisational updates had been provided by CFRS.
- We were informed that the current interoperability between CFRS and SFRS had been noted as best practice in a World Association of Nuclear Operators (WANO) report.

Key Findings – Issues Identified

High	1.1. Actions had been taken in 2023 and 2024 to establish a formal Memorandum of Understanding, but this is not yet in place.
Medium	1.2. A Terms of Reference document had been in place for the SFRS/ CFRS Quarterly Liaison Meeting, although scope and membership were vague. The meeting is now tripartite with representation from BAE Systems FRS and an updated Terms of Reference document is required. 1.3. There is no formal reporting into the CFRS governance structure following the Quarterly Liaison Meeting to enable assurances to be received in respect of the collaboration, or through which to formally escalate areas of concern. 1.4. The security clearance and allocation of passes to enable CFRS personnel access to the Sellafield site had been an ongoing concern which had required improvements in the processes to be sought as and when issues had arisen. Future collaborative working arrangements would benefit from full agreement in writing in advance setting out requirements of each organisation, stages of the process, timescales, information sharing requirements, financial responsibilities, monitoring arrangements and process for escalation of issues.

2 Findings and Management Action

1. Formal Agreement		Risk Rating: High
Control Design		
<p>Key Finding – There is no formal agreement in place regarding the collaborative working arrangements between the Fire Service and Sellafield. Minutes of the Quarterly Liaison Meetings which took place in 2023 and 2024 evidence discussion and actions to establish a formal Memorandum of Understanding with the intention that this was to cover strategic, tactical and operational meeting structures, all working practices between both services and role descriptions, and to eliminate single points of failure. Subsequently, with these meetings being temporarily discontinued, further progress was not tracked.</p> <p>We have been informed that with the interoperability arrangements now re-established; there is the intention for joint working between the organisations to establish this formal agreement.</p>	<p>Specific Risk – Aims and objectives of the collaboration have not been formally defined and agreed, leading to a failure to deliver effective outcomes.</p> <p>Break-down in arrangements following changes in personnel at either or both organisations.</p>	<p>Recommendation – Specific required actions, responsibilities and timescales for the establishment of a Memorandum of Understanding document to be agreed and to be monitored at the Quarterly Liaison Meetings,</p>
<p>Management Response -</p> <p>The development of this formal agreement outlining the collaborative working arrangements between CFRS and Sellafield Ltd—covering strategic, tactical, and operational structures, working practices, and role descriptions—has now been fully completed and is just awaiting a signature from Sellafield Ltd. The document has been reviewed and approved by both organisations’ representatives.</p> <p>Completion of this work is evidenced through the finalised Memorandum of Understanding (MoU), agreed wording between both organisations, and confirmation that the document has moved to the signature phase. Once signed, this will be entered into the appropriate governance systems, of both organisations, for tracking and future review.</p>		<p>Evidence to confirm implementation –</p> <p>MOU</p>

All required collaboration, drafting, subject-matter contributions, and assurance checks have been successfully delivered. No outstanding dependencies remain.

This agreement directly addresses the previously identified risk of unclear or inconsistent joint working arrangements and removes the single points of failure highlighted in earlier liaison meetings. It strengthens joint operational effectiveness, accountability, and resilience.

The agreement is expected to be fully signed and formally enacted by **05 March 2026**.

The draft has undergone internal and joint evaluation through operational leads, and governance stakeholders to ensure accuracy, practicality, and alignment with both organisations' standards.

Once the agreement is signed, a scheduled review process will be established, with the first joint review taking place 12 months after implementation to ensure it continues to meet operational and organisational needs. It is also recognised that significant changes in organisational responsibility, for either organisation, will trigger the need for a review in the first instance.

Responsible Officer – GM Owen McCarney

Implementation Date – 05/03/2026

2. ToR – Quarterly Liaison Meeting		Risk Rating: Medium
Control Design		
<p>Key Finding – There is a Terms of Reference document for the SFRS and CFRS Quarterly Liaison Meeting, the latest version being version 4 dated 2024, with a review date set for January 2025. The review and update of this document in 2024 had taken place through the meeting.</p> <p>The purpose of the meeting was defined as ‘to provide a standing meeting that facilitates both Services with a structured opportunity to discuss operational and other intra and interoperability issues. However, the scope was vague and limited to ‘any issues relating to the effective delivery of Emergency Response Services on site’ and ‘any issues determined by either service that warrants discussion’. Membership is also vaguely defined as ‘SFRS staff and ASW’s as defined by SFRS CFO/ Emergency Response Manager’, ‘CFRS staff as determined by the Area Manager CFRS with the strategic lead for Sellafield. And ‘any other members to be agreed by both Services on exception’.</p> <p>There is a formal agenda for the meeting and the minutes reviewed evidenced that set agenda items had been requested and established, including around operational interactions, joint training, SFRS regulatory scrutiny and operational intelligence.</p> <p>The meeting in September 2025 was a tripartite meeting including representatives from BAEFRS and included discussion around general learning from incidents of each organisation, but also more specific interoperability issues between CFRS and SFRS around passes. This initial meeting had a smaller agenda than previously in place and did not include some items which had been agreed as standard agenda items, including those most recently requested (e.g. operational intelligence, procedures</p>	<p>Specific Risk – Ineffective collaborative working</p>	<p>Recommendation – Terms of Reference to be established for the now tripartite meeting including BAE, which considers the purpose and scope and in particular, in relation to how this meeting will operate going forward including issues which are specific to each collaboration, some of which may be confidential, and may be more appropriate to discuss in detail at the regular operational meetings with an overview/ assurances at the quarterly meeting.</p> <p>Membership of the meeting to be more specifically defined to include a core membership required to progress actions and discussions as defined within the scope of the meeting.</p>

<p>overview). The Terms of Reference document requires update to reflect the current meeting arrangements, purpose and membership.</p>		
<p>Management Response -.</p> <p>All actions arising from the review of the <i>SFRS and CFRS Quarterly Liaison Meeting</i> governance documentation have now been fully completed. This includes the update and publication of the revised Terms of Reference (TOR) and the creation and implementation of a new live action tracker.</p> <ul style="list-style-type: none"> • The TOR has been updated to reflect: <ul style="list-style-type: none"> ○ Current meeting arrangements ○ The charring organisation ○ Updated purpose and scope ○ Accurate and clearly defined membership expectations • The action tracker has been established with: <ul style="list-style-type: none"> ○ A running log of all actions ○ Owners assigned ○ Due dates and progress indicators <p>All updates were completed in line with the agreed process during the review period and have been validated through internal consultation with both Services to ensure accuracy and relevance.</p> <p>These updates strengthen governance, ensure clarity of expectations between SFRS, BAE Fire and CFRS, and support improved interoperability, accountability, and transparency across all liaison meetings. Actions assigned to CFRS will be brought to CFRS Operational Improvement Group (OIG) to ensure internal governance of the actions.</p> <p>The TOR and action tracker were finalised and activated ahead of the next scheduled liaison meeting, ensuring both documents are now available for immediate use.</p>		<p>Evidence to confirm implementation –</p> <p>Copy of ToR document</p> <p>Copy of Action Tracker</p> <p>Document Control & Review Policy</p>

Both documents have undergone internal review to confirm alignment with operational requirements, previously agreed agenda standards, and current collaborative working practices.

The TOR will continue to follow the established review cycle, as per the CFRS Document Control and Review Policy, with the next scheduled review aligned to the January 2025 date unless earlier updates are required by exception. The action tracker will be reviewed live at each liaison meeting.

Responsible Officer – GM Owen McCarney

Implementation Date – 01/01/2026

3. Quarterly Liaison Meeting - Assurances and Escalations		Risk Rating: Medium
Control Design		
<p>Key Finding – There is no formal reporting into the CFRS governance structure following the Quarterly Liaison Meeting to enable assurances to be received in respect of the collaboration and interoperability or through which to formally escalate risks or areas of concern.</p>	<p>Specific Risk – CFRS senior management team do not receive assurance on the effectiveness of the collaboration arrangements.</p> <p>Issues are not resolved in a timely manner.</p>	<p>Recommendation – Reporting from the Quarterly Liaison Meeting into the CFRS governance structure.</p>
<p>Management Response -</p> <p>A formal reporting route will be established to ensure that outcomes from the Quarterly Liaison Meeting are routinely captured, monitored, and escalated where required. This will include submitting all significant findings, risks, and collaboration/interoperability concerns into the Operational Improvement Group (OIG), supported by entries in the OIG Action/Decision Log.</p> <ul style="list-style-type: none"> • All identified issues will appear on the OIG Action/Decision Log until fully resolved. • Evidence of escalation will be auditable through OIG agendas, logs, and associated updates. 		<p>Evidence to confirm implementation –</p> <p>Formal reporting</p>

Integration into the OIG structure is feasible because the group already includes regular agenda items, established governance pathways, and mechanisms for monitoring progress, reviewing operational impacts, and escalating concerns to a strategic level where appropriate.

This improvement ensures CFRS receives organisational assurance regarding collaboration and interoperability, while providing a clear formal recognised mechanism to escalate risks—aligning directly with CFRS governance expectations and the function of the OIG as evidenced in its agenda.

The full reporting process—including the agreed template, governance route, and embedded OIG process—will be implemented by the next OIC on **18 February 2026**.

Progress will be reviewed at each OIG meeting through the Action/Decision Log, ensuring traceability, monitoring, and responsiveness to any delays or emerging issues.

The reporting arrangements will be formally reviewed annually after implementation to ensure the process is functioning effectively and delivering the necessary assurance to CFRS governance structures.

Responsible Officer – GM Owen McCarney

Implementation Date – 18th Feb 2026

4. Security Clearance and Allocation of Passes		Risk Rating: Medium
Control Design		
<p>Key Finding – There had been ongoing problems regarding timely security clearance and issue of passes for CFRS personnel to access the Sellafield site and this had been discussed at each of the Liaison Meetings with actions monitored in the meeting action tracker. This issue was also highlighted within the CFRS organisational update at the Sellafield Ltd Security & Resilience Executive Response Group.</p> <p>In particular, to resolve the issues, new arrangements had been agreed in respect of applications for DBS checks being managed by CFRS and also prioritisation of CFRS by the Vetting Office, for which e-mail confirmation had been received. It had been minute at the Liaison Meeting that Sellafield would be reimbursing the costs of the DBS checks, but we were informed that this was not otherwise agreed in writing and there had been issues with the first invoice raised.</p>	<p>Specific Risk – Interoperability arrangements breakdown due to inability of staff to access site.</p> <p>Training, inspections etc cannot be undertaken.</p> <p>Single person dependency</p>	<p>Recommendation – Arrangements for security clearance process for future collaborations should be agreed in writing in advance with details of the requirements and responsibilities of each organisation, stages of the process, timescales, information sharing requirements and financial responsibilities.</p> <p>Performance indicators/ monitoring arrangements should be established with a defined process for escalating issues for resolution.</p> <p>Procedure notes should be maintained for CFRS processes in respect of each collaboration, which are updated as and when new arrangements are put in place to ensure that the process is fully understood in the absence of the Liaison Officer.</p>
<p>Management Response -.</p> <p>Clear and consistent arrangements will be formalised between CFRS and Sellafield Ltd to ensure timely security clearance, DBS processing, and pass issue for CFRS personnel. This will include written confirmation of responsibilities, expected timelines, and the agreed process for reimbursement of DBS costs.</p> <p>Success will be measured by:</p> <ul style="list-style-type: none"> • A fully documented and mutually agreed security clearance and DBS process. 		<p>Evidence to confirm implementation –</p> <p>Documentation of roles and responsibilities and arrangements for security clearance, DSB processing and reimbursement of costs, and pass issue.</p> <p>.</p>

- Reduction in delays associated with pass issuance (target: all applications processed within the agreed SLA). Historical figures have been as long as 8 weeks from initial application to pass issue. Recent changes have seen this reduced to as little as 48hours.
- Successful reimbursement of DBS costs in line with the financial workflow and evidence of at least one successful invoice cycle.

Sellafield FRS Management and CFRS Finance teams are now actively communicating to resolve previous barriers. Sellafield Fire's restructuring of their financial arrangements enables CFRS to receive payments through the correct channels, making the agreement feasible to implement.

This work directly supports operational readiness, access assurance for CFRS personnel, and sustained compliance with Sellafield security requirements. It also ensures that both organisations maintain clarity, transparency, and accountability in vetting and financial processes.

The formal written process for security clearance, DBS arrangements, and reimbursement will be completed by **30 October 2026**.

Progress will be reviewed through the established Liaison Meeting action tracker and OIG. Any delays or issues will be escalated promptly.

Once implemented, the process will be subject to a joint annual review to ensure it remains effective, efficient, and reflective of any organisational or regulatory changes.

Consideration is being given to reviewing our SC arrangements to bring them into line with the constabulary. Current SC arrangements sit with the Office of Nuclear Regulation and alignment with the constabulary would offer enhanced confidence around SC arrangements within service, and greater interoperability with our constabulary colleagues around large scale incidents.

Responsible Officer – GM Owen McCarney

Implementation Date – 30/10/2026

Appendix A: Engagement Scope

Scope

The review focussed on the following sub-objectives:

- There is a formal agreement in place to define collaboration arrangements, including aims and objectives along with any financial commitments.
- There are clear roles and responsibilities in respect of partnerships and collaborations.
- Effective governance arrangements are in place to provide oversight of partnership and collaboration working.
- There are adequate information sharing arrangements in place between the parties.
- The arrangement is routinely assessed for effectiveness, benefits and outcomes. Any lessons learned are captured and shared where similar arrangements are either in place or are being planned.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Appendix B: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however, implementation of the recommendation would improve overall control.

Appendix C: Report Distribution

Name	Title
Lauren Woodward	Assistant Chief Fire Officer
Mark Thornthwaite	Station Manager - Workington
Andrew Millray	Watch Manager & Sellafield Liaison
Owen McCarney	Group Manager Operational Planning, Assurance & Resilience
Martin Slack	Area Manager - Cumberland
Mark Nicolson	Area Manager – Westmorland & Furness
Mark Clement	Head of Improvement & Performance
Steven Tinkler	Chief Finance Officer
Kieran Timmins	Temporary Chief Finance Officer
Paul Hancock	Chief Fire Officer
Joint Audit Committee	

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Limitations

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Public Sector Internal Audit Standards

Our work was completed in accordance with Global Internal Audit Standards (UK public sector).

Internal Audit Follow Up Report – Fire & Rescue Service

Joint Audit Committee (25th March 2026)

Cumbria Police, Fire & Crime Commissioner

Contents

- 1 Introduction
- 2 Objective
- 3 Summary
- 4 Internal Audit Action Tracker
- 5 Outstanding Internal Audit Critical, High and Medium Risk Audit Recommendations

Appendix A: Assurance Definitions and Risk Classifications

Global Internal Audit Standards

Our work was completed in accordance with Global Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

1 Introduction and Background

In making recommendations and agreeing action plans it is intended that improvements may be made to both internal controls and operational effectiveness. However, in order to verify that the benefits of the process are achieved, it is necessary to subsequently follow up on the implementation of agreed actions, in order to fully assess:

- Whether implementation has occurred or been superseded by further events; and
- Whether the actions have produced the intended effect.

Follow-up is, therefore, a vital aspect of the internal audit process.

This report provides an update on the progress of implementing previous internal audit recommendations against the last position reported to the Joint Audit Committee and on recommendations contained in internal audit reports issued since then.

Section 3 and 4 summarises the status of previous audit recommendations and Section 5 details the high and critical risk recommendations that are in progress/outstanding or are not yet due.

When all recommendations have been completed, reviews from previous years will be removed from the tracker once presented to Joint Audit Committee.

To assist the Joint Audit Committee the definitions of risk levels and assurance ratings are included in Appendix A.

2 Objective

The objective of this follow-up review was to provide an update on progress made towards the implementation of agreed internal audit recommendations. The reported position is at the 4th March 2026.

3 Summary Table

The summary of our follow-up work is contained below:

	March 2026		November 2025	
Total number of recommendations made	35		33	
Actions not yet due	(12)		(23)	
Actions included within this report	23	100%	10	100%
Actions previously reported as completed	7	31%	6	60%
Actions confirmed by MIAA as complete in this report	9	39%	3	30%
Actions confirmed by MIAA as no longer required/superseded	-	-	-	-
Actions overdue and in progress	6	26%	-	-
Actions overdue and awaiting update	1	4%		
Actions deemed by management to be complete but not yet confirmed by MIAA	-	-	1	10%

Since the previous Joint Audit Committee (26th November 2026):

There are 35 internal audit recommendations in relation to 7 reviews, of which 12 are not yet due for implementation: leaving 23 to be reported upon in this briefing note.

- 16 recommendations have been completed in total, with 9 recommendations completed since the last report at the Joint Audit Committee in November and 7 having been completed previously.

- There are 6 overdue recommendations that are in progress.
- There is 1 overdue recommendation that we are awaiting an update on.
- 1 action was overdue from initial deadline but were within their revised deadline. This was as follows:

Review	Recommendation	Original Date	Revised Date
Equality, Diversity & Inclusion	Formal Reporting	31/5/24	31/12/26

The next formal follow up of previously agreed recommendations will be reported in Q1 2026/27.

A detailed breakdown by review is provided in section four below.

4 Internal Audit Action Tracker

The following summarises progress against the internal audit recommendations, including those raised previously by TIAA, as at **4th March 2026**.

Audit Title	Assurance Level	Total	Progress on recommendations						C	H	M	L
			Previously reported as complete / Superseded	Implemented since November 2025	Not Due	Due and in progress	Due and Awaiting Update	Total Outstanding				
The following are TIAA Audit Team Recommendations. Assurance levels differ to those used by MIAA.												
2023/24 Reviews												
Equality, Diversity and Inclusion	Reasonable	2	1	-	1	-	-	1	-	1	-	-
Estates - Property Compliance	Reasonable	4	2	2	-	-	-	-	-	-	-	-
2024/25 Reviews												
HR Recruitment and Retention	Reasonable	5	4	-	-	1	-	1	-	1	-	-
The following are MIAA Recommendations												
2025/26												
Values Health and Wellbeing	Substantial	7	-	1	3	3	-	6	-	-	3	3
Station Management Framework	Moderate	7	-	-	6	-	1	7	-	1	3	3

Audit Title	Assurance Level	Total	Progress on recommendations					Total Outstanding	C	H	M	L
			Previously reported as complete / Superseded	Implemented since November 2025	Not Due	Due and in progress	Due and Awaiting Update					
Corporate Purchase Cards	Limited	6	-	5	-	1	-	1	-	-	1	-
Collaboration and Partnerships	Moderate	4	-	1	2	1	-	3		1	2	
		35	7	9	12	6	1	19	-	4	9	6

	No overdue actions
	Actions are in progress
	Actions awaiting response
	Management advised actions complete but not yet confirmed by MIAA
	All report actions confirmed as implemented

5 Internal Audit Critical, High and Medium Risk Recommendations

The following provides the details of the critical, high and medium risk recommendations that have been implemented/ superseded and those outstanding as at 4th March 2026.

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Equality, Diversity and Inclusion</p> <p>Lead Executive: Resourcing Talent and Wellbeing Lead</p> <p>Action due: 31/05/2024</p> <p>Revised to: 31/12/2026</p>	<p>Recommendation (Rating 2): A formal reporting mechanism for equality, diversity, and inclusion (EDI) data within the senior management team (SMT) meetings be introduced.</p> <p>Management Response: 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>	<p>Management Update for September Joint Audit Committee</p> <p>The current plan is to ensure data available through a new Power BI Dashboard along with other ethnicity and people data, as part of the NFCC People Strategy.</p> <p>Management Update for November Joint Audit Committee</p> <p>Following discussion at the recent JAC committee, the deadline for completion has been pushed to December 2026. This realistic deadline will allow any system to use the new data available through the firewatch system and cognisance taken of the guidance provided by NFCC.</p> <p>Management Update for March AC 2526:</p> <p>Power BI training provided to key staff across the Service. Performance team now working to develop Performance dashboard to facilitate reporting.</p> <p>Not yet due</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Estates - Property Compliance</p> <p>Lead Executive: Head of Estates</p> <p>Action due: 30/09/2024</p> <p>Revised to 31/12/2025</p>	<p>Recommendation (Rating 2): Estates Health and Safety performance reporting indicators be agreed and introduced.</p> <p>Management Response: Recruitment is ongoing into the role of estate co-ordinator, they would lead on this work, specifically the review of actions. The Head of Estates sit on a number of fire station meetings and reports into this. 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>	<p>Implemented</p> <p>Evidence to Confirm Implementation: Health and Safety report showing a suite of adverse safety indicators included in the report.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Estates - Property Compliance Lead Executive: Head of Estates Action due: 30/09/2024</p> <p>Revised to: 30/09/2025</p> <p>Further revised: 31/03/2026</p>	<p>Recommendation (Rating 2): 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.</p> <p>Management Response: Recruitment is ongoing into the role of estate co-ordinator, they would lead on this work, specifically the review of actions. 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. 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. A full condition survey of the fire estate is currently being undertaken. This will highlight are of high risk and a programme of work to assess these will be undertaken. 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>	<p>Implemented</p> <p>Evidence to Confirm Implementation: Confirmation that fire risk assessments had been completed by an external consultant at the main sites. Purchase order seen with the external provider. Email outlining refresher training is being implemented for the current station managers (SM) to enable them to complete an FRA for their on-call stations.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: HR Recruitment and Retention</p> <p>Lead Executive: Kristine Ward – Head of People and Talent</p> <p>Action due: 01/06/2025</p> <p>Revised to: 31/10/2025</p>	<p>Recommendation (Rating 2): Exit interviews be held by another party, such as HR, independent to the leaver’s line manager.</p> <p>Management Response: The exit interview process will be reviewed to ensure it is ‘fit for purpose’ and asks the right questions. The new arrangements will be communicated across the Service and a hard launch completed. Monitoring arrangements will be put in place to:</p> <p>1 – Ensure the contents of the exit interviews deliver improvements to the Service. Evidence of this will be captured at the Workforce Development Group (WDG).</p> <p>2 – Increase the number of exit interviews. Ensuring that completion rates are reported to the Workforce Development Group.</p>	<p>Management Update for September Joint Audit Committee Interview process reviewed, just awaiting final sign off at the October JCG. The process has been amended to give staff three options, In Person Interview, on-line form, and completely anonymous feedback. A Management Toolkit has been created.</p> <p>Management Update for November Joint Audit Committee Final Policy agreed at JCG. Action now closed.</p> <p>Management Update for March AC 2526: Since policy has gone live no leavers within Organisation. As soon as first report produced for WDG, this will be shared with MIAA.</p> <p>MIAA viewed the Policy but are awaiting evidence on the monitoring arrangements.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Values Health and Wellbeing Lead Executive: HR Manager Action due: 31/01/2026</p>	<p>Recommendation (Medium): Following implementation of the FireWatch HR system template guidance for return-to-work interviews/discussions should be drafted and included in the policy. Guidance for completing these should be shared with all Managers and incorporated with all future training packages.</p> <p>Inclusion of the form and respective guidance for the completion of return-to-work meetings should be included in the policy at its next revision.</p> <p>Management Response: Return to work template document is currently in development aiming to launch when the Firewatch system is live. Our Absence and Wellbeing Procedure is currently in the process of being refreshed. The suggestion to add some guidance around return-to-work discussions can be included.</p>	<p>Management Update for March AC 2526: The Service has recently employed an OD Manager who will lead on this area of work. A new absence and wellbeing procedure is in development and once the CSP has been consulted will be published.</p> <p>The management response and due date will be revisited.</p> <p>MIAA March 26 Return to work template seen. Can mark as implemented when we see the Absence and Wellbeing Procedure refreshed</p>
<p>Audit Title: Values Health and Wellbeing Lead Executive: OD Manager and the Resourcing, Talent and Wellbeing Lead. Action due: 31/07/2026</p>	<p>Recommendation (Medium): A wellbeing policy or strategy should be developed, ratified and shared with all employees.</p> <p>A training package for wellbeing should also be put into place and sessions arranged for all employees.</p> <p>Training for Managers with employee responsibility should also be introduced to support them with any conversations surrounding wellbeing concerns.</p> <p>Management Response: A wellbeing policy and training package will be developed.</p>	<p>Management Update for March AC 2526: The Service has recently employed an OD Manager who will lead on this area of work. A new absence and wellbeing procedure is in development and once the CSP has been consulted will be published.</p> <p>Not yet due.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Values Health and Wellbeing Lead Executive: HR Manager Action due: 31/12/2026</p>	<p>Recommendation (Medium): The respective Managers alongside the employees concerned should be requested to provide the missing documentation where possible. All employees should be reminded of the importance of obtaining or completing the appropriate forms and submitting the same timely to Management.</p> <p>Management Response: A reminder will be issued in our weekly update bulletin</p>	<p>Implemented</p> <p>Evidence to Confirm Implementation: Reminder to staff in weekly bulletin.</p>
<p>Audit Title: Values Health and Wellbeing Lead Executive: HR Manager Action due: 31/10/2026</p>	<p>Recommendation (Medium): All employees should be encouraged to undertake the training package in place. For all those with responsibility for managing colleagues the training should be mandatory before any return to work or wellbeing interviews are completed. The Community Scrutiny Group should be informed of the training available for both absence management and wellbeing (see recommendation 2) and the attendance rates for each.</p> <p>Management Response: The HR Team are currently revising our training plan for 25/26 with mop up sessions being planned for managers who have yet to attend the absence management training</p>	<p>Not yet due.</p>

<p>Audit Title: Station Management Framework Lead Executive: GM Slack, GM Nicholson GM McCarney Action due: 31/07/2027</p>	<p>Recommendation (High):</p> <ol style="list-style-type: none"> 1. The Station Management Framework should provide a prescribed timetable for when both Annual and Quarterly Audits are performed across the calendar year. Monitoring processes should be put in place to ensure that the audits are completed as stipulated. 2. Training and guidance should be provided to those completing the audits. 3. Audits should be completed independently and not by the supervisors at the station being audited. 4. Each audit rating used should be clearly defined. 5. The system should be updated to allow notifications to be sent to those who have been assigned actions and to notify when the actions are due or nearing the due date. 6. Results from audits should be collated to share and benchmark best practice and areas of improvement. <p>Management Response:</p> <p>Recommendation 1, station management framework policy to be reviewed and include a detail of time scales when annual and quarterly audits are to be completed. Responsible Officer – GM Slack and GM Nicholson Implementation Date – April 1st 2026</p> <p>Recommendation 2, Ops assurance to provide training to Station managers with guidance to enable a standardised completion, this will be followed up with training delivered to supervisory managers who complete quarterly audits, this will be delivered via the most appropriate station manager and recorded on PDRPRO. Responsible Officer – GM McCarney Implementation Date – April 1st 2026</p> <p>Recommendation 3, due to the geography of the service it is unachievable to have all audits completed by others, the service to produce a 2 year rolling programme ensuring 1 quarterly is completed via a peer review. Also 1 sample audit in each BCU will be completed each year via the operational assurance team.</p>	<p>Not yet due.</p>
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Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
	<p>Responsible Officer – GM Slack, GM Nicholson GM McCarney Implementation Date – September 2027 Recommendation 4,5,6, Operational assurance department to look at current systems and see how they can be modified to achieve recommendation 3,4,5. Responsible Officer – GM McCarney Implementation Date – September 2026</p>	

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Station Management Framework Lead Executive: GM Paterson Action due: 31/01/2026</p>	<p>Recommendation (Medium):</p> <ol style="list-style-type: none"> 1. Monthly reviews of the completion of equipment and PPE testing and checking spreadsheet documentation should be carried out by the Supervising Manager. 2. The 'After Use' tab on the spreadsheet could be better laid out to match checks to incidents. This could also incorporate the after use breathing apparatus checks. 3. The Supervising Manager checks should be evidenced and where any gaps or errors are identified they should be logged and followed up until they are completed. 4. For the manual PPE records, it should be considered if these can be stored electronically to enable better monitoring of completion. This could be in the PDR Pro system, as noted at other Fire Services, and which is currently used for training records. 5. The Station Management Framework should provide a prescribed timetable for when periodic checks are performed across the calendar year. 6. The manual forms including the Daily Activity Sheet should be revisited, as to whether they are duplication of effort or require revising to reflect the online activities. <p>Management Response:</p> <p>Weekly update article to be produced detailing how PIT records and PPE logbooks should and need to be complete. This is also to be an agenda item on the next standardisation meeting.</p> <p>LCU managers are also to reinforce the above during LCU meetings and record in the minutes.</p> <p>Recommendation 5 will be referenced in station management framework policy when being reviewed.</p>	<p>Awaiting update</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Station Management Framework Lead Executive: GM Paterson Action due: 30/09/2026</p>	<p>Recommendation (Medium): 1.The defects system should be upgraded, so that all defects reported, outstanding or that have been cleared are visible by Station. If the system is unable to be upgraded, a standard process should be put in place at all stations and incorporated into the Station Management Framework.</p> <p>Management Response: Technical services to look at producing a dashboard which details all defects relating to a specific location/vehicle or equipment, including station end equipment.</p>	<p>Not yet due.</p>
<p>Audit Title: Station Management Framework Lead Executive: GM Slack and GM Nicholson and AM Love Action due: 01/04/2026</p>	<p>Recommendation (Medium): 1. There should be designated areas on Sharepoint where meeting agendas, minutes and any actions arising are stored and are easy to retrieve. 2. A process should be put in place whereby any good practice is escalated through the governance structure and can be shared out across the stations. Conversely also where there are any lessons learnt.</p> <p>Management Response: Recommendation1, folders on SharePoint already exist. Inductions for newly appointed service delivery SM's need to include BCU/LCU meeting procedures Responsible Officer – GM Slack and GM Nicholson</p> <p>Recommendation 2, the service needs to establish which governance structure will be used to escalate good practice or lessons identified in relation to station management framework. This could be either OIG or SIB</p>	<p>Not yet due.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Corporate Purchase Cards</p> <p>Lead Executive: Chief Finance Officer</p> <p>Action Due:30/11/25</p>	<p>Recommendation (High):</p> <p>Contracts</p> <p>Corporate card holders should be reminded of the need to ensure that cards are only used where there are no existing corporate contracts for the provision of goods and services.</p> <p>The 'Purchase Card User Manual' should be reviewed to ensure that list of current contracts is up to date and reflective of the service's current arrangements.</p> <p>Travel & Subsistence</p> <p>All card holders should be reminded that travel and subsistence expenditure should not be paid for using the corporate purchase cards and that the service's travel and subsistence arrangements should be followed at all times.</p> <p>Reminders should also be issued as to what is acceptable to claim in terms of subsistence in relation to both circumstances and amounts.</p> <p>The 'Travel & Subsistence Scheme & Rates' policy should contain the relevant appendices, detailing subsistence rates, as stated on the contents page.</p> <p>Management Response:</p> <p>An initial reminder was issued to all cardholders and Senior Leadership Team on 23 October 2025 stressing the disappointment in the audit assurance level and the serious implications of not conforming to the policy. All cardholders are to be issued with an updated declaration confirming appropriate usage only.</p> <p>A review of all transactions over the past couple of years has been undertaken and consideration is being given to restricting the merchant categories where a card can be used, e.g. to retail establishments only.</p>	<p>Implemented</p> <p>Evidence to Confirm Implementation:</p> <p>Evidence seen of the email stressing the disappointment of the audit finding and the implications of not conforming to policy. This included key takeaways for card holders.</p> <p>Evidence seen of another email stressing Cardholders thoroughly review the updated 'Corporate Card User Manual' and the 'Acceptance of Terms & Conditions'</p> <p>Evidence could be seen in the email of consideration being given to merchant categories</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Corporate Purchase Cards Lead Executive: Chief Finance Officer Action Due: 30/11/25</p>	<p>Recommendation (High):</p> <ol style="list-style-type: none"> 1. Transactions should be reviewed to establish if further purchases of alcohol have been made using corporate purchase cards. 2. Recovery should be sought of any such expenditure identified above. 3. All card holders should be made aware that the corporate purchase cards cannot be used to purchase alcohol. 4. The 'Purchase Card User Manual' should be updated to include specific reference to the purchase of alcohol. 5. Consideration should be given as to whether formal action should be taken against the respective card holders who have used their cards to purchase alcohol. <p>Management Response: All transactions have been reviewed, and no further instances have been identified where inappropriate transactions have been charge to corporate cards. On the transactions identified, one of these was raised as an issue prior to the audit and the amount recovered. A further warning has been issued to remind card users that alcohol should not be purchased on a corporate card. It has been deemed not to apply any disciplinary process on this occasion, but any future transgression would instigate a disciplinary process.</p>	<p>Implemented</p> <p>Evidence to Confirm Implementation: Evidence seen of a further warning issued to remind card users that alcohol should not be purchased on a corporate card. Evidence seen of Corp Card Transaction download which has Pivots looking at spend against cardholder by month and Merchant category by month</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Corporate Purchase Cards</p> <p>Lead Executive: Chief Finance Officer</p> <p>Action Due: 30/11/25</p>	<p>Recommendation (Medium):</p> <p>The Purchase Card User Manual should be reviewed to ensure that it is up to date and that its content reflects best practice including consideration of the following areas:</p> <ul style="list-style-type: none"> Introduction Eligibility and Application Process Cardholder Responsibilities Authorised and Prohibited Purchases Examples of acceptable purchases Restricted items Spending Limits and Controls Transaction Documentation Reconciliation and Reporting Audit and Compliance Roles and Responsibilities Training and Support <p>The Terms & Conditions Document should also be reviewed to ensure that it is consistent with relevant sections of the user manual and that it reflects current practices/ requirements.</p> <p>Management Response:</p> <p>The purchase card user manual/guidance has been updated and re-issued to all card holders. All card holders have had to re-sign the declaration that they will use the card appropriately and in line with the policy.</p>	<p>Implemented</p> <p>Evidence to Confirm Implementation:</p> <p>Updated Purchase Card User Manual and emailed to card holders. Email asking all card holders to re-sign or card will be suspended.</p>

Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
<p>Audit Title: Corporate Purchase Cards Lead Executive: Assistant Chief Fire Officer – Service Support Action Due: 30/11/25</p>	<p>Recommendation (Medium): The 'Travel & Subsistence Scheme & Rates' policy should be updated to reference that purchase cards should not be used for personal travel and subsistence payments, a corresponding reference should also be contained within the 'Purchase Card User Manual.' The Service should consider review of their current subsistence rates. Management Response: The Travel and subsistence policy is being updated to reflect the use of corporate cards and to include the relevant subsistence rates claimable.</p>	<p>In progress. Evidence seen of suggested updates made to the Policy, however this has not been finalised.</p>
<p>Audit Title: Corporate Purchase Cards Lead Executive: Chief Finance Officer Action Due: 30/11/25</p>	<p>Recommendation (Medium): Clarity should be provided to cardholder on the narrative expectations to accompany transactions to ensure that robust audit trail is in place to allow for effective review and wider scrutiny. Management Response: The policy and declarations have been re-circulated along with email reminders of the requirements to provide receipts.</p>	<p>Implemented Evidence to Confirm Implementation: Updated policy with information around receipts and email circulated highlighting the need for receipts.</p>

<p>Audit Title: Collaboration and Partnerships</p> <p>Lead Executive: GM Owen McCarney</p> <p>Action Due:05/03/2026</p>	<p>Recommendation (Medium): Specific required actions, responsibilities and timescales for the establishment of a Memorandum of Understanding document to be agreed and to be monitored at the Quarterly Liaison Meetings.</p> <p>Management Response: The development of this formal agreement outlining the collaborative working arrangements between CFRS and Sellafield Ltd—covering strategic, tactical, and operational structures, working practices, and role descriptions—has now been fully completed and is just awaiting a signature from Sellafield Ltd. The document has been reviewed and approved by both organisations' representatives.</p> <p>Completion of this work is evidenced through the finalised Memorandum of Understanding (MoU), agreed wording between both organisations, and confirmation that the document has moved to the signature phase. Once signed, this will be entered into the appropriate governance systems, of both organisations, for tracking and future review.</p> <p>All required collaboration, drafting, subject matter contributions, and assurance checks have been successfully delivered. No outstanding dependencies remain.</p> <p>This agreement directly addresses the previously identified risk of unclear or inconsistent joint working arrangements and removes the single points of failure highlighted in earlier liaison meetings. It strengthens joint operational effectiveness, accountability, and resilience.</p> <p>The agreement is expected to be fully signed and formally enacted by 05 March 2026.</p>	<p>Not yet due.</p>
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Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
	<p>The draft has undergone internal and joint evaluation through operational leads, and governance stakeholders to ensure accuracy, practicality, and alignment with both organisations' standards.</p> <p>Once the agreement is signed, a scheduled review process will be established, with the first joint review taking place 12 months after implementation to ensure it continues to meet operational and organisational needs. It is also recognised that significant changes in organisational responsibility, for either organisation, will trigger the need for a review in the first instance.</p>	

<p>Audit Title: Collaboration and Partnerships</p> <p>Lead Executive: GM Owen McCarney</p> <p>Action Due:01/01/2026</p>	<p>Recommendation (Medium)</p> <p>Terms of Reference to be established for the now tripartite meeting including BAE, which considers the purpose and scope and in particular, in relation to how this meeting will operate going forward including issues which are specific to each collaboration, some of which may be confidential, and may be more appropriate to discuss in detail at the regular operational meetings with an overview/ assurances at the quarterly meeting.</p> <p>Membership of the meeting to be more specifically defined to include a core membership required to progress actions and discussions as defined within the scope of the meeting.</p> <p>Management Response</p> <p>All actions arising from the review of the SFRS and CFRS Quarterly Liaison Meeting governance documentation have now been fully completed. This includes the update and publication of the revised Terms of Reference (TOR) and the creation and implementation of a new live action tracker.</p> <p>The TOR has been updated to reflect:</p> <ul style="list-style-type: none"> • Current meeting arrangements • The chairing organisation • Updated purpose and scope • Accurate and clearly defined membership expectations <p>The action tracker has been established with:</p> <ul style="list-style-type: none"> • A running log of all actions • Owners assigned • Due dates and progress indicators <p>All updates were completed in line with the agreed process during the review period and have been validated through internal consultation with both Services to ensure accuracy and relevance.</p>	<p>In progress.</p>
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Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
	<p>These updates strengthen governance, ensure clarity of expectations between SFRS, BAE Fire and CFRS, and support improved interoperability, accountability, and transparency across all liaison meetings. Actions assigned to CFRS will be brought to CFRS Operational Improvement Group (OIG) to ensure internal governance of the actions.</p> <p>The TOR and action tracker were finalised and activated ahead of the next scheduled liaison meeting, ensuring both documents are now available for immediate use.</p> <p>Both documents have undergone internal review to confirm alignment with operational requirements, previously agreed agenda standards, and current collaborative working practices.</p> <p>The TOR will continue to follow the established review cycle, as per the CFRS Document Control and Review Policy, with the next scheduled review aligned to the January 2025 date unless earlier updates are required by exception. The action tracker will be reviewed live at each liaison meeting.</p>	

<p>Audit Title: Collaboration and Partnerships</p> <p>Lead Executive: GM Owen McCarney</p> <p>Action Due: 18/02/2026</p>	<p>Recommendation (Medium) Reporting from the Quarterly Liaison Meeting into the CFRS governance structure.</p> <p>Management Response A formal reporting route will be established to ensure that outcomes from the Quarterly Liaison Meeting are routinely captured, monitored, and escalated where required. This will include submitting all significant findings, risks, and collaboration/interoperability concerns into the Operational Improvement Group (OIG), supported by entries in the OIG Action/Decision Log.</p> <ul style="list-style-type: none"> • All identified issues will appear on the OIG Action/Decision Log until fully resolved. • Evidence of escalation will be auditable through OIG agendas, logs, and associated updates. <p>Integration into the OIG structure is feasible because the group already includes regular agenda items, established governance pathways, and mechanisms for monitoring progress, reviewing operational impacts, and escalating concerns to a strategic level where appropriate.</p> <p>This improvement ensures CFRS receives organisational assurance regarding collaboration and interoperability, while providing a clear formal recognised mechanism to escalate risks—aligning directly with CFRS governance expectations and the function of the OIG as evidenced in its agenda.</p> <p>The full reporting process—including the agreed template, governance route, and embedded OIG process—will be implemented by the next OIC on 18 February 2026.</p>	<p>Implemented</p> <p>Evidence to Confirm Implementation: Operational improvement group meeting agenda with Sellafield/BAE meeting update</p>
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<p>Audit Title: Collaboration and Partnerships</p> <p>Lead Executive: GM Owen McCarney</p> <p>Action Due:30/10/2026</p>	<p>Recommendation (Medium)</p> <p>Arrangements for security clearance process for future collaborations should be agreed in writing in advance with details of the requirements and responsibilities of each organisation, stages of the process, timescales, information sharing requirements and financial responsibilities.</p> <p>Performance indicators/ monitoring arrangements should be established with a defined process for escalating issues for resolution.</p> <p>Procedure notes should be maintained for CFRS processes in respect of each collaboration, which are updated as and when new arrangements are put in place to ensure that the process is fully understood in the absence of the Liaison Officer.</p> <p>Management Response</p> <p>Clear and consistent arrangements will be formalised between CFRS and Sellafield Ltd to ensure timely security clearance, DBS processing, and pass issue for CFRS personnel. This will include written confirmation of responsibilities, expected timelines, and the agreed process for reimbursement of DBS costs.</p> <p>Success will be measured by:</p> <p>A fully documented and mutually agreed security clearance and DBS process.</p> <p>Reduction in delays associated with pass issuance (target: all applications processed within the agreed SLA). Historical figures have been as long as 8 weeks from initial application to pass issue. Recent changes have seen this reduced to as little as 48hours.</p> <p>Successful reimbursement of DBS costs in line with the financial workflow and evidence of at least one successful invoice cycle.</p>	<p>Not yet due.</p>
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Review/Responsible Officer/Due Date	Recommendation and Management Response	Position (as per management update provided)
	<p>Sellafield FRS Management and CFRS Finance teams are now actively communicating to resolve previous barriers. Sellafield Fire's restructuring of their financial arrangements enables CFRS to receive payments through the correct channels, making the agreement feasible to implement.</p> <p>This work directly supports operational readiness, access assurance for CFRS personnel, and sustained compliance with Sellafield security requirements. It also ensures that both organisations maintain clarity, transparency, and accountability in vetting and financial processes.</p> <p>The formal written process for security clearance, DBS arrangements, and reimbursement will be completed by 30 October 2026.</p> <p>Progress will be reviewed through the established Liaison Meeting action tracker and OIG. Any delays or issues will be escalated promptly.</p> <p>Once implemented, the process will be subject to a joint annual review to ensure it remains effective, efficient, and reflective of any organisational or regulatory changes. Consideration is being given to reviewing our SC arrangements to bring them into line with the constabulary. Current SC arrangements sit with the Office of Nuclear Regulation and alignment with the constabulary would offer enhanced confidence around SC arrangements within service, and greater interoperability with our constabulary colleagues around large scale incidents.</p>	

Appendix A: Risk Classifications

Risk Rating	Assessment Rationale
Critical	<p>Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to:</p> <ul style="list-style-type: none"> • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
High	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.</p>
Medium	<p>Control weakness that:</p> <ul style="list-style-type: none"> • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low. •
Low	<p>Control weakness that does not impact upon the achievement of key system, function or process objectives; however, implementation of the recommendation would improve overall control.</p>

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Cumbria Fire and Rescue Service

Internal Audit Plan *2026/27*

Contents

1. Internal Audit Plan On A Page
2. Executive Summary
3. Supporting you through Adding Value
4. Understanding Your Vision, Objectives & Risks
5. Internal Audit Risk Assessment
6. Operational Internal Audit Plan 2026/27

Appendix A: Strategic Three Year Internal Audit Plan

Appendix B: Internal Audit Key Performance Indicators

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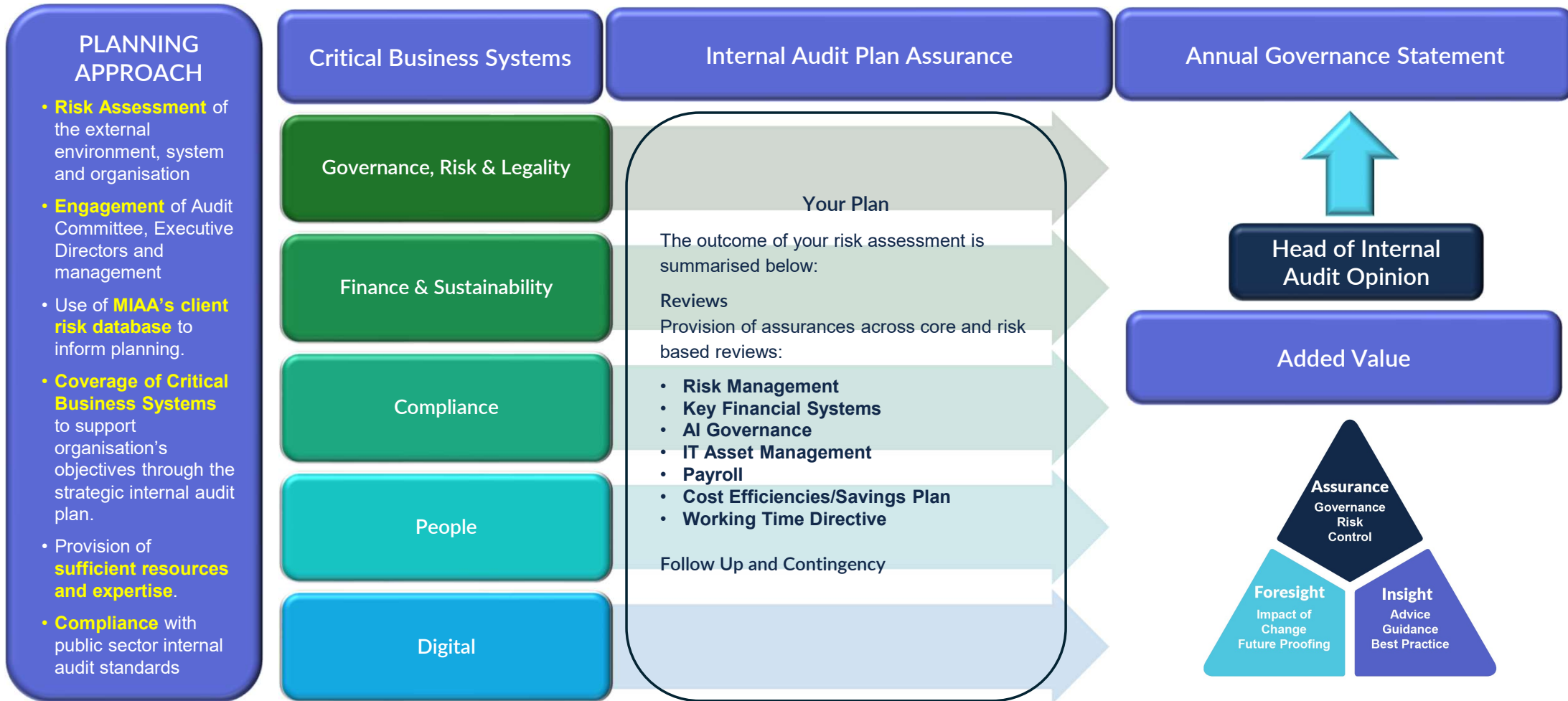


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1 Internal Audit Plan on a Page

For Cumbria Fire and Rescue Service, this is the planning approach we will adopt:





2 Executive Summary

2.1 MIAA's Strategy - Working in partnership with you

MIAA Assurance, providing cost effective assurance, insight and foresight. These services are delivered in partnership with you to ensure they are personal and responsive, ensuring the best possible customer experience. Our current MIAA wide strategy is summarised below:

Our Vision	MIAA will be the provider of choice of public and 3 rd sector clients, supporting them to deliver value and improve services for the benefit of the people and communities they serve.				
Our Mission	To drive value and improve outcomes through excellence and professionalism				
Our Values	 TRUST	 RESPECT & COMPASSION	 COMMITMENT TO INNOVATION & EXCELLENCE		
Our Strategic Objectives	FINANCE Ensure MIAA is sustainable and continues to grow its client base, products and service offers	QUALITY & ADDED VALUE SERVICES Ensure MIAA demonstrates added value, delivers quality and professional services for our clients	PEOPLE Continue to recruit, develop, support, retain and reward our people to maximise their potential	GOVERNANCE & ACCOUNTABILITY Ensure we demonstrate effective and appropriate governance and accountability to our stakeholders	INNOVATION Continue to lead and innovate across all our services



2.2 Your Risk Assessment

A strong risk assessment underpins the Internal Audit Plan. This has focused upon your assurance framework as this represents **Cumbria Fire and Rescue Services** own assessment of the risks to achieving its strategic objectives. These are summarised in Appendix A. We have clearly set out the risks which have been prioritised within the audit plan and those which are not.

Where available and appropriate we have considered the work of other assurance providers in developing your plan.

2.3 Your Internal Audit Plan

Your Internal Audit service includes core assurances, national and regional risk areas and strategic risks from your assurance framework. The draft plan is 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.

Your operational annual plan in Section 6 forms part of the organisation’s three year Strategic Plan (shown in Appendix A). This will be reviewed as part of our ongoing risk assessment process to ensure that it remains focused on the organisation’s key risks and challenges and adds value.

We will actively engage across the organisation to ensure we have a full and detailed understanding of your risks and can ensure we focus our work to best effect.

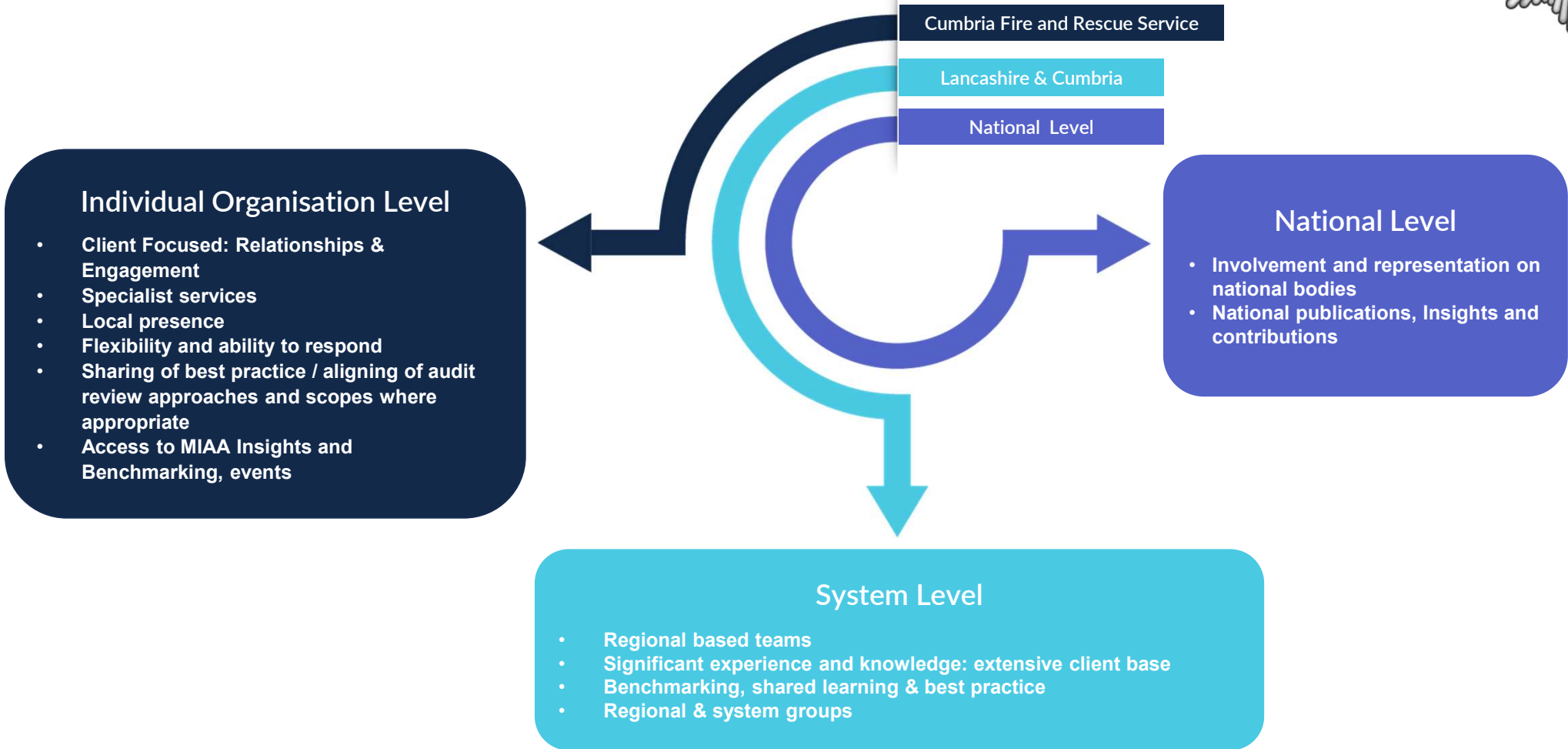
MIAA insights, including benchmarking, briefings and events will be integral to your plan.

Fees for 26/27 are yet to be confirmed but will be based on 25/26 fees uplifted in line with the NHS pay award.





3 Supporting you through Adding Value





4 Understanding Your Vision, Objectives & Risks

Understanding Your Vision, Objectives and Risks

A key focus of our strategic risk assessment is understanding your vision and ensuring that the internal audit plan contributes to your objectives. This in turn ensures that the assurances provided are built around your risks.

Assurance Built Around Your Risks

- *Financial sustainability*
- *Cyber Security*
- *Delivery of key change programmes*
- *Leadership and workforce*

We map your strategic objectives and strategic risks to the 3 Year Strategic Internal Audit Plan (Appendix A).

Community Risk Management Plan 2024 - 28





5 Internal Audit Risk Assessment

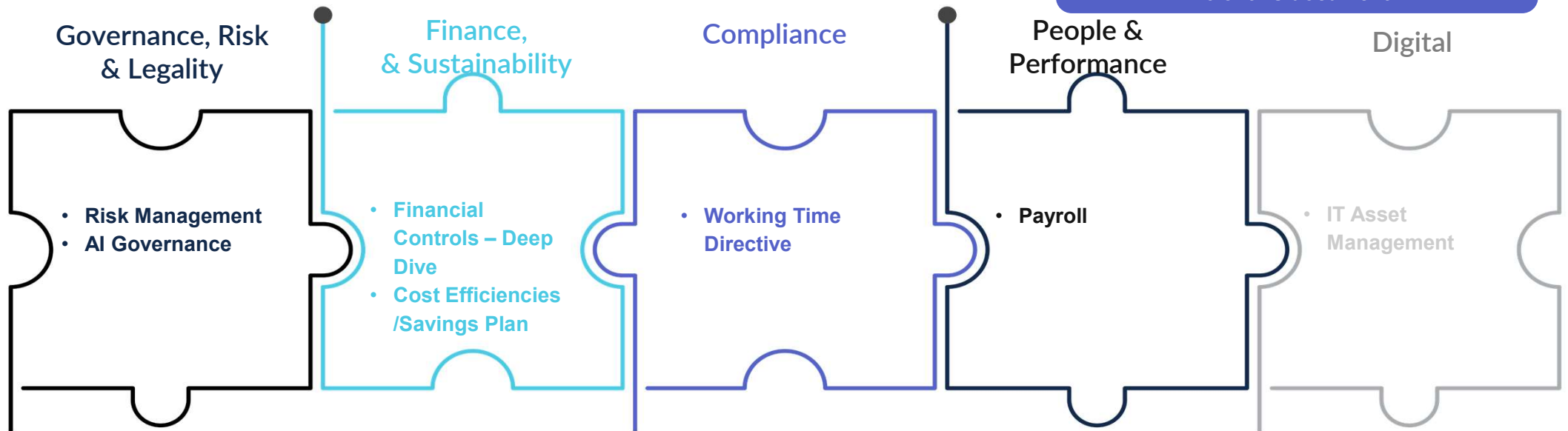
The Cumbria Fire and Rescue Service internal audit plan is built from a risk assessment which has considered national and local system risks, place based developments and your local strategic risk assessment, along with our breadth of experience and understanding of the challenges you face.

A key focus of our strategic risk assessment is understanding your vision and ensuring that the internal audit plan contributes to your objectives. This in turn ensures that the assurances provided are built around your risks.

The initial strategic risk assessment and internal audit risk assessment has considered:

- **Organisation intelligence** – including review of your Strategic Risk Register, HMICFRS Report, Police and Crime Plan and operational plans and performance.
- **Benchmarking and national Police Audit Group (PAG) mapping** – MIAA are part of the PAG where we gain insight and share learning across audit providers working with the police sector.
- **Assurance mapping** – utilisation of the 3 lines of assurance model and professional standards to ensure focused coverage. Where relevant, we have considered expected third party assurances to enable coordination of services and m
- **Previous Internal Audit coverage** – we have reviewed your previous Internal Audit coverage to ensure the proposed plan does not duplicate coverage.
- **Mandated assurance** – including core systems assurances and public sector internal audit standards requirements.
- **Follow Up** – Internal Audit coverage will also include follow up of outstanding internal audit actions.

Prioritised risks are presented below. Non-prioritised risk areas are detailed in Section 6 of this document





6 Operational Internal Audit Plan 2026/27

Review & Scope	Risk / Rationale	Planned Delivery	Budgeted Days	Executive Lead
Governance, Risk & Legality				
Risk Management: To provide assurance that core risk management controls have established and maintained.	HOIA Opinion Requirement/ Internal audit standards requirement	Q4	8	Chief Fire Officer
AI Governance: To assess the organisations AI maturity across five domains to identify strengths, gaps and actionable recommendations for progressing maturity..	Core Assurance/Risk Assessment	Q3	7	Chief Fire Officer
Finance & Sustainability				
Key Financial Systems Deep Dive: To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice.	Core Assurance	Q3/4	10	Chief Fire Officer
Cost Efficiencies/Savings Plan: To provide assurance on the systems and processes in place for the management and monitoring cost improvement plans and efficiencies.	Management Request/Risk Assessment	Q2	11	Chief Fire Officer
Compliance				
Working Time Directive: To provide assurance in respect of the current systems and processes supporting Working Time Directive compliance. Focusing on the review recording and monitoring controls used to identify and action non-compliance.	Management Request	Q1	11	Chief Fire Officer



Review & Scope	Risk / Rationale	Planned Delivery	Budgeted Days	Executive Lead
People & Performance				
Payroll: To provide an assessment of the effectiveness of the systems of control operating to ensure that only employees of Cumbria Fire & Rescue Service are paid, and only for work that they perform.	Core Assurance	Q2	11	Chief Fire Officer
Digital				
IT Asset Management: To provide an opinion on the level and effectiveness of asset management controls operated in relation to computer hardware and software assets and identify opportunities for improvement, where appropriate.	Core Assurance/Risk Assessment	Q2/3	15	Chief Fire Officer
Follow up & Contingency				
Follow up and Contingency	Internal audit standards requirement	Q1 - Q4	9	
Planning, Reporting and Added Value				
Planning, Management, Reporting & Meetings	Internal audit standards requirement	Q1 - Q4	8	
Added Value including Events and MIAA Insights programme				



Exclusion from the Internal Audit Plan 2026/27

Potential reviews identified as part of the MIAA risk assessment process

Recommended Review	Reason for non-inclusion in the plan
Incident Debrief/Learning	Other risk areas prioritised – to be considered as part of the 3 year Strategic Plan.
Station Management Framework	Equipment checks reviewed in 2025/26 – to be considered as part of the 3 year Strategic Plan

Risks in the Strategic Risk Register not covered by reviews in the plan

Strategic Risk Reference	Reason for non-inclusion in the plan
R10 Devolution	External risk – The OFPCC Team are engaging with Programme Boards to ensure the interests of the Constabulary and Fire Authority are fully represented.
R7 Fire Pensions Remedi	Managed by a third party.

Areas requested by Audit Committee members or officers which have not been included in the plan

Review Area	Reason for non-inclusion in the plan
None identified	Not applicable

The Internal Audit Risk assessment and plan will be reviewed on an ongoing basis throughout the year and any requests for change discussed and approved via the Audit Committee. A 6 month review of the plan will also take place.



Appendix A – 3 Year Strategic Internal Audit Plan

We have mapped your strategic objectives and strategic risks to the 3 Year Strategic Internal Audit Plan. This aligns to our overarching strategy referenced in Section 1.1, which has been reviewed as part of the risk assessment process to ensure that it remains focused on the organisation's key risks and challenges and adds value.

REF	Strategic Risk	Risk Score	2026/27	2027/28	2028/29
OPFCC Register					
R7	Fire Pensions Remedi	20			
R9	Development of the Estate	16	Cost Efficiencies/Savings Plan		Procurement
R10	Devolution	16			
CFRA Register					
R12	Fleet and Equipment	15		Fleet Management	
R13	Fire House	20			Procurement
R14	Foundation for Firefighting National Operational Guidance	15		Performance Management Incident Debrief/Learning	Station Management Framework
R17	Computer Aided Dispatch & Integrated Communications Control System Replacement	16	IT Asset Management		Cyber Security Procurement
R19	Cyber Security	25	IT Asset Management	Information Governance	Cyber Security
R20	Delivery of Change Programmes	20	Cost Efficiencies/Savings Plan		



Appendix B – Internal Audit Key Performance Indicators

An efficient and effective internal audit service is delivered in partnership. It is important that clear expectations are established and a range of KPIs are in place to support this. It is important that organisations ensure an effective Internal Audit Service. Whilst input and process measures offer some assurance, the focus should be on outcomes and impact from the service. Our annual Head of Internal Audit Opinion will provide you with a range of impact and effectiveness measures, as well as confirmation of our compliance with public sector internal audit standards and accreditations.

In addition, the following operational KPIs have been proposed for you.

Operational KPI	Target	Measurement and Frequency
Agreement of Annual Plan prior to the start of the year	100%	Annual (measured as per agreed Audit Committee date / Audit Committee Workplan)
Completion of annual plan within agreed timetable and budget	100%	Annual (measured through HOIA opinion) plus in year reporting to Audit Committee
Presentation of the Head of Internal Audit Opinion to the Audit Committee	100%	Annual (measured as per agreed Audit Committee date / Audit Committee Workplan)
Delivery of audit reports to audit committee as per the plan	100%	Quarterly (measured as per annual operational delivery plan)
Final audit report issued within 10 days of receiving management response	100%	Quarterly (measured as per MIAA's EWP system)
Final audit reports are agreed by the nominated Senior Leadership Executive, who will ensure consultation has taken place with relevant officers	100%	Quarterly (measured as per annual operational delivery plan)
Receipt of all internal audit reports in accordance with timelines for Audit Committee publication with completed cover sheets as required	100%	Quarterly (measured as per agreed Audit Committee dates)
Proportion or recommendations accepted by management	95%	Quarterly (measured as per MIAA's EWP system) – the target allows for advisory recommendations (we would expect 100% of high risk recommendations).
Monitor and Follow Up implementation of accepted recommendations by due date	95%	Quarterly (measured through follow up reports) - requires organisation and MIAA to deliver KPI
Issue of client satisfaction survey following completion of each review	100%	Quarterly (measured as per agreed Audit Committee dates)
Operation of systems to ISO Quality Standards and compliance with public sector internal audit standards.	100%	Quarterly (measured as per agreed Audit Committee dates)
Commitment to training and development of audit staff. Maintenance of 65% Qualified (CCAB, IIA etc) 35% Part Qualified	100%	Quarterly (measured as per agreed Audit Committee dates)

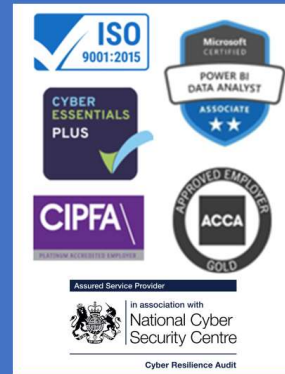
Global Internal Audit Standards in the UK Public Sector

This Plan is compliant with the requirements of the Global Internal Audit Standards as they apply in the UK Public Sector which came into effect on 1st April 2025.

Limitations

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.



Internal Audit Charter

Cumbria Fire and Rescue Service

Contents

- 1 Introduction & Background
- 2 Purpose, Mandate and Responsibility
- 3 Independence and Objectivity
- 4 Proficiency and Due Professional Care
- 5 Quality Assurance and Improvement Programme
- 6 Managing the Internal Audit Activity
- 7 Nature of Work
- 8 Engagement Planning
- 9 Performing the Engagement
- 10 Communicating Results
- 11 Monitoring Progress
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- 13 Definitions

1 Introduction

The Internal Audit Charter is mandated through Global Internal Audit Standards (UK public sector)¹ and is a formal document that defines the internal audit activity's purpose, mandate and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

This Charter complies with the Global Internal Audit Standards (UK public sector), CIPFA's *Code of Practice for the Governance of Internal Audit in UK Local Government* and MIAA confirms ongoing compliance with these standards and code.

2 Purpose, Mandate and Responsibility

Internal auditing is “an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes²”.

The Accounts and Audit Regulation 2015 sets out the mandate for internal audit in relevant authorities in England:

‘Internal Audit

5.(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risks management, control and

governance processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit –

a) make available such documents and records; and

b) supply such information and explanations;

as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic source.’

The Financial Management Code of Practice (Home Officer 2018) states:

The provision of assurance services is the primary role for internal audit in the public sector. This role requires the internal auditor to provide an independent opinion based on an objective assessment of the framework of governance, risk management and control. The main purpose of internal audit activity within the public sector is therefore to provide the Accountable or Accounting Officer with an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Director of Internal Audit's opinions is a key element of the framework of assurance that the Accountable or Accounting Officer needs to inform the completion of the Annual Governance Statement (AGS).

Internal audit also provides an independent and objective consultancy service which is advisory in nature, and generally performed at the specific request of the organisation. Such consultancy work is separate from but contributes to the opinion which internal audit provides on risk

¹ This consists of the Global Internal Audit Standards (GIAS) of the IIA and the Application Note: Global Internal Audit Standards in the UK public sector

² The Definition of Internal Auditing, The Institute of Internal Auditors, January 2024

management, control and governance. When performing consulting services, the internal auditor will maintain objectivity and not take on management responsibility.

The above functions drive MIAA's Mission 'To drive value and improve outcomes through excellence and professionalism'.

Assurance Reviews will provide individual audit opinions to support the annual Director of Internal Audit Opinion. Formal agreement will be sought for the provision of third party assurances to other bodies in respect of the services provided by the organisation.

In accordance with the organisation's Financial Regulations, Internal Auditors will (without necessarily giving prior notice) have access to all records (including those of a confidential nature) and employees of the organisation.

3 Independence and Objectivity

The internal audit activity must be independent, and internal auditors must be objective in performing their work. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Director of Internal Audit will have direct and unrestricted access to senior management and Joint Audit Committee.

The Director of Internal Audit will confirm to the Joint Audit Committee, at least annually, the organisational independence of the internal audit activity.

The Director of Internal Audit will report functionally to the Audit Committee and establish effective communication with, and have free and unfettered access to, the Chief Finance Officer and the Chair of the Joint Audit Committee. This will include communicating and interacting directly with the Joint Audit Committee.

Internal audit activity will be free from interference in determining the scope of internal auditing, performing work and communicating results. Internal auditors will have an impartial, unbiased attitude and avoid any conflict of interest. Conflicts of interest may arise where an auditor provides services other than internal audit to the organisation. Your MIAA Internal Audit Team does not currently provide other services to the organisation. If this changes steps will be taken to avoid or manage transparently and openly such conflicts of interest, so that there is no real or perceived threat or impairment to independence in performing the audit role. These steps will be documented in the charter where required.

All internal auditors will complete an annual declaration of interest identifying possible conflicts of interest and the actions taken to mitigate them. This process, and its outcomes, will be communicated to the Joint Audit Committee annually through the Director of Internal Audit Opinion and Annual Report.

MIAA will also periodically review the specific audit manager assigned to the organisation to ensure that both parties are satisfied that relationships remain independent and objective.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.

4 Proficiency and Due Professional Care

Engagements will be performed with proficiency and due professional care. Internal auditors will possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively will possess or obtain the knowledge, skills and other competencies needed to perform its responsibilities. The Director of Internal Audit is a CCAB qualified Accountant and is responsible for ensuring access to the full range of knowledge, skills,

qualifications and experience to meet the requirements of the internal audit standards. MIAA internal auditors will ensure Continuing Professional Development and compliance with professional standards.

Internal auditors will apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.

5 Quality Assurance and Improvement Programme

The Director of Audit will develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The quality assurance and improvement programme will include both internal and external assessments.

- Internal assessment will include;
- Ongoing monitoring of the performance of the internal audit activity; and
- Periodic self-assessments or assessment by other persons within the organisation with sufficient knowledge of internal audit practices.

External assessments will also be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organisation. The results of external quality reviews and any consequent improvement plans will to be reported to the Chief Executive and Joint Audit Committee.

6 Managing the Internal Audit Activity

The Director of Internal Audit will develop and maintain an Internal Audit strategy designed to meet the main purpose of the internal audit activity and its service provision needs. This strategy will advocate a systematic and prioritised review, outlining the resources and skills required to meet

the assurance needs of the Accountable/Accounting Officer and Joint Audit Committee. The strategy will take into account the relative risk maturity of the organisation, taking due regard of the assurance framework.

The Director of Internal Audit will establish risk based plans to determine the priorities of the internal audit activity consistent with the organisation's goals.

The Director of Internal Audit will include in the internal audit strategy the approach to using other sources of internal and external assurance. Periodic plans will include any work associated with placing reliance upon such work.

The Director of Internal Audit will agree the strategy and periodic plans with the Accountable/Accounting Officer and Joint Audit Committee.

The Director of Internal Audit will work with senior management and client staff who will support MIAA in the delivery of the audit plan.

Where the Director of Internal Audit believes that the level of agreed resources will prevent the Accountable/Accounting Officer being provided with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, the consequences will be brought to the attention of Joint Audit Committee.

The Director of Internal Audit will agree arrangements for interim reporting to the Accountable/Accounting Officer and Joint Audit Committee in the course of the year and produce an annual report that incorporates his opinion.

The Director of Internal Audit will provide to the Accountable/Accounting Officer an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, timed to support the Annual Governance Statement.

7 Nature of Work

The internal audit activity will evaluate and contribute to the improvement of governance, risk management and control processes (including value for money), using a systematic and disciplined approach.

The internal audit activity will also evaluate the potential for the occurrence of fraud and consider how the organisation manages fraud risk. CIPFA has issued a *Code of Practice on Managing the Risk of Fraud and Corruption*. While compliance with the code is voluntary, CIPFA strongly recommends that it is used as the basis for assessment of how an organisation manages its fraud risk. The Director of Internal Audit should be notified of all suspected or detected fraud, corruption or impropriety in order to inform the annual opinion and risk based plans.

The Director of Internal Audit will also liaise with the organisation's external auditors and other review bodies to facilitate the effective co-ordination of audit resources and assurances.

8 Engagement Planning

The Director of Internal Audit will establish a risk based Internal Audit Plan in conjunction with the client and with the agreement of the Joint Audit Committee. The plan will set out the priorities for internal audit activity, consistent with the organisation's goals and objectives.

Internal auditors will develop and document a terms of reference for each engagement, including the engagement's objectives, scope, timing and resource allocations, based on an evaluation of the nature and complexity of each engagement, time constraints and available resources. A work plan will be developed and documented that achieves the engagement objectives.

Internal audit will meet regularly with the external auditor to consult on audit plans and discuss matters of mutual interest.

9 Performing the Engagement

Internal audit will identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives. Internal auditors will base conclusions and engagement results on appropriate analyses and evaluations. Internal auditors will document relevant information to support the conclusions and engagement results.

Engagements will be properly supervised to ensure objectives are achieved, quality is assured and staff are developed.

10 Communicating Results

Internal auditors will communicate the engagement results with appropriate parties, including the engagement's objectives and scope, as well as applicable conclusions, recommendations and action plans.

Working with the organisation, the Director of Internal Audit will ensure that communications are accurate, objective, clear, concise, constructive, complete and timely.

The Director of internal Audit will deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement.

The annual internal audit opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report will incorporate;

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with the Global Internal Audit Standards (UK Public Sector), CIPFA's *Code of Practice for the*

Governance of Internal Audit in UK Local Government and the results of the quality assurance and improvement programme.

11 Monitoring Progress

The Director of Internal Audit will establish and maintain a follow-up process to monitor that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. This will be operated to support the organisation in ensuring the implementation of actions, and reporting progress to the Joint Audit Committee

12 Communicating the Acceptance of Risks

When the Director of Internal Audit believes that senior management has accepted a level of residual risk that may be unacceptable to the organisation, the Director of Internal Audit will discuss the matter with senior management. If the decision regarding residual risk is not resolved, the Director of Internal Audit will report the matter to the Joint Audit Committee for resolution.

Code of Ethics

MIAA will operate within the definition of internal auditing and the requirements of the Global Internal Audit Standards (UK Public Sector). This includes compliance with the Seven Principles of Public Life.

13 Definitions

Board	The Joint Management Board with overall responsibility for governance.
Accountable Officer	Officer responsible and accountable for funds entrusted to the organisation.

Joint Audit Committee	The committee with overall responsibility for advising those charged with governance on the establishment of an effective system of governance.
Director of Internal Audit	Acts as the Chief Audit Executive as the independent corporate executive with overall responsibility for internal audit.
Senior Management	The overall lead director agreed by the organisation for each audit engagement.

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Cumbria Commissioner Fire and Rescue Authority

Audit progress report and sector updates

25 March 2026

Agenda

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4	Audit deliverables	6
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Audit Progress Report

Introduction



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This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Joint Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



Hannah Foster

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Progress as at March 2026

Financial Statements Audit

Our audit of your financial statements for 2024/25 is now complete, and we issued a disclaimer of opinion on 25 February 2026.

In April 2026 we will commence our detailed audit risk assessment for 2025/26. We will issue a detailed audit plan, setting out our proposed approach to the audit of the 2025/26 financial statements to the Joint Audit Committee in June 2026. We will also agree our plans for buildback of assurance with management.

We will receive the draft financial statements in June 2026 with our audit work commencing mid June/start July.

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by 30 November 2026.

Value for Money

We brought our interim Auditor's Annual Report (AAR) to the Joint Audit Committee in September 2025. This report was finalised when we issued our opinion on the financial statements audit in February 2026.

Our initial risk assessment for the year ended 31 March 2026 has commenced and will build on our understanding of your arrangements, taking into account any findings from previous work on value for money.

We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to you.

We anticipate issuing our Auditor's Annual Report by November 2026.

Meetings

We met with Finance Officers in January as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We recently held a webinar for members of Audit Committees on 10th February 2026, to discuss best next steps to take "After the Backstop". A recording for the webinar can be found here: [After the Backstop | Grant Thornton](#)

We also recently held two Local Government Accounts webinars for preparers of accounts on 5th and 11th February 2026, where we discussed a range of topics for preparing the 2025/26 statements of account.

Audit Fees

PSAA published their scale fees for 2025/26: [Auditor-Directory-for-Website-2025-2026-as-at-11-02-2026.xlsx](#).

For CCFRA the fee is £114,710. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date*	Status
Audit Plan We are required to issue a detailed audit plan to the Joint Audit Committee setting out our proposed approach in order to give an opinion on the Authority's 2025/26 financial statements.	June 2026	Not due
Audit Findings Report The Audit Findings Report will be reported to the Joint Audit Committee.	November 2026	Not due
Auditor's Report This includes the opinion on your financial statements.	November 2026	Not due
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2026	Not due

Fire Sector Updates

Public services including Fire are changing. Deficiencies identified in building safety combined with tightening funding envelopes require a continuing drive to achieve greater efficiency in the delivery of public services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there continues to be a drive for greater collaboration between wider blue-light services.

Our sector update provides you with an up-to-date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, Fire authorities nationally and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

More information can be found on our dedicated public sector and fire sections on the Grant Thornton website by clicking on the logo below:



Grant Thornton Publications
Insights from sector specialists
Accounting and regulatory updates

HMICFRS - Evaluation of fire and rescue service inspections

The fire and rescue service (FRS) inspection programme is an assessment of the effectiveness, efficiency and people of the 44 FRSs in England. We have carried out FRS inspections since 2018.

From a total of three completed inspection cycles, this evaluation covers the second inspection cycle (2021-22). In this cycle, HMICFRS inspected the first 13 services remotely online. It inspected the remaining 31 services using a hybrid methodology, in person and online.

There were two broad questions that the evaluation aimed to answer:

Have the FRS inspections been implemented in the way intended?

What outcomes are being achieved as a result of the inspection activities?

This report describes the improvements we have made to the FRS inspection programme.

This report summarises the evaluation and the changes that HMICFRS made because of the findings.

The full report can be found [here](#).



HMICFRS - What's new in this fire and rescue service inspection cycle

The first reports from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' (HMICFRS) latest fire and rescue service (FRS) inspection programme will be published in March 2026. This cycle of inspections will run from 2025 until 2027.

The FRS programme runs on a two-year cycle – the time it takes to inspect each of the 44 fire and rescue services. HMICFRS uses a variety of methods to gather evidence throughout the inspection cycle. This helps make sure that the inspection programme reflects changes in fire and rescue, lessons learned from previous inspections and adapts to examine evolving challenges facing the sector.

The updated programme retains successful changes introduced in the previous cycle of inspections and also introduces new areas of focus, including:

Leadership

There will be a greater emphasis on leadership throughout fire and rescue services. This will include leadership at every level, not just chief officers.

Governance

Inspectors will assess Fire and Rescue Authorities' governance, oversight and scrutiny of their services. This includes examining how efficiently services manage projects, such as rebuilding or relocating fire stations.

Values, culture, and misconduct

There will be deeper scrutiny of values, culture and misconduct, building on the inspectorate's thematic work to examine how misconduct is identified and handled.

Resilience

Inspectors will also assess how well services are supporting community resilience, helping to make sure they are working effectively with local communities to prevent fires.

Roy Wilsher, His Majesty's Inspector of Fire & Rescue said:

“Our inspection programme must evolve to reflect the challenges facing fire and rescue services. The changes we have made for this cycle build on what we have learned from previous inspections and focus on the areas where we know improvement is most needed, including governance, leadership and community resilience.

“Our aim is to provide independent, evidence-based assessments that support services to improve and help keep the public safe.”



Wider Sector Updates

CIPFA Code changes to the accounting for non-investment assets

Changes introduced in the 2025/26 Code:

The 2025/26 CIPFA Code introduces substantial changes arising from the HM Treasury Thematic Review on Non-investment assets, and the requirement to keep the valuations of certain assets up to date:

- ❖ The introduction of a valuation expedient requiring valuations once every five years or on a five-year rolling basis, in each case supported by indexation in intervening years; and
- ❖ The Code requires the use of the best available indices and, where no index is available, a desktop valuation is undertaken in year three.

The following asset classes are affected by the change:

- ❖ Other land and buildings;
- ❖ Vehicles, plant, furniture and equipment (where carried at current value);
- ❖ Surplus assets; and
- ❖ Right of use assets measured at current value

Assets which are not in scope of the changes include council dwellings; vehicles; plant and equipment carried at depreciated historical cost as a proxy for current value; infrastructure; assets under construction; heritage assets; assets held for sale; intangible assets; and community assets carried at cost.

Why Indexation is important:

Indexation is a new requirement in the Code, intended to provide a reasonable estimate of how market values have changed, rather than an exact valuation. A range of indices are available, and authorities will need to exercise and be prepared to explain their judgements on which indices are the most appropriate to apply across their asset base. Authorities may apply indexation to 31st March 2025 carrying values, providing the assumption that existing carrying values are true and fair is valid. Where valuations are required, they must be undertaken at least once every five-years or when there are indicators of impairment.

Audit Committees can help by asking:

- ❖ Have we sought advice from an expert valuer on which indices are most appropriate for our various assets within scope of indexation?
- ❖ Have we documented our rationale regarding why we select/reject or deem there to be no indices?
- ❖ How has indexation been calculated/ applied in underlying records/ asset systems?
- ❖ Have we ensured that asset records distinguish between revaluation versus indexation, so that we have a clear record of when valuations are due and when valuations were last carried out?

Local Government Reorganisation and Devolution Update

Latest Developments:

- ❖ **11th January 2026:** Consultation closed for four Devolution Priority Programme areas undergoing unitarisation. Decisions are expected in March 2026.
- ❖ **20th January 2026:** The English Devolution and Community Empowerment Bill moved to Committee stage.
- ❖ **5th February 2026:** New consultations were launched on local government reorganisation proposals for another 14 different areas across England. The consultations will run for seven weeks until Thursday 26th March 2026 and can be found here: [Local government reorganisation: Policy and programme updates - GOV.UK](#).
- ❖ **12th February 2026:** All areas in England without devolution can propose foundation strategic authority boundaries by 20th March 2026. [Written statements - Written questions, answers and statements - UK Parliament](#)
- ❖ **12th February 2026:** Proposals for nine new foundation strategic authorities were announced at the same time as announcing new spatial development strategies [Areas for producing spatial development strategies - GOV.UK](#)
- ❖ **16th February 2026:** The Government confirmed that the local elections due in England on 7th May 2026 will go ahead for 30 councils where delays had previously been announced.

The [Institute for Government \(IFG\)](#) suggested in December 2025 that the government may have fundamentally misunderstood the scale of the local government reorganisation task it set itself.

For those trying to deliver the task, two sets of material from Grant Thornton may be useful:

- ❖ **March 2025 - [Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)**
- ❖ **March 2025 - [Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)**



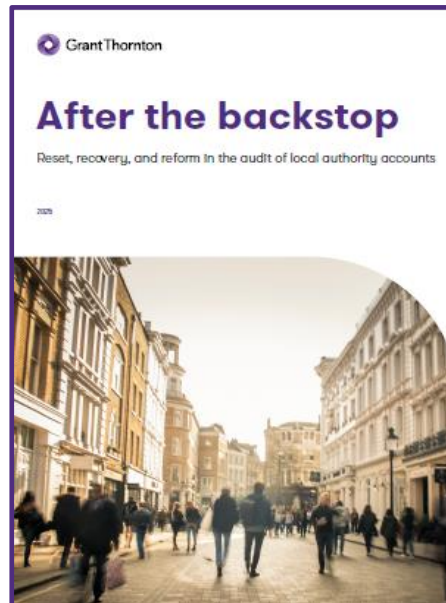
After the Backstop:

Reset, recovery and reform in the audit of local authority accounts

Our latest thought leadership report ‘After the Backstop: Reset, recovery and reform in the audit of local authority accounts’ was published in December 2025.

In this report we explored the development and implementation of a ‘reset’ of the local audit system, the immediate and longer-term consequences of the ‘backstop’ before turning attention to the reform of the system, the challenges involved in returning to widespread and sustainable compliance with audit reporting timeframes and what, in our view, is needed next. We also set out a series of recommendations for the Local Audit Office, the UK Government, local bodies, Audit Committees, and auditors.

The full report is available here: [Local audit reset: What comes after the backstop? | Grant Thornton](#)



Gareth Davies, Head of the National Audit Office, informed Parliament [in a keynote speech on 10th February 2026](#) that the use of disclaimed audit opinions to meet backstop dates, coming after years of backlogs in the accounts, means that *“we have no independent assurance about how local government spent billions of pounds of public money”*.

By coincidence, we were joined at a webinar by some 140 local government finance professionals and Audit Committee members on the same day to discuss reset, recovery and reform in the local audit market. Insight from the discussion can be found here: [After the Backstop | Grant Thornton](#).

Key recommendations to Audit Committees are:

- ❖ Recruit independent members with appropriate skills and experience.
- ❖ Hold management and auditors to account.
- ❖ Report to full Council on an annual basis with their assessment of the accounts preparation and audit process.
- ❖ Understand the approach to be taken to rebuilding audit assurance where previous accounts were disclaimed:
- ❖ Ensure appropriate consideration is given to future financial management where local government reorganisation applies.

Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-ias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

Appendix - Audit Timetable Letter

Letter regarding 2025-26 audit timelines



The Police, Fire and Crime Commissioner for Cumbria and Chief Fire Officer
Cumbria Commissioner Fire and Rescue Authority
Carleton Hall
Penrith
CA10 2AU

Grant Thornton UK LLP
Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

3 March 2026

Dear Mr Allen and Mr Hancock

Copied to: S151 Officer

Proposals for the annual accounts and external audit timeframes from 2026 onwards

Ahead of us starting our work on your 2025-26 Accounts, we wanted to send you a letter to set out our plans for your audit timelines over the course of the next two years and what we will need from you as an Authority as part of these plans.

As I am sure you are aware, 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 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027.

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.

To be able to achieve the targets for the next two financial years, as a firm we are looking to put things in place to enable us to achieve the end of November 2027 deadline. In order to help make this achievable, we are going to undertake a 'dry run' of finishing our work on the 2025-26 Accounts by the end of November 2026. We would note that the NAO has already set a requirement that our Value for Money (VFM) work is completed by 30 November each year which has been set to align with the upcoming 30 November accounts deadline.

One area which we see as crucial to supporting a November completion date is to make increased use of our planning and interim audit work. We are seeking to perform an enhanced interim audit involving early, advanced sample testing on a number of areas by the end of April 2026. We will be liaising with the finance team to support audit testing of transactions in the first nine to ten months of the financial year. This should reduce the level of detailed transactional testing from the year-end audit work in the Summer and Autumn.

We are aiming to start our work on your accounts from the end of June 2026, following receipt of the Authority's draft accounts. We are committed to working closely with finance colleagues from the commencement of our audit and throughout, with weekly meetings expected to take place to monitor progress and achievement against key milestones, through to November's Joint Audit Committee.

This plan should allow us as a firm to deliver all of our 2025-26 Local Government audits by the end of November 2026, which will then put us in a strong position ahead of the backstop formally moving to the end of November 2027. We appreciate this will require a change on how both sides will need to work to make this a reality, but we are committed to making this happen.

We will undertake early engagement with your finance team to clearly set out our expectations and what is needed to make a success of these plans. MHCLG have asked us as a firm to report by 31 July 2026, on a case by case basis, our assessment of the Authority's ability to both maintain and where necessary rebuild assurance. Having a clear and agreed project plan to complete all financial statements and VFM work by 30 November 2026 is a key part of this assurance.

If you have any queries or questions, then do not hesitate to let us know.

Yours sincerely

Elizabeth Luddington

Key Audit Partner & Engagement Lead for Cumbria Commissioner Fire and Rescue Authority



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Cumbria Commissioner Fire and Rescue Authority Joint Audit Committee

TITLE:	Cumbria Commissioner Fire and Rescue Authority (CCFRA): Borrowing, Treasury Management, Investment and MRP Strategies 2026/27 (including Prudential Indicators)
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DATE OF MEETING:	25 March 2026
REPORT OF:	The Chief Finance Officer
REPORT ITEM:	16

Executive Summary:

The Chartered Institute of Public Finance and Accountancy’s Code of Practice for Treasury Management in the Public Services (the CIPFA TM Code) and the Prudential Code require Local Authorities (including PFCCs) to determine the Treasury Management Strategy Statement (TMSS) on an annual basis.

The TMSS presented here complies with the latest code and accompanying guidance notes. The TMSS also incorporates the Investment Strategy.

This report proposes a strategy for the financial year 2026/27.

Treasury Management in Local Government continues to be a highly important activity. The Cumbria Commissioner Fire and Rescue Authority (CCFRA) adopts the CIPFA definition of Treasury Management which is as follows:

Treasury Management Definition

‘the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

Recommendations:

JAC 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.



Borrowing, Treasury Management, Investment, and MRP Strategies 2026/27 (Including Prudential Indicators)

Treasury Management Strategy Statement 2026/27

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Key Messages

Approval of an annual Treasury Management Strategy is a statutory requirement of the CCFRA.

This Strategy aims to provide the CCFRA with a low risk, yet suitably flexible, approach to Treasury Management.

General Principles

The Cumbria Commissioner Fire and Rescue Authority (CCFRA) is required to approve an annual Treasury Management Strategy Statement in accordance with the CIPFA Code of Practice on Treasury Management, which also incorporates an Investment Strategy as required by the Local Government Act 2003 and which is prepared in accordance with the Ministry of Housing, Communities and Local Government's Investment Guidance 2018 (MHCLG). Together, these cover the financing and investment strategy for the forthcoming financial year.

The Treasury Management Strategy has been prepared in line with the model guidance produced by Link Treasury Services Ltd, who provide specialist treasury management advice to the CCFRA. However, it should be noted that all treasury management decisions and activity are the responsibility of the CCFRA and any such references to the use of these advisors should be viewed in this context.

Treasury management activities involving, as they do, the investment of large sums of money and the generation of potentially significant interest earnings have inherent risks. The CCFRA regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks. The main risks to the CCFRA's treasury activities are outlined below:

- Credit and Counterparty Risk (security of investments)
- Liquidity Risk (inadequate cash resources)
- Market or Interest Rate Risk (fluctuations in interest rate levels)
- Re-financing Risks (impact of debt maturing in future years)
- Legal and Regulatory Risk
- Fraud, Error and Corruption Risk

Details of the control measures the CCFRA has put in place to manage these risks are contained within the separate Treasury Management Practices (TMPs).

Key Messages

The CCFRA's priority for investments will **always** be ranked in the order of:



General Principles (Continued)

The CCFRA acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management. However, the high profile near failure of major banks in 2008 highlighted that this objective must be sought within a context of effective management of counterparty risk. Accordingly, the CCFRA will continue to search for optimum returns on investments, but at all times the **security** of the sums invested will be paramount. This is a cornerstone of the CIPFA Code of Treasury Management Practice which emphasises “**Security, Liquidity, Yield** in order of importance at all times”. The security of the sums invested is managed by tight controls over the schedules of approved counterparties, which are continually reviewed to take account of changing circumstances, and by the setting of limits on individual and categories of investments as set out at **Appendix A**.

The strategy also takes into account the impact of treasury management activities on the CCFRA's revenue budget. Forecasts of cash balances, interest receipts and financing costs are regularly re-modelled. The revenue budget for 2026/27 and forecasts for future years have been updated in light of the latest available information as part of the financial planning process.

The guidance under which this strategy is put forward comes from a variety of different places. Principally, however, the requirement to produce an annual Treasury Management Strategy is set out in the CIPFA Code of Practice on Treasury Management published in 2011, 2017 and 2021. There is, in addition, a further requirement arising from the Local Government Act 2003 (Section 15) and the 2018 MHCLG Investment Guidance, to produce an investment strategy as part of the wider Treasury Strategy. This is set out below, starting at page 11. Finally, the CCFRA's current treasury advisors, Link Treasury Services Ltd, have provided some advice about possible future trends in interest rates and advice on best practice in relation to the format of the TMSS.

In accordance with The Code of Practice for Treasury Management, the CCFRA will approve the Annual TMSS, receive a quarterly summary of treasury activity, a mid-year update on the strategy and an annual report after the close of the financial year.

Key Messages

Scrutiny of the CCFRA's treasury activities is the responsibility of the Joint Audit Committee, including:

- Quarterly Reports
- Year End Report
- Treasury Risk Management
- Review of Assurances

As a minimum a rolling 12-month cash flow forecast is maintained and is audited as part of the statutory accounts to support the principle that the CCFRA is operating as a 'going concern'.

General Principles (Continued)

The Joint Audit Committee will be responsible for the scrutiny of treasury management policy and processes. The Joint Audit Committee terms of reference in relation to treasury management are:

- Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory.
- Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity.
- Review the treasury risk profile and adequacy of treasury risk management processes.
- Review assurances on Treasury Management (for example, an internal audit report, external or other reports).

The MHCLG Guidance on investments states that publication of strategies is now formally recommended, this document will be published on the CCFRA's website once approved.

The CCFRA complies with the provisions of section 32 of the Local Government Finance Act 1992 to set a balanced budget. This report fulfils the legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and MHCLG Guidance.

Treasury Management Cash Flow Forecast

Treasury Management activity is driven by the complex interaction of expenditure and income flows, but the core drivers within the CCFRA's balance sheet are the underlying need to borrow to finance its capital programme, as measured by the capital financing requirement (CFR), which is explored in detail on page 9 of this report, and the level of reserves and balances. In addition, day-to-day fluctuations in cash flows due to the timing of grant and council tax receipts and outgoing payments to employees and suppliers have an impact on treasury activities and accordingly are modelled in detail. The CCFRA's level of debt and investments is linked to the above elements, but market conditions, interest rate expectations and credit risk considerations all influence the CCFRA's strategy in determining exact borrowing and lending activity.

Key Messages

Investment returns and borrowing rates have peaked, they started to fall in 2024 and further rate cuts are expected through 2026. However, many factors can impact that forecast.

The CCFRA will need to borrow to fund the capital programme.

Treasury Management Cash Flow Forecast (continued)

The estimated treasury position at 31st March 2026 and for the following financial years are summarised below:

Estimated Treasury Position	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
External Borrowing	7.585	7.585	13.150	15.957	17.372	19.598
Interest Payments	0.195	0.195	0.315	0.492	0.578	0.607
Investments (Average)	18.312	20.225	16.000	16.000	16.000	16.000
Interest Receipts	-0.882	-0.820	-0.520	-0.520	-0.520	-0.520

The figures in the table above are based on the approval of the proposed revenue budget and capital programme presented to the Commissioner elsewhere on this agenda and are based on the interest rate assumptions as outlined on page 7 below. The estimate for interest receipts in 2026/27 is £520k (latest forecast for 2025/26 is £820k). Interest receipts are higher this year due to higher than anticipated average cash balances and higher interest rates for investments than forecast when the 2025/26 budget was set. The balances still include some of the 2024/25 pension grant received from the Home Office, relating to provision of funding for the Sargeant/Matthews pension remedy payments. The exact timing of future external borrowing is currently not known.

The CCFRA inherited a capital financing requirement in relation to historic assets bought by Cumbria County Council which reflects the underlying need to borrow. The Capital Financing Requirement (CFR) is estimated to be £24.885m at the start of the 2026/27 financial year. This includes £12.975m, which is the capital value of the PFI contract as required by changes to proper accounting practices introduced in The Code of Practice on Local Authority Accounting 2009. The capital programme indicates that the CCFRA will need to borrow to deliver the agreed capital programme.

Upon transfer from Cumbria County Council, on the 01 April 2023, the outstanding debt in relation to that capital financing requirement was a PWLB loan of £7.500m (£7.586m including outstanding interest at 31 March). That loan has an interest rate of 2.6% and will mature on the 22 October 2032.

Treasury Management Cash Flow Forecast (continued)

Cumbria County Council was part of the Northwest PFI project, which replaced sixteen fire stations across Merseyside, Lancashire and Cumbria. Cumbria acquired 5 new fire stations including its HQ at Penrith. The new CCFRA inherited the “debt” relating to those assets. The building programme started in April 2011, with the first station opening in 2012 and the last station opening in 2013.

The contract for building and running the new stations is with Balfour Beatty Fire and Rescue NW Limited. The contract runs for 25 years from completion and hand over of the last station and includes both the service and maintenance of the stations. The stations will be recognised on the Authority’s Balance Sheet from the initial handover date. The stations and any plant or equipment installed on them will be transferred to the Authority for nil consideration at the end of the contract.

Advice will continue to be sought from our treasury advisors as to the most opportune time and interest rate to undertake external borrowing.

Key Messages

Core CPI inflation remained high during 2025 (currently 3.2%), somewhat above the 2% target. Inflation is expected to fall to 2% by April 2026.

The Bank Rate is forecast to slowly reduce to 3.25% from 3.75% in 2026 .

Treasury Management Interest Rate Forecast

- GDP has posed tepid growth in 2025 (0.2% q/q for Q2 and 0.1% q/q for Q3). Inflation is currently falling (CPI 3.2%) and the November Budget placed more pressure on the majority of households' income. This provided an opportunity for the Bank of England's Monetary Policy Committee to reduce the Bank Rate from 4% to 3.75% on 18 December.
- UK CPI inflation fell to 3.2% in November. Both services and core inflation are currently at rates clearly above those with the 2.0% target (3.2% and 4.4%). The current shape of the yield curve suggests that bank rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.
- The MUFG Corporate Markets currently forecast a rate cut in Q2 2026 to 3.5%, this is likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April , followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4 .

The Monetary Policy Committee (MPC) has reduced the Bank Rate on 4 occasions over the past twelve months (February, May, August & December), taking rates to 3.75%. At the December meeting a 5-4 majority voted to cut rates to 3.75%. The Bank of England governor made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

Base Rate Estimates	2025/26	2026/27	2027/28	2028/29
Quarter 1	4.50%	3.75%	3.25%	3.25%
Quarter 2	4.00%	3.50%	3.25%	3.25%
Quarter 3	3.75%	3.50%	3.25%	3.25%
Quarter 4	3.75%	3.25%	3.25%	3.25%

Key Messages

The CCFRA has an increasing Capital Financing Requirement due to the capital programme, but has modest investments (after deducting the pension grant receipt), and will therefore likely need to borrow in the near future.

Borrowing Strategy

Long Term Borrowing

The CCFRA's underlying need to borrow for capital purposes is measured by reference to the Capital Financing Requirement (CFR), which is one of the Prudential Indicators and represents the cumulative capital expenditure of the CCFRA that has not been financed from other sources such as capital receipts, capital grants, revenue contributions or reserves. To ensure that this expenditure will ultimately be financed, authorities are required to make a provision from their revenue accounts each year for the repayment of debt. This sum known as the Minimum Revenue Provision (MRP) is intended to cover the principal repayments of any loan over the expected life of a capital asset. The CFR together with Usable Reserves, are the core drivers of CCFRA's Treasury Management activities.

Actual borrowing may be greater or less than the CFR, but in order to comply with the Prudential Code, the CCFRA must ensure that in the medium term, net debt will only be for capital purposes. Therefore, the CCFRA must ensure that except in the short term, net debt does not exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. In compliance with this requirement CCFRA does not currently intend to borrow in advance of spending need.

The table below shows the CCFRA's projected capital financing requirement for 2026/27 and beyond.

Capital Financing	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Balance B/fwd	24.302	23.092	24.885	27.545	29.726	30.462
Plus Capital Expenditure financed from borrowing	0.000	2.965	4.049	4.104	3.061	4.040
Less MRP for Debt Redemption	-1.210	-1.172	-1.389	-1.923	-2.325	-2.551
Balance C/Fwd	23.092	24.885	27.545	29.726	30.462	31.951

Details of the capital programme can be found within the CCFRA's budget papers, more specifically the Capital Investment Strategy.

Key Messages

Diversification of investments continues to provide a level of liquid cash that is suitable for the CCFRA's expenditure profile whilst total investment balances remain relatively modest. This will continue to be monitored as levels of investments fall and if necessary, a minimum level of liquid cash to be maintained will be set.

Short term borrowing from other Local Authorities may be needed in the future to manage short term cash flow shortfalls.

Borrowing Strategy (Continued)

The CCFRA inherited external borrowing of £7.586m from the former Cumbria County Council on 01/04/2023. Given that the CFR is forecast to be £27.545 by the end of 2026/27 this effectively means that the CCFRA will be funding over £15.148m of capital spend from internal resources (CFR £27.545m less £12.397m in relation to the PFI). Moving forward it is assumed currently that all capital expenditure will be funded by prudential borrowing. The scope for supporting capital expenditure through internal resources will be limited as the Authority begins life with a relatively low level of reserves/cash balances.

Medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity) and short-dated fixed LA to LA monies. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts. Consequently, undertaking long-term borrowing at this time is likely to fix higher costs into the revenue account and commit the Commissioner to costs for many years in the future. It is critical that a long-term view is taken regarding the timing of such transactions.

It should also be recognised that there is an exposure to interest rate risk at the point that actual borrowing is undertaken. Accordingly, the CCFRA, in conjunction with its treasury advisor, will continue to monitor market conditions and interest rate prospects on an ongoing basis, in the context of the CCFRA's capital expenditure plans, with a view to minimising borrowing costs over the medium to long term.

The CCFRA's is inheriting long-term borrowing from the PWLB (Public Works Loans Board) but other sources of finance are now available and will be investigated, such as local authority loans and bank loans, that may be available at more favorable rates.

Short Term Borrowing

Short term loans will be used to manage day to day movements in cash balances, or over a short-term period to enable aggregation of existing deposits into longer and more sustainable investment sums. Short term borrowing would probably be from another Local Authority.

Key Messages

The updated investment guidance emphasises “Security, Liquidity, Yield in order of importance at all times”.

The appropriate balance between risk and return is sought but with returns relatively low there is little to be gained from exposing the CCFRA to extra risk.

Investment Strategy

Local Authorities (which include the CCFRA) invest their money for three broad purposes:

- because they have surplus cash as a result of their day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
- to support local public services by lending to or buying shares in other organisations (service investments), and
- to earn investment income (known as commercial investments where this is the main purpose).

The Local Government Act 2003, Section 15(1) (a) requires the CCFRA to approve an investment strategy which must also meet the requirement in the statutory investment guidance issued by the DLUHC in January 2018. The CCFRA does not currently have, and does not intend to invest in, service investments or commercial investments so the detail below focuses on a Treasury Management Investment Strategy. The CIPFA Code requires funds to be invested prudently, and to have regard for:



The generation of yield is distinct from these prudential objectives. Once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities. The objective when investing surpluses is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the aim would be to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The treasury management investment strategy operates criteria based on credit ratings to determine the size and duration of investments it is willing to place with particular counterparties. The credit worthiness of counterparties is reviewed on an ongoing

basis in conjunction with the CCFRA's treasury advisors.

Key Messages

In accordance with guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the CCFRA applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

The key ratings used to monitor counterparties are the Long Term ratings.

Investment Strategy (Continued)

The CCFRA holds balances of invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2025/26, the investment balance has ranged between £11.512m and £27.327m. The larger sum was due to the receipt in July 2025 of £4.352m pension top up grant from the Home Office, which is drawn down steadily over the remainder of the year. The balance at the start of the year was higher than normal due to a one-off grant paid in 2024/25 for Sargeant/ Matthews pension remedy payments. Payments were made to Fire Officers during 2024/25, the remaining balances in 2025/26 are slowly reducing, as further pension remedy payments are made.

Credit Rating - Investment decisions are made by reference to the lowest published long-term credit rating from credit agencies such as, Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. In addition to credit ratings, the CCFRA and its advisors, select countries and financial institutions after analysis and ongoing monitoring of:

- Economic fundamentals (e.g., net debt as a % of GDP)
- Credit default swap prices (a CDS is a financial derivative or contract that allows an investor to "swap" or offset credit risk with that of another investor)
- Sovereign support mechanisms
- Share prices
- Corporate developments, news, articles, market sentiment and momentum
- Subjective overlay – or, put more simply, common sense.

The decision to enter into an approved class of investment is delegated to the CCFRA Chief Finance Officer. The strategy allows for investments in pooled funds such as money market funds, ultra-short dated bond funds, short dated bond funds or property funds. The use of bond funds/property funds would further diversify the CCFRA's portfolio, provide a longer-term investment and potentially increase yield. However, given current economic volatility it is unlikely that they will be pursued.

A full explanation of each class of asset is provided in **Appendix A** together with a schedule of the limits that will be applied.

Key Messages

The PFCC Chief Finance Officer (subject with consultation with the CCFRA) will be granted delegated authority to amend or extend the list of approved counterparties should market conditions allow.

No plans to use derivatives – this would require explicit approval.

Investment Strategy (Continued)

The Treasury Management Strategy is designed to be a dynamic framework which is responsive to prevailing conditions with the aim of safeguarding the CCFRA's resources. Accordingly, the CCFRA and its advisors will continuously monitor corporate developments and market sentiment with regards to counterparties and will amend the approved counterparty list and lending criteria where necessary. Whilst credit ratings are central to the counterparty risk evaluation process, other factors such as the prevailing economic climate are taken into consideration when determining investment strategy. It is proposed that the CCFRA Chief Finance Officer, subject to consultation with the CCFRA, be granted delegated authority to amend or extend the list of approved counterparties should market conditions allow.

The Joint Audit Committee will be updated on any changes to policy. The performance of the CCFRA's treasury advisors and quality of advice provided is evaluated prior to the triennial renewal of the contract. Meetings with the advisors to discuss treasury management issues are held on a regular basis.

The use of Financial Instruments for the Management of Risks

Currently, Local Authorities (including the CCFRA) legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the localism act is not sufficiently explicit.

In the absence of any explicit legal power to do so, the CCFRA has no plans to use derivatives during 2026/27. Should this position change, the CCFRA may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require explicit approval. A derivative is a financial security with a value that is reliant upon or derived from, an underlying asset or group of assets. The derivative itself is a contract between two or more parties, and the derivative derives its price from fluctuations in the underlying asset.

Liquidity of investments

The investment strategy must lay down the principles which are to be used in determining the amount of funds which can prudently be committed for more than one year i.e. what MHCLG defines as a long-term investment.

Key Messages

The cash flow forecast is maintained for a minimum rolling 12 months. This allows assessment of the ability to invest longer term and identifies areas where short term borrowing may be required.

Investment Strategy (Continued)

The CCFRA Chief Finance Officer will maintain a cash flow forecast to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the CCFRA being forced to borrow on unfavourable terms to meet its financial commitments. For the CCFRA, the total of investments over one year in duration are limited to £1m with a maximum duration of three years. This policy balances the desire to maximise investment returns, with the need to maintain the liquidity of funds.

Under current market conditions there is still little opportunity to generate significant additional investment income by investing in longer time periods over one year. However, as always, investment plans should be flexible enough to respond to changing market conditions during the year. The estimate of investment income for 2026/27 amounts to £520K (£820K 2025/26) and investment performance will be reported regularly to the CCFRA and will be provided to members of the Joint Audit Committee as background information to provide guidance and support when undertaking scrutiny of Treasury Management procedures.

Key Messages

The 'Treasury Management Practices' statement is updated for each year, scrutinised by the Joint Audit Committee and published on the CCFRA's website alongside this strategy.

Treasury Risk and Treasury Management Practices

The CCFRA's approach to risk is to seek optimum returns on invested sums, taking into account at all times the paramount security of the investment. The CIPFA Code of Practice and Treasury Management Practices sets out in some detail defined treasury risks and how those risks are managed on a day to day basis. The CIPFA Code of Practice on Treasury Management recommends the adoption of detailed Treasury Management Practices (TMPs). As outlined above, the Treasury Management Code and Prudential Code were updated and additional guidance notes have now been received. The TMP's have been updated. The guidance from CIPFA recommends that TMPs should cover the following areas:

- Risk Management
- Performance Management
- Decision Making and Analysis
- Approved Instruments
- Organisation, Segregation of Duties and Dealing Arrangements
- Reporting and Management Information Requirements
- Budgeting, Accounting and Audit
- Cash and Cash Flow Management
- Money Laundering
- Training and Qualifications
- Use of External Service Providers
- Corporate Governance

Treasury Management is a specialised and potentially risky activity, which is currently managed on a day-to-day basis by the Financial Services Team under authorisation from the CCFRA Chief Finance Officer as part of a shared service arrangement for the provision of financial services. The training needs of treasury management staff to ensure that they have appropriate skills and expertise to effectively undertake treasury management responsibilities is addressed on an ongoing basis. Specific guidance on the content of TMPs is contained within CIPFA's revised code of Practice for Treasury Management. Accordingly, the TMPs have been reviewed in detail and where necessary amendments have been made to bring the TMPs into line with The Code.

The CCFRA inherited £7.5m of external debt from the former County Council.

Treasury Management Prudential Indicators

The key objectives of The Code are to ensure, within a clear framework, that Capital investment plans are affordable, prudent and sustainable (or to highlight, in exceptional cases, that there is a danger this will not be achieved so that the Commissioner can take remedial action). To demonstrate that Authorities have fulfilled these objectives, the Prudential Code sets out the Indicators that must be used. The indicators required by The Code are designed purely to support local decision making and are specifically not designed to represent comparative performance indicators.

The treasury management Indicators are not targets to be aimed at but are instead limits within which the treasury management policies of the CCFRA are deemed prudent. These cover three aspects:

1. Maturity Structure of Borrowing

It is recommended that upper and lower limits for the maturity structure of borrowings are calculated as follows:

Period of Maturity	Upper Limit %	Lower Limit %
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10years	100%	0%
10 years and above	100%	0%

This indicator is primarily applicable to organisations, which have undertaken significant levels of borrowing to finance their capital programmes in which case it is prudent to spread the profile of repayments to safeguard against fluctuations of interest payments arising from having to refinance a large proportion of the debt portfolio at any point in time. The CCFRA inherited £7.586m of external PWLB debt on 01/04/23 with less than 10 years to maturity and as such has a requirement to apply limits to the maturity profile of existing debt. The maturity date of this loan is October 2032.

Key Messages

Compliance with the indicators will be presented to the CCFRA and the Joint Audit Committee in the quarterly Treasury Activities report.

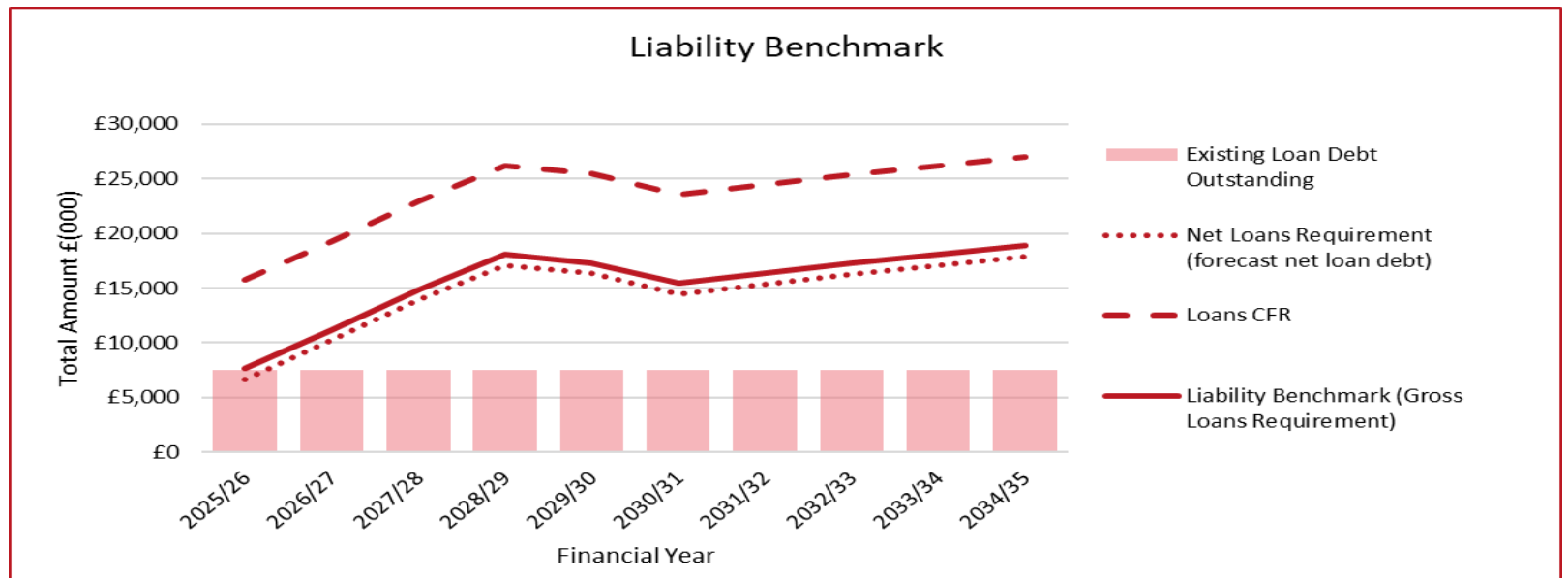
2. Principal sums invested for periods longer than a year

The purpose of this indicator is to contain the CCFRA's exposure to the possibility of loss that might arise as a result of having to borrow short term at higher rates or losses by seeking early repayment of its investments.

Price Risk Indicator	2025/26	2026/27	2027/28	2028/29
Limit on principal invested beyond one year	£1m	£1m	£1m	£1m

3. Liability Benchmark

The 2021 code requires Authorities to define their own 'Liability Benchmark' which looks at the net management of the CCFRA's overall treasury position. The aim of the indicator is to support in the management of treasury risks, namely refinancing risk, interest rate and credit risk. It does this through profiling the borrowing portfolio close to the plotted liability benchmark position.



Prudential Indicators, other than those using actual expenditure taken from audited statements of accounts must be set prior to the commencement of the financial year to which they relate. Indicators may be revised at any time, and must, in any case, be revised for the year of account when preparing indicators for the following year. The CCFRA Chief Finance Officer has a prescribed responsibility under The Code to ensure that relevant procedures exist for monitoring and reporting of performance against the indicators. The Prudential Indicators when initially set and whenever revised, must be approved by the body which approves the budget, i.e. The Commissioner in the role of CCFRA.

Other Prudential Indicators 2026/27

As per the 2021 CIPFA Prudential Code for Capital Finance and the accompanying guidance notes the CCFRA is required to produce a number of indicators to assist understanding and to evaluate the prudence and affordability of the capital expenditure plans and the borrowing and investment activities undertaken in support of this.

Capital Expenditure and Capital Financing

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on council tax.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Capital Expenditure	Actual £m	Forecast £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital Expenditure	2.131	3.965	4.049	4.104	3.061	4.040

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Capital Financing	Actual £m	Forecast £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital Receipts	0.218	0.000	0.000	0.000	0.000	0.000
Government Grants	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Contributions	1.913	1.000	0.000	0.000	0.000	0.000
Total Financing	2.131	1.000	0.000	0.000	0.000	0.000
Borrowing	0.000	2.965	4.049	4.104	3.061	4.040
Total Funding	0.000	2.965	4.049	4.104	3.061	4.040
Total Financing and Funding	2.131	3.965	4.049	4.104	3.061	4.040

Key Messages

Capital Finance Requirement – ‘The mortgage you are yet to take’.

Minimum Revenue Provision – ‘Annual Mortgage repayments (excluding interest)’.

The Authorised Limit is a statutory limit (Local Government Act 2003) above which the CCFRA has no authority to borrow.

Other Prudential Indicators 2026/27 (Continued)

Capital Financing Requirement

The Capital Financing Requirement (CFR) shows the difference between the capital expenditure and the revenue or capital resources set aside to finance that spend. The CFR will increase where capital expenditure takes place and will reduce with the Minimum Revenue Provision (MRP) made each year from the revenue budgets.

Capital Financing	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Balance B/fwd	24.302	23.092	24.885	27.545	29.726	30.462
Plus Capital Expenditure financed from borrowing	0.000	2.965	4.049	4.104	3.061	4.040
Less MRP for Debt Redemption	-1.210	-1.172	-1.389	-1.923	-2.325	-2.551
Balance C/Fwd	23.092	24.885	27.545	29.726	30.462	31.951

Authorised Limit

This represents a control on the maximum level of external debt. Whilst not desired it could be afforded by the authority in the short term but is not sustainable in the longer term. The Authorised Limit gauges events that may occur over and above those transactions which have been included in the Operational Boundary. The Authorised Limit must not be breached.

Authorised Limit for External Debt	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
External Borrowing	11.583	17.148	19.955	21.370	23.596
Other Long Term Liabilities	12.975	12.397	11.771	11.092	10.355
Total Authorised Limit	24.558	29.545	31.726	32.462	33.951

Key Messages

The Operational Boundary limit is not an absolute limit of external debt and may be exceeded temporarily.

The CCFRA inherited £7.500m of external PWLB borrowing from the former Cumbria County Council on 01/04/23.

Other Prudential Indicators 2026/27 (Continued)

Operational Boundary

The Operational Boundary is a limit beyond which external debt is not normally expected to exceed. This limit is not an absolute limit but it reflects the expectations of the level at which external debt is not normally expected to exceed.

Occasionally, the Operational Boundary may be exceeded (but still not breach the Authorised Limit) following variations in cash flow. Such an occurrence would follow controlled treasury management action and may not have a significant impact on the prudential indicators when viewed all together. Consistent with the Authorised Limit, the PFCC Chief Financial Officer has delegated authority, within the total Operational Boundary, to effect movement between the separately identified and agreed figures for External Borrowing and Other Long-term Liabilities. Any such changes will be reported to the CCFRA and the Joint Audit Committee meeting following the change.

Operational Boundary for External Debt	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
External Borrowing	10.583	16.148	18.955	20.370	22.596
Other Long Term Liabilities	12.975	12.397	11.771	11.092	10.355
Total Operational Boundary	23.558	28.545	30.726	31.462	32.951

Actual External Debt

The CCFRA's actual external debt as at 31 March 2026 will be £7.585m (including accrued interest) along with other long-term liabilities of £12.975m in relation to the PFI. In constructing this strategy, a prudent approach has been taken. In practice it is likely that some internal resources will be available to support a strategic approach to the timings and interest rate structure of future borrowing.

	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Gross External Debt 31 March	7.585	7.585	13.150	15.957	17.372	19.598

Other Prudential Indicators 2026/27 (Continued)

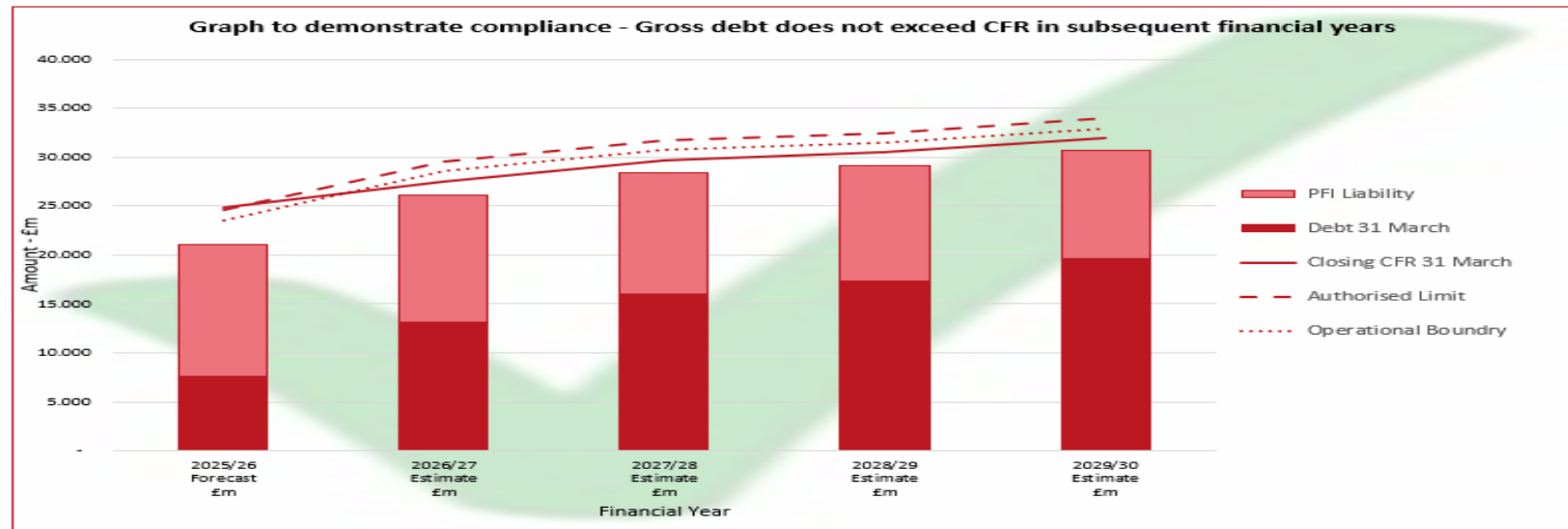
Gross Debt and the Capital Financing Requirement

The CCFRA should only borrow to support a capital purpose, and borrowing should not be undertaken for revenue or speculative purposes. Gross debt, except in the short term, should not exceed CFR in the preceding year plus the estimates for CFR for the three subsequent years.

	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Closing CFR 31 March	23.092	24.885	27.545	29.726	30.462	31.951
Gross External Debt 31 March	7.585	7.585	13.150	15.957	17.372	19.598

For the purposes of this strategy, it has been assumed that the CCFRA will borrow to the capital financing requirement. In practice the Authority may have some reserves and internal resources available to support the approach to capital funding.

Using the figures from the above stated indicators the graph below demonstrates compliance as gross debt remains below CFR, authorised and operational limits for all years presented:



Other Prudential Indicators 2026/27 (Continued)

Ratio of financing costs

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

Financing Costs include the amount of interest payable in respect of borrowing or other long-term liabilities and the amount the CCFRA is required to set aside to repay debt, less interest and investments income. The CCFRA's financing costs can be both positive and negative dependent on the relative level of interest receipts and payments.

The actual Net Revenue Stream is the 'amount to be met from Non-specific government grants and local taxation' taken from the annual Statement of Accounts, budget, budget proposal and medium-term financial forecast. These figures are purely indicative and are in no way meant to indicate planned increases in funding from Council Tax.

Ratio of Financing Costs to Net Revenue Stream (Non PFI)	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Investment income	-0.660	-0.820	-0.520	-0.520	-0.520	-0.520
MRP	0.670	0.638	0.811	1.297	1.646	1.814
Interest	0.195	0.195	0.315	0.492	0.578	0.607
Financing Costs	0.205	0.013	0.606	1.269	1.704	1.901
Net Revenue Stream	27.825	31.381	31.979	32.811	33.433	34.632
Ratio	0.74%	0.04%	1.89%	3.87%	5.10%	5.49%

Key Messages

The broad aim of the Minimum Revenue Provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

In relation to the CCFRA this would normally be over 60 years for buildings, 15 years for vehicles and an appropriate life for other assets.

Calculation will be based on option 3.

The CCFRA is also permitted to make additional voluntary payments if required (voluntary revenue provision VRP) although there are no plans to make any in the medium-term forecasts.

Annual MRP Statement for 2026/27

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on authorities to make a prudent provision for debt redemption, this is known as the Minimum Revenue Provision (MRP). The Local Government Act 2003 requires the Authority to “have regard” to The Ministry of Housing, Communities and Local Government’s Guidance on Minimum Revenue Provision most recently issued in 2018. This sum known as the MRP is intended to cover the principal repayments of any loan over the expected life of a capital asset.

The Ministry of Housing, Communities and Local Government’s Guidance recommends that before the start of the financial year, the CCFRA approves a statement of MRP policy for the forthcoming financial year. This is now by agreement encompassed within the TMSS. The broad aim of the policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure, which gave rise to the debt, provides benefits.

The four options available for calculating MRP are set out below:

- Option 1 – Regulatory Method based on 4% of the CFR after technical adjustments.
- Option 2 – CFR Method, based on 4% of the CFR with no technical adjustments.
- Option 3 – Asset Life Method, spread over the life of the asset being financed.
- Option 4 – Depreciation Method, based on the period over which the asset being financed is depreciated.

It is proposed that CCFRA’s MRP policy utilises option 3. The Authority will have no pre 2008/09 borrowing. This policy establishes a link between the period over which the MRP is charged and the life of the asset for which borrowing has been undertaken. MRP in respect of PFI and leases brought on to the balance sheet under the 2009 accounting requirements will match the annual principal repayment for the associated deferred liability. This will not result in an additional charge to the CCFRA’s revenue budget as this is part of the capital repayment element of the PFI unitary charge. Although it is permitted to make overpayments of MRP no such overpayments are planned for 2026/27.

Key Messages

A new International Financial Reporting Standard 16 (IFRS16) was implemented in the 2024/25 financial year, introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is low value. This has resulted in an increase to the Capital Financing Requirement, external debt (other long-term liabilities), the Authorised Limit and the Operational Boundary, allowing for those leases, which were previously off-balance sheet, being brought onto the balance sheet. The related assets and liabilities have been brought onto the balance sheet increasing long-term liabilities, and as a result has increased the debt liability, this will reduce with annual MRP charges.

Creditworthiness Policy

The lending criteria set is designed to ensure that, in accordance with The Code of Practice, the security of the funds invested is more important than maximising the return on investments. Following consultation with the Commissioner's treasury advisors there are no amendments to the criteria used in determining approved investment counterparties for 2026/27 compared to those in operation for 2025/26.

The criteria for approving investment counterparties have been devised, grouped, graded and investment limits attached as detailed in Schedule A below. The individual, group and category limits are based on a percentage of the potential maximum sums available for investment during the year of up to £20m. The counterparty limits, for banks and Local Authorities, for 2026/27 have been increased from £1m to £2m to allow for increasing cashflow balances and permit flexibility within investments. The methodology used in applying the matrix for the placement of investments has been fully aligned with MUFG Treasury Services methodology. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

1. "watches" and "outlooks" from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Commissioner to determine the suggested duration for investments. The CCFRA will, therefore, use counterparties within the following durational bands;

- Yellow 5 years *
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour - not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the CCFRA uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

UK Government is considered the safest place to invest as it has never defaulted and therefore minimum credit ratings do not apply. All investments are Sterling; therefore, the Commissioner is not exposed to any foreign exchange / currency risk. The CCFRA has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA.

All credit ratings are monitored on an ongoing basis in conjunction with the Commissioner's treasury management advisors, Link Treasury Services Ltd, who provide timely updates and advice on the standing of counterparties. The CCFRA is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service. Whilst credit ratings are central to the counterparty risk evaluation process, other factors such as the prevailing economic climate are taken into consideration when determining investment strategy and at the time when individual investment decisions are made. If this ongoing monitoring results in a significant change to counterparty selection during the year, the CCFRA and the Joint Audit Committee will be advised through the quarterly activities report.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively by Link. Extreme market movements may result in the downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, the CCFRA will also use market data and market information, as well as information on any external support for banks to help its decision-making process.

Schedule A – Counterparty Groupings and Associated Limits

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

Category	Colour (and long-term rating where applicable)	Money limit	Transaction limit	Time limit
Banks *	Yellow	£10m	£2m	3yrs
UK Banks	Purple		£2m	2yrs
UK Banks	Orange		£2m	1yr
UK Banks – part nationalised	Blue		£2m	1yr
UK Banks	Red		£2m	6mths
UK Banks	Green		£2m	100 days
UK Banks	No Colour	Not to be used	0	0
Non-UK Bank**	Orange/Blue/Purple	£3m	£1m	1yr
Non-UK Bank**	Red	£3m	£1m	6mths
Commissioner's banker (where "No Colour")	No Colour	£1m	£1m	1 day
DMADF	UK sovereign rating	unlimited	unlimited	6 months
Local authorities	n/a	unlimited	£2m	1yr
Housing associations	Colour bands	£2m	£2m	As per colour band
Category	Fund rating***	Money limit	Transaction limit	Time limit
Money Market Funds CNAV	AAA	£10m	£2m	liquid
Money Market Funds LVNAV	AAA	£10m	£2m	liquid
Money Market Funds VNAV	AAA	£10m	£2m	liquid

* The yellow colour category is for UK Government, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.

** Non-Uk Bank (£3m) is within the total category limit of £10m for all banks.

*** Please note: "fund" ratings are different to individual counterparty ratings; Pooled funds are in essence the same as AAA money market funds but they require 3 days' notice for the return of our funds. This slight reduction in cash flow is rewarded by a slightly increased interest rate. Link Treasury Services Ltd suggest that these funds are used for longer term investments and the ordinary money market funds to manage cash flow

Creditworthiness.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Commissioner will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the CCFRA has access to this information via its Link-provided Passport portal.

Limits

Due care will be taken to consider the exposure of the CCFRA's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. Non-specified treasury management investment limit. The CCFRA has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being a total of £1m in the treasury management investment portfolio.
- b. Country limit. The CCFRA has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA from Fitch.
- c. No more than £3 Million (15% at full capacity) will be placed with any non-UK country at any time;
- d. Sector limits will be monitored regularly for appropriateness.
- e. Whilst these limits also apply to the CCFRA's own bankers in the ordinary course of business if that bank's lowest rating falls below 'A-' balances will be maintained for operational purposes only and minimised on a daily basis. A non-investment limit of £1m will apply in such circumstances.



Cumbria Commissioner Fire and Rescue Authority

Joint Audit Committee

TITLE:	Treasury Management Activities 2025/26 Quarter 3 (October to December 2025)
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DATE OF MEETING:	25 March 2026
REPORT OF:	Chief Finance Officer
REPORT AGENDA ITEM:	17

Executive Summary:
 The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period October to December 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:
 The Joint Audit Committee is **RECOMMENDED** to:

- note the contents of this report.

Report Tracking:	
Executive Board - Fire	02 March 2026
Joint Audit Committee	25 March 2026
Choose an item.	Click or tap to enter a date.

1.0 Introduction/Background



Cash flow Balances

Quarter 3 average daily balance -
£18.819m

Investment balance @ 31/12/25
£15.412 (down 25% on 30/09/25
balance - 20.512m)

Investment Strategy

Category	Category Limit (£m)	Investments at 31 Dec (£m)	Compliance with Limit
1 - Banks Unsecured	10	3.042	Yes
2 - Banks Secured	5	0.000	Yes
3 - Government (inc LA)	no limit	5.350	Yes
4 - Registered Providers	2	0.000	Yes
5 - Pooled Funds	10	7.020	Yes
Total		15.412	

There have been no breaches in the approved limits to report during the reporting period.



Investment Interest Forecast

Base Budget - £413k

Current Estimate - £812k

Performance Indicators

Quarter 3	Number of Days	Average Balance £000	Largest Balance £000
Days In Credit	92	33	268
Days Overdrawn	0	0	0

Average interest rate earned – 3.97%

Average bank base rate – 3.97%

(Current bank base rate – 3.75%)

Treasury and Prudential Indicators

During the period 01 October 2025 and 31 December 2025, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

Compliance with the prudential and treasury indicators are shown on page 4.



Borrowing Strategy

The capital programme in 2025/26 includes an expectation of borrowing requirement. No external borrowing is expected for 2025/26 due to high cash balances, but this is kept under constant review.

2.0 Economic Outlook and Treasury position for the quarter ended 31 December 2025

Base Rate Estimates	2025/26	2026/27	2027/28
	%	%	%
Quarter 1	4.25	3.75	3.25
Quarter 2	4.00	3.50	3.25
Quarter 3	4.00	3.50	3.25
Quarter 4	3.75	3.25	3.25

2.1 The third quarter of 2025/26 saw:

- A -0.1% month on month change in real GDP in October, leaving the economy no bigger than at the start of April.
- CPI inflation fall sharply from 3.6% to 3.2% in November, with core CPI inflation easing to 3.2%.
- The Bank of England cut interest rates from 4.00% to 3.75% in December, after holding in November.

2.2 CPI inflation fell sharply in November, easing from 3.6% in October to 3.2%. This was the third consecutive softer-than-expected inflation outturn and suggests that disinflation is well underway. There was a widespread easing in price pressures with inflation slowing in 10 of the 12 main categories. Core inflation fell from 3.4% to 3.2% and services inflation dipped from 4.5% to 4.4%. However, a great deal will depend on the adjustments to regulated and indexed prices scheduled for next April. Capital Economics forecast CPI inflation to drop from 3.2% in March 2026 to 2.0% in April, thereby leaving inflation on track to settle at the 2.0% target, or below, by the end of 2026.

2.3 There have been six Monetary Policy Committee meetings held between April and December 2025, with 3 rate cuts of 0.25% each in May, August and December. At the December meeting, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% quarter on quarter to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

2.4 The Commissioner's treasury advisor, MUFG Corporate Markets, latest forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is gathered, and then a further rate cut to 3.25% in Q4.

3.0 Borrowing position for the quarter ended 31 December 2025

3.1 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.

4.0 Investments in place on 30 June 2025

4.1 CCFRRA is holding higher balances than normal due to the Fire Pensions AME grant received in July 2024. This grant was significantly higher than previous years due to additional pension remedy compensation, these funds have not been fully drawn upon yet. At the end of December funds invested were £15.412m, the breakdown is: 45% held in money markets funds, 35% in DMO deposits 13% in bank deposits and 7% in call accounts.

Category/Institution	Credit Rating	Investment Date	Investment Matures	Rate (%)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)					
NatWest (Liquidity Select Acc)	A+		On Demand		42,000
MUFG TREASURY - SMBC BANK	A+	22-Oct-25	22-Jan-26	4.00%	1,000,000
MUFG Treasury - Standard Chartered	A+	30-Sep-25	23-Jan-26	4.02%	1,000,000
Lloyds Bank Corporate Markets Plc	AA-	01-Apr-25	30-Mar-26	3.51%	1,000,000
					3,042,000
Category 3 - Government (Includes HM Treasury and Other Local Authorities)					
Debt Management Office	Gov	10-Oct-25	23-Jan-26	3.97%	1,750,000
Debt Management Office	Gov	12-Dec-25	20-Feb-26	3.76%	1,000,000
Debt Management Office	Gov	14-Nov-25	27-Feb-26	3.84%	1,600,000
Debt Management Office	Gov	12-Dec-25	20-Mar-26	3.75%	1,000,000
					5,350,000
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)					
Aberdeen Standard	AAA	Various	On Demand	4.040%	2,000,000
BlackRock	AAA	Various	On Demand	3.940%	70,000
Fidelity Institutional	AAA	Various	On Demand	4.030%	2,000,000
Goldman Sacs Asset Management	AAA	Various	On Demand	3.950%	950,000
Invesco AIM	AAA	Various	On Demand	4.020%	2,000,000
					7,020,000
Total					15,412,000

5.0 Conclusion

5.1 This report outlines Treasury Management Activities for the third quarter of 2025/26

6.0 Recommendations

6.1 The Joint Audit Committee is **RECOMMENDED** to:

- note the contents of this report.

Treasury and Prudential Indicators 2025/26 at 31 December 2025

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
The Authorised Limit <i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the Local Government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	YES		Ratio of Financing Costs to Net Revenue Stream <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 capital expenditure funded by revenue within planned limits	YES	
The Operational Boundary <i>The operational boundary represents and estimate of the most likely but not worst 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		Net Borrowing and the Capital Financing Requirement <i>This indicator is to ensure that net borrowing will only be for capital purposes. The 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	
Actual External Debt <i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i>	TEST - Is the external debt within the Authorised limit and operational boundary	YES		Capital Expenditure and Capital financing <i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2025/26.</i>	TEST - Is the current capital outturn within planned limits	YES	
Gross and Net Debt <i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	TEST - Is the CCFRA planning to borrow in advance of need	NO		Capital Financing Requirement <i>The CFR is a measure of the extent to which the 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 requirement within planned limits	YES	
Maturity Structure of Borrowing <i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the CCFRA have large amounts of fixed rate debt requiring repayment at any one time	NO					
Upper Limit for total principal sums invested for over 365 Days <i>The purpose of this indicator is to ensure that the 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 within the approved limit	YES					

Annual Work Programme - Assurance Format 2026/27

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.1) Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	June (Community Scrutiny Panel Annual Report)	COMMUNITY SCRUTINY PANEL GOVERNANCE: To receive an annual report from the Chair of the Community Scrutiny Panel, advising the Committee of the work of the Panel over the previous year and matters pertaining to governance in respect of the arrangements for ethics and integrity.
Note - Underlined governance documents are scheduled for review in 2026/27	November: (All governance reviews excluding ethics and integrity)	ANNUAL REVIEW OF GOVERNANCE: To review the OPFCC and Constabulary arrangements for governance; cyclical review over a three years covering: <ul style="list-style-type: none"> ▪ <u>Role of the Chief Finance Officer: triennial review (November 2027)</u> ▪ <u>Financial Regulations & Financial Rules: triennial review (November 2027)</u> ▪ <u>PFCC Grant Regulations: triennial review (November 2026)</u> ▪ <u>Scheme of Delegation/Consent PFCC and Constabulary: annual review (March 2027)</u> ▪ <u>Joint Procurement Regulations: triennial review (November 2028)</u> ▪ <u>Risk Management Strategy: triennial review PFCC/Police (March 2029)</u> ▪ <u>Joint Audit Committee Terms of Reference & Role Profiles: triennial review (November 2027)</u>
	March: Risk Management Strategies, Scheme of Delegation/Consent	<ul style="list-style-type: none"> ▪ <u>Arrangements for Anti-Fraud and Corruption /whistleblowing PFCC and Constabulary: biennial review (November 2028)</u>
2.2) Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement	June	ANNUAL GOVERNANCE STATEMENT <ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the PFCC CFO on the effectiveness of the PFCC and Chief Constable's arrangements for Governance. ▪ Codes of Corporate Governance: To consider the PFCC and Constabulary Codes of Corporate Governance ▪ Annual Governance Statements: To consider the PFCC and Constabulary Annual Governance Statements for the financial year and to the date of this meeting.
	November	ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statements for the PFCC and Constabulary.
Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		

2.3) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements	Every meeting	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee <i>(NB audit work in compliance with PSIAS will cover a specific control objective on 'value: the effectiveness and efficiency of operations and programmes'. Specific audit recommendations will be categorised within audit reports under this heading.)</i>
	March	To receive an annual report on Value for Money within the Constabulary.
	September	AUDIT FINDINGS REPORT: To receive from the external auditors the Annual Audit Findings Report incorporating the External Auditor's Value for Money Conclusion.
2.4) Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPFCC and Constabulary	March	ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference.
	September	FRAMEWORK OF ASSURANCE: STATEMENT OF ACCOUNTS: To receive a report from the PFCC CFO in respect of the PFCC and Constabulary framework of assurance.
2.5) Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Police, Fire and Crime Commissioner and the Chief Constable in addressing risk-related issues reported to them	March	RISK MANAGEMENT STRATEGY: To provide the cyclical (3yr) review of the PFCC and Constabulary Risk Management Strategies. (NB. Next due in March 2026)
	June	RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management.
	September & March meetings	STRATEGIC RISK REGISTER: To consider the OPFCC and Constabulary strategic risk register as part of the Risk Management Strategy.
2.6) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Every meeting	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations.
Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control (Continued)		
2.7) Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources	November – cyclically when updated	ARRANGEMENTS FOR ANTI-FRAUD AND CORRUPTION: To receive the PFCC and Constabulary strategy, policy and fraud response plan.
	June	ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption.
2.8) To review the governance and assurance arrangements for significant partnerships or collaborations.	Ad-hoc	To receive reports on proposed governance arrangements when significant new partnerships or collaborations are entered into.
Terms of Reference: Internal Audit		
3.1) Annually review the internal audit charter and resources	March	INTERNAL AUDIT CHARTER: To receive a copy of the internal audit charter from the Internal Auditors.

3.2) Review the internal audit plan and any proposed revisions to the internal audit plan	March/Ad-hoc	PROPOSED INTERNAL AUDIT PLAN: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions.
3.3) Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence in relation to the separate legal entities of the OPFCC, Constabulary and CCFRA.	March	QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	June	EFFECTIVENESS OF INTERNAL AUDIT: To receive a report from the Constabulary Chief Finance Officer in respect of the effectiveness of internal audit.
	Every meeting	INTERNAL AUDIT PERFORMANCE: To receive from the Internal Auditors quarterly reports on the performance of the service against a framework of performance indicators (<i>provided within the internal audit progress reports and annual report.</i>)
	June	PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors
3.4) Consider the Director of Internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.	June	INTERNAL AUDIT –ANNUAL REPORT: To receive the Director of Internal Audit's Annual Report including the Annual Audit Opinion and details of compliance with PSIAS and LGAN.
	Every meeting	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan.
Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Internal Audit (Continued)		
3.5) To consider the Director of Internal Audit's statement of the level of conformance with the Public Sector Audit Standards (PSIAS) and Local Government Application Note (LGAN) and the result of the Quality Assurance and Improvement Programme (QAIP) that support that statement - these will indicate the reliability of the conclusions of internal audit.	March	QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	June	INTERNAL AUDIT –ANNUAL REPORT: To receive the Director of Internal Audit's Annual Report including the Annual Audit Opinion and details of compliance with PSIAS and LGAN.
3.6) Consider summaries of internal audit reports and such detailed reports as the Committee may request from the Police, Fire and Crime Commissioner and the Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions	Every meeting	INTERNAL AUDIT REPORTS: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
3.7) Consider a report on the effectiveness of internal audit to support the Annual Governance Statement	June	EFFECTIVENESS OF INTERNAL AUDIT: To consider a report of the Constabulary Chief Finance Officer reviewing the effectiveness of Internal Audit.

3.8) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Director of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.	June	INTERNAL AUDIT –ANNUAL REPORT: To receive the Director of Internal Audit’s Annual Report including relevant disclosures regarding impairments to independence or objectivity arising from additional roles or responsibilities outside internal auditing of the Director of Internal Audit.
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Terms of Reference	Meeting	Work Programme Assurance Activity
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Terms of Reference: External Audit/External Inspection		
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4.1) Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised either by Public Sector Audit Appointments (PSAA) or the auditor panel as appropriate.	September	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor’s Value for Money Conclusion. This also includes a statement with regard to Independence.
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4.2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money	March	EXTERNAL AUDIT PLAN: To receive from the external auditors the Annual External Audit Plan
	March	EXTERNAL AUDIT FEES: To receive a verbal update around the proposed PSAA scale charge for external audit fees.

4.3) Consider the external auditor’s annual management letter, relevant reports and the report to those charged with governance	November/Ad-hoc	ANNUAL AUDIT LETTER: To receive from the External Auditors the Annual Audit Letter and reports
	March	EXTERNAL AUDIT PLAN UPDATE: To receive from the external auditors an update report in respect of progress on the external audit plan

4.4) Consider specific reports as agreed with the external auditors/specific inspection reports e.g. HMICFRS, relevant to the Committee’s terms of reference	Every meeting	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, HMICFRS/INSPECTION: To consider any other reports falling within the remit of the Committee’s terms of reference
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4.5) Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies and relevant bodies	September	PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors
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Terms of Reference	Meeting	Work Programme Assurance Activity
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Terms of Reference: Financial Reporting		
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5.1) Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be	June (Draft Accounts) & September (Audited Accounts)	ASSURANCE FRAMEWORK: STATEMENT OF ACCOUNTS: To receive a report from the PFCC CFO in respect of the PFCC’s framework of assurance; To receive a report from the Constabulary CFO in respect of the CC’s framework of assurance.
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the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable	June (Draft Accounts) & September (Audited Accounts)	ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner, Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts.
5.2) Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements	September and November (final report)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion.
Terms of Reference: Accountability Arrangements		
6.1) On a timely basis report to the Commissioner, Chief Constable and the Chief Fire Officer with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
6.2) Report to the Commissioner, Chief Constable and Chief Finance Officer on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Accountability Arrangements		
6.3) Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the Commissioner, the Chief Constable and CCFRA.	June	JAC Review of Effectiveness (biennial activity cycle): - To receive a report reviewing the effectiveness of the committee against the CIPFA framework as a contribution to the overall effectiveness of arrangements for governance (Odd years) - To conduct a 360' review of committee effectiveness (private meeting between members, DCC, CE & PFCC CFO and CC CFO) (Even Years)
	September	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in June).

6.4) Publish an annual report on the work of the committee.	September	JAC Annual Report: To publish the annual report of the committee (following approval at the September meeting.).
Terms of Reference: Treasury Management		
7.1) Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory	March	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices for the PFCC/Constabulary.
7.3) Review the Treasury risk profile and adequacy of treasury risk management processes		
7.2) Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity	Every meeting	TREASURY MANAGEMENT ANNUAL REPORT/ACTIVITIES: To receive for information the treasury management annual report and an update on Treasury Management Activity for the PFCC/Constabulary.
	March	TREASURY MANAGEMENT ADVISORS: To receive briefings/training from the Commissioner's Treasury Management advisors.
7.4) Review assurances on Treasury Management (for example, an internal audit report, external or other reports).	Every meeting (where applicable)	INTERNAL AUDIT REPORTS: To receive reports from Internal Audit Unit in respect of specific audits conducted since the last meeting of the Committee

Governance Documents - Cyclical Review Over 3 Years

Documents	Review Cycle	Lead Officer	November 2025	November 2026	November 2027	November 2028	November 2029
OPFCC Role of the Chief Finance Officer	triennial	PFCC / Fire CFO Steven Tickner	✗	✗	✓	✗	✗
Joint Procurement Regulations	triennial	PFCC / Fire CFO Steven Tickner	✓	✗	✗	✓	✗
OPFCC Arrangements for Anti-fraud & Corruption/Whistleblowing	triennial	Chief Executive, Gill Shearer	✓	✗	✗	✓	✗
Financial Regulations	triennial	PFCC CFO Steven Tickner	✗	✗	✓	✗	✗
OPFCC Grant Regulations & Procedures	triennial	Chief Executive, Gill Shearer	✗	✓	✗	✗	✓
Constabulary Role of the Chief Finance Officer	triennial	Constabulary CFO Michelle Bellis	✗	✗	✓	✗	✗
Constabulary Arrangements for Anti-fraud & Corruption/Whistleblowing	triennial	Head of Professional Standards Simon Gray	✓	✗	✗	✓	✗
Joint Audit Committee Terms of Reference and Role Profiles	triennial	Constabulary CFO Michelle Bellis	✗	✗	✓	✗	✗
Documents	Review Cycle	Lead Officer	March 2026	March 2027	March 2028	March 2029	March 2030
OPFCC Risk Management Strategy	triennial	Accountability Manager, Stephanie Stables	✓	✗	✗	✓	✗
OPFCC Scheme of Delegation/Consent	annual	Chief Executive, Gill Shearer and/or Accountability Manager, Stephanie Stables	✗	✓	✗	✗	✓
Constabulary Risk Management Strategy	triennial	Constabulary Chief Finance Officer Michelle Bellis	✓	✗	✗	✓	✗
Constabulary Scheme of Delegation	annual	Constabulary Chief Finance Officer Michelle Bellis and/or Director of Legal Services - Andrew Dobson	✗	✓	✗	✗	✓

Area	Wednesday 24 June 2026	Wednesday 23 September 2026	Wednesday 25 November 2026	Wednesday 24 March 2027
Private Meetings & Development Sessions	<p>PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors. (MIAA)</p> <p>DEVELOPMENT SESSION: Police Specific</p>	<p>PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors. (GT)</p> <p>DEVELOPMENT SESSION: Fire Specific</p>	<p>PRIVATE DEVELOPMENT SESSION: 1) TBC</p>	<p>PRIVATE DEVELOPMENT SESSIONS: MARCH 2027 1) Treasury Advisor, to provide an update on Treasury Management developments (CC CFO). (Before JAC Meeting) 2) Medium Term Financial Forecast, capital strategy, capital programme, futures programme & value for money (CCFRA CFO & CC CFO)</p>
Regular Reports				
Corporate Update	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (OPFCC, CE and CCFRA CFO)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (OPFCC, CE and CCFRA CFO)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (OPFCC, CE and CCFRA CFO)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (OPFCC, CE and CCFRA CFO)
Internal Audit	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan (MIAA): a) Cumbria Fire and Rescue Service	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan (MIAA): a) Cumbria Fire and Rescue Service	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan (MIAA): a) Cumbria Fire and Rescue Service	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan (MIAA): a) Cumbria Fire and Rescue Service
Internal Audit	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee (MIAA): a) Cumbria Fire and Rescue Service	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee (MIAA): a) Cumbria Fire and Rescue Service	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee (MIAA): a) Cumbria Fire and Rescue Service	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee (MIAA): a) Cumbria Fire and Rescue Service
Internal Audit	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations (MIAA): a) Cumbria Fire and Rescue Service	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations (MIAA): a) Cumbria Fire and Rescue Service	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations (MIAA): a) Cumbria Fire and Rescue Service	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations (MIAA): a) Cumbria Fire and Rescue Service
Internal Audit	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit’s Annual Report including the Annual Audit Opinion (MIAA): a) Cumbria Fire and Rescue Service			PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To include the arrangements for quality assurance and improvement. To also include the internal audit charter. (MIAA):
External Audit	EXTERNAL AUDIT FEES: To receive a verbal update around the proposed PSAA scale charge for external audit fees. (GT/Finance)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements. (GT)	ANNUAL AUDIT REPORT: To receive from the External Auditors the Annual Audit Report incorporating the External Auditor’s Value for Money Conclusion.(GT).	EXTERNAL AUDIT PLAN: To receive from the external auditors the Joint Annual External Audit Plan. (GT)
External Audit				EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. (GT)
Area	Wednesday 24 June 2026	Wednesday 23 September 2026	Wednesday 25 November 2026	Wednesday 24 March 2027

Regular Reports (continued)				
Risk Management		STRATEGIC RISK REGISTER: To consider the strategic risk registers as part of the Risk Management Strategy: a) Cumbria Fire and Rescue Service (DCFO)		STRATEGIC RISK REGISTER: To consider the strategic risk registers as part of the Risk Management Strategy: a) Cumbria Fire and Rescue Service (DCFO)
Risk Management	RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding CFRS to account for Risk Management. (CCFRA CFO)			RISK MANAGEMENT STRATEGY: To provide the triennial review of the Risk Management Strategies: a) Cumbria Fire & Rescue Service (CFO) (next due 2029)
Cyclical/Annual Reports				
Treasury Management Strategy				TREASURY MANAGEMENT STRATEGY STATEMENT AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices. (CCFRA CFO)
TM Activities	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report (CCFRA CFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 1 (CCFRA CFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 2 (CCFRA CFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 3 (CCFRA CFO)
Governance	ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report on activity in line with the arrangements for anti-fraud and corruption. (CCFRA CE)		ANNUAL REVIEW OF GOVERNANCE: To review the CCFRA arrangements for governance; cyclical review over three years. Some documents reported in November, some in March (see Appendix C). (Relevant Chief Officers).	ANNUAL REVIEW OF GOVERNANCE: To review the CCFRA arrangements for governance; cyclical review over three years. Some documents reported in November, some in March (see Appendix C). (Relevant Chief Officers).
Governance	COMMUNITY SCRUTINY PANEL GOVERNANCE: To receive an annual report from the chair of the Community Scrutiny Panel (CE).	PFCC ANNUAL REPORT To receive a copy of the PFCCs annual report. (CE)		VALUE FOR MONEY: To receive an annual report on Value for Money within the Constabulary. (CCFRA CFO)
Governance	EFFECTIVENESS OF AUDIT: To receive a report from the CCFRA CFO in respect of the effectiveness of arrangements for audit. (CCFRA CFO)			
JAC	JOINT AUDIT COMMITTEE - REVIEW OF EFFECTIVENESS (biennial Activity): To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. (CCFRA CFO) - Odd Years	JAC ANNUAL REPORT: To receive the annual report of the joint audit committee following the committee's review of effectiveness. (CCFRA CFO)		JAC ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference. (CCFRA CFO)

	Wednesday 24 June 2026	Wednesday 23 September 2026	Wednesday 25 November 2026	Wednesday 24 March 2027
Cyclical/Annual Reports (continued)				
Annual Governance Statement	<p>ANNUAL GOVERNANCE STATEMENT</p> <ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report on the effectiveness of the CCFRA arrangements for Governance. (CCFRA CFO) ▪ Code of Corporate Governance: To consider the Codes of Corporate Governance. <ul style="list-style-type: none"> a) Cumbria Fire and Rescue Service (CCFRA CFO) ▪ Annual Governance Statement: To consider the Annual Governance Statements for the financial year and to the date of this meeting: <ul style="list-style-type: none"> a) Cumbria Fire and Rescue Service (CCFRA CFO) 		<p>ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statements:</p> <ul style="list-style-type: none"> a) Cumbria Fire and Rescue Service (CCFRA CFO) 	
Statement of Accounts	<p>ANNUAL STATEMENT OF ACCOUNTS: To receive the un-audited Statement of Accounts and consider a copy of a summarised non-statutory version of the accounts:</p> <ul style="list-style-type: none"> a) Cumbria Fire and Rescue Service (CCFRA CFO) 	<p>ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts and consider a copy of a summarised non-statutory version of the accounts:</p> <ul style="list-style-type: none"> a) Cumbria Fire and Rescue Service (CCFRA CFO) 		
Statement of Accounts	<p>INFORMING THE AUDIT RISK ASSESSMENT / STATUTORY ENQUIRIES OF MANAGEMENT: To receive a report from the CCFRA CFO in respect of the responses to the informing the audit risk assessment statutory enquires of management. (CCFRA CFO)</p>	<p>ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS: To receive a report from the PFCC CFO in respect of the CFRS framework of assurance. (CCFRA CFO)</p>		
Ad Hoc Reports				
Other Ad-hoc	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, INSPECTION: To consider any other reports falling within the remit of the Committee’s terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, INSPECTION: To consider any other reports falling within the remit of the Committee’s terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, INSPECTION: To consider any other reports falling within the remit of the Committee’s terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, INSPECTION: To consider any other reports falling within the remit of the Committee’s terms of reference</p>

Governance Documents - Cyclical Review Over 3 Years

Documents	Review Cycle	Lead Officer	March 2026	March 2027	March 2028	March 2029	March 2030
CFRS Risk Management Strategy	triennial	Head of Improvement and Planning Mark Clement	✓	✗	✗	✓	✗
CFRS Joint Corporate Governance Framework (Scheme of Delegation/Consent)	annual	OPFCC Chief Executive, Gill Shearer and Chief Fire Officer, Paul Hancock	✓	✓	✓	✓	✓
			November 2026	November 2027	November 2028	November 2029	November 2030
CCFRA Role of the Chief Finance Officer	triennial	OPFCC/ Fire CFO, Steven Tickner	✗	✓	✗	✗	✓
Joint Procurement Regulations	triennial	PFCC / Fire CFO Steven Tickner	✗	✗	✓	✗	✗
CFRS Arrangements for Anti-fraud & Corruption/Whistleblowing	triennial	Chief Fire Officer, Paul Hancock and/or Safety and Assurance Manager, Mark Clement	✗	✗	✓	✗	✗
Financial Regulations	triennial	PFCC / Fire CFO Steven Tickner	✗	✓	✗	✗	✓
CFRS Joint Financial Regulations (Grant Regulations & Procedures)	triennial	Chief Fire Officer, Paul Hancock	✓	✗	✗	✓	✗
Joint Audit Committee Terms of Reference and Role Profiles	triennial	CCFRA CFO Steven Tickner and Michelle Bellis	✗	✓	✗	✗	✓