

Royal Berkshire Fire Authority

Auditor's Annual Report for the
year ended 31 March 2024

14 February 2025



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Royal Berkshire Fire Authority ("the Authority") during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the Value for Money (VfM) arrangements.

The Authority is responsible for Royal Berkshire Fire and Rescue Service ("RBFRS"). All Fire and Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Authority's responsibilities are set out in Appendix A.

Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements, as part of their annual governance statement.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for money

We report our judgements on whether the Authority has proper arrangements in place regarding arrangements under the three specified criteria:

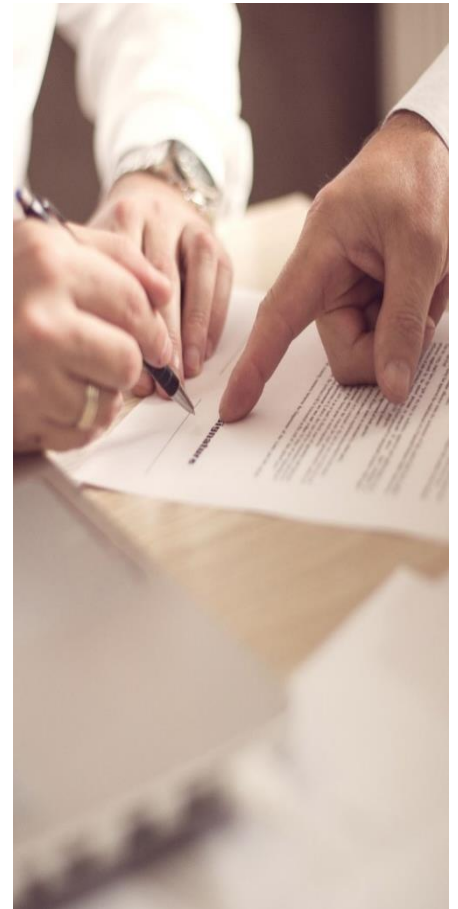
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 9 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year (30 November) and for the audited body to publish the Report thereafter. This new requirements will be introduced from November 2025. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible and are bringing forward our 2024 reporting in advance of the Code change. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 21.



Financial sustainability

The Authority has approved a balanced revenue budget for 2024/25 and a balanced Medium Term Financial Plan ("MTFP") covering the four years to 2027/28. Budget gaps have been identified in the financial plan for 2025/26 and 2026/27 and the Authority plans to mitigate these through efficiency plan savings, although these are yet to be fully identified. The MTFP approved by the Authority in February 2024 forecasts that the Authority's general reserves will be maintained at £2.298 million over the next four years, between 4.7% to 5.0% of the forecast net revenue requirement. In addition, the Authority plans to maintain a budget contingency reserve of £1.45 million to alleviate any short-term budgetary pressures.

Based on our areas of focus and evidence considered, we have not identified evidence of significant weakness within the arrangements in place, but we have identified opportunities for improvements in arrangements to secure financial sustainability. As such, we have raised two improvement recommendations.



Governance

The Authority takes assurance from risk management processes, the effectiveness of internal controls, decision making processes, arrangements to ensure appropriate standards are met and arrangements to prevent and detect fraud.

Based on our areas of focus and evidence considered, we have not identified evidence of significant weaknesses within the arrangements in place, but we have identified opportunities for improvements in governance arrangements. As such, we have raised three improvement recommendations.



Improving economy, efficiency and effectiveness

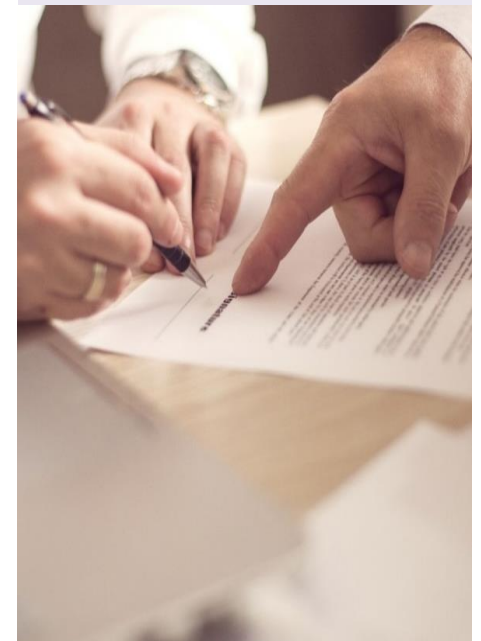
The Authority regularly receives information on the Fire & Rescue Service's ("FRS's") performance against the targets set out in the Annual Plan which supports the Community Risk Management Plan 2023-2027. This includes progress in implementation of an action plan developed following an HMICFRS inspection report in 2022 which found that the FRS was "good" in all aspects inspected, but did identify some areas for improvement. The Authority has a well-established shared control room in collaboration with Oxfordshire and Buckinghamshire FRSs

Based on our areas of focus and evidence considered, we have not identified evidence of significant weaknesses within the arrangements in place, but we have identified opportunities for improvements in arrangements to ensure the Authority manages improving economy, efficiency and effectiveness. As such, we have raised five improvement recommendations.



Our audit of your financial statements is complete. Our Audit Findings Report sets out the key findings, against the risks identified in the Audit Plan. The Audit Findings also gives an update on the impact of the statutory backstop on our Audit Report.

Our findings are set out in further detail on page 8.



Executive summary (continued)

Overall summary of our Value for Money assessment of the Authority’s arrangements

Auditors are required to report their commentary on the Authority’s arrangements under specified criteria and 2023/24 is the fourth year that these arrangement have been in place. Your previous external auditor is yet to issue the Auditor’s Annual Reports for 2021/22 or 2022/23. Therefore, we have had to produce commentary without knowledge of the outcome of the Value for Money work for prior audit periods. We will be mindful of any findings from your previous external auditor once they report and may need to revisit our interim findings as a result.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

| Criteria | 2022/23 Auditor judgement on arrangements | 2023/24 Risk assessment | 2023/24 Auditor judgement on arrangements |
|---|---|--|---|
| Financial sustainability | No prior year judgement yet available. | No risks of significant weakness identified. | A No significant weaknesses in arrangements identified, but two improvement recommendations have been made to support the Authority in continuing to improve its arrangements. More detail is provided in the detailed findings section of this report, starting on page 12. |
| Governance | No prior year judgement yet available. | No risks of significant weakness identified. | A No significant weaknesses in arrangements identified, but three improvement recommendations have been made to support the Authority in continuing to improve its arrangements. More detail is provided in the detailed findings section of this report, starting on page 15. |
| Improving economy, efficiency and effectiveness | No prior year judgement yet available. | No risks of significant weakness identified. | A No significant weaknesses in arrangements identified, but three improvement recommendations have been made to support the Authority in continuing to improve its arrangements. More detail is provided in the detailed findings section of this report, starting on page 18. |

| | |
|---|---|
| G | No significant weaknesses in arrangements identified or improvement recommendation made. |
| A | No significant weaknesses in arrangements identified, but improvement recommendations made. |
| R | Significant weaknesses in arrangements identified and key recommendations made. |

Opinion on the financial statements and use of auditor's powers



Opinion on the financial statements



Audit opinion on the financial statements

Our financial statements audit is complete. Our work has been focused on in year transactions and 31 March 2024 balances. The prior year audit was subject to a disclaimed opinion under backstop legislation. This means that we had no assurance over the opening balances and the prior year comparators included in the Authority's financial statements. We have therefore issued a disclaimed opinion for 2023/24 regarding this matter. We have also included a qualification in respect of building revaluations as at 31 March 2024.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Authority provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

We experienced some delays receiving audit evidence and transactional information which is reflected in the findings in our Audit Findings Report.

We have identified a number of adjustments and issues that have been discussed with management.

We issued our audit report on 14 February 2025. Our audit report was disclaimed on the basis of opening balances (no assurance on opening balances) and included a qualification in respect of building revaluations as at 31 March 2024.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. We issued a final Audit Findings Report on completion of our financial statements audit on 14 February 2024.

Use of auditor's powers

We bring the following matters to your attention:

2023/24

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

Value for Money Commentary on arrangements



The current landscape

It is within this context that we set out our commentary on the Authority's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



National context

The Fire and Rescue sector in England remains challenged. In recent years, generationally significant levels of inflation have put pressure on revenue and capital expenditure, whilst demand for services has remained high with the sector seeing increasing demand stemming from emergencies relating to climate change. At the same time, uncertainty over funding levels following a series of single year funding settlement announcements from central government has impacted Fire and Rescue Services' ability to plan for the future.

In 2022, a Fire Reform White Paper was published which introduced the possibility of changes to governance arrangements in the Fire and Rescue sector. In 2023, the Minimum Service Levels Act was introduced, which has significant implications for the workforce of Fire and Rescue Services.

Following a change of government in July 2024, the content and timing of future changes to government policy relating to the Fire and Rescue sector, including the potential reversal of the Minimum Service Levels Act, are at present uncertain.



Local context

Royal Berkshire Fire Authority ("the Authority") is responsible for Royal Berkshire Fire and Rescue Service ("RBFRS"), which serves a population of almost one million residents over an area of 488 square miles. The Authority operates under a Combined Fire and Rescue Authority model, made up of 20 elected Members from the six Unitary Authorities in Berkshire (Bracknell Forest, Slough Borough, Reading Borough, the Royal Borough of Windsor and Maidenhead, West Berkshire and Wokingham). Authority Members direct the purpose, objectives, priorities and values of the Authority and are responsible for the provision of an effective and efficient Fire and Rescue Service for Berkshire. RBFRS is led by the Chief Fire Officer, who is responsible for leading the service, providing direction and improvement as well as advising Authority Members to support informed decision making.

The Authority established a Community Risk Management Plan for the four years from 2023 to 2027. The plan sets out the vision, strategic commitments and priorities of the Authority and explains how RBFRS identifies and manages risks and hazards through its Integrated Service Delivery Strategy.



Financial sustainability



We considered how the audited body:

Commentary on arrangements

Assessment

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

The Authority has an approved budget in place for 2024/25 which forms part of the refreshed Medium Term Financial Plan ("MTFP") covering the four years to 2027/28. The Authority recorded a small underspend of £0.1 million of the £41.975 million revenue budget in 2023/24. This compares favourably to the revenue outturn in 2022/23 when there was an overspend of £0.8 million, 2% of the revenue budget. The Authority plans to balance its revenue budget in 2024/25 by making £0.565 million of efficiency savings.

The MTFP approved by the Authority in February 2024 forecasts that the Authority's general reserves (held for the purpose of managing the impact of uneven cash flows and unexpected events or emergencies) will be maintained at £2.298 million over the four years of the plan. As the net revenue budget increases each year, the general reserve balance as a proportion of the net revenue budget will fall below the suggested level of 5% set out in the Fire and Rescue National Framework by the end of 2027/28. However, the Authority also maintains a Budget Contingency Reserve (established to support short-term budget shortfalls) and this reserve is forecast to be held at £1.45 million throughout the financial planning period. Taking the two reserves together, we conclude that the Authority's available reserves to manage unforeseen budget pressures are adequate for an Authority of this size.

G

plans to bridge its funding gaps and identifies achievable savings

The Authority achieved £1.422 million of efficiency savings in 2023/24, exceeding the planned savings of £1.261 million. Within this positive outturn, some savings schemes did not deliver as planned but this was offset by additional income from investments. For 2024/25, the Authority's revenue budget is balanced based on the achievement of £0.565 million of efficiency savings which are identified in the Efficiency & Productivity Plan. Savings required to balance the MTFP between 2025/26 and 2027/28 amount to £0.388 million, of which £0.124 million (32%) has already been identified. We have included an improvement recommendation to highlight the need to develop savings and efficiency plans to cover the remaining savings requirement of £0.264 million.

The Efficiency & Productivity Plan, which provides an overview of savings opportunities, is refreshed annually as part of the annual budget setting process. During 2023/24, delivery of savings schemes was monitored by the Finance & Procurement Team. At the start of 2024/25, the Authority introduced a Productivity & Efficiency Board to strengthen the oversight and monitoring of efficiency savings projects. The Productivity & Efficiency Board meets monthly and receives an update on delivery of efficiency projects including areas of risk and mitigating actions, reporting into the Senior Leadership Team and Programme Board as appropriate. The Authority did not specifically report its performance against the planned savings target for 2023/24 to Authority or Committee Members, and we have identified this as an opportunity for improvement on page 14.

A

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

| | | |
|--|---|---|
| plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities | <p>The Authority's strategic objectives as set out in the Community Risk Management Plan ("CRMP") 2023-27 and the Annual Service Plan 2024/25 are consistent with financial plans developed for 2024/25 and the MTFP. The MTFP is supported by the 10-year Strategic Asset Investment Framework ("SAIF") which includes plans for the capital investment in operational buildings, vehicles, operational equipment and ICT required to support the Authority's achievement of its strategic objectives. The MTFP and SAIF are also clearly linked to the Treasury Management Strategy, reflecting funding of capital investment using contributions from the revenue budget, capital receipts, earmarked reserves and some new borrowing required in the later years of the MTFP.</p> <p>The Authority's Efficiency & Productivity Plan 2024/25 includes proposals to increase the cost effectiveness of service delivery through the transformation of existing ways of working, although we note that independent benchmarking work carried out in 2022 found that the Authority was already performing well compared to other FRSs for economy and efficiency.</p> | G |
| ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system | <p>The Authority's annual planning process considers the requirements of the CRMP and Annual Plan, as well as the projects within the annual Productivity & Efficiency Plan. Relevant non-financial information, such as workforce planning information and the revenue implications of the SAIF and supporting asset management strategies for property, vehicle fleet and equipment, and ICT, are reflected in the annual budget and the MTFP.</p> | G |
| identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans | <p>Risks to financial resilience are reported in the quarterly budget monitoring report to the Management Committee. Areas of risk are identified using variances between forecast outturn and the approved budget, with explanations provided for significant variances including mitigating actions identified. Risks to financial sustainability are also identified in the MTFP approved annually by the Authority, including the current challenging macroeconomic environment resulting in inflationary pressures and uncertainty over future government funding settlements.</p> <p>Sensitivity analysis was used in the early stages of the development of the 2024/25 budget to explore the impact of varying key assumptions and the related financial risks. However, we have identified an opportunity for the Authority to improve arrangements by strengthening this work, as set out on page 14.</p> | A |

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

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

R

Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability (continued)



Area for improvement

Identification and reporting of savings

The Management Committee receives quarterly financial updates which include information on the forecast outturn against revenue budget for the year, an update on delivery of the capital programme, and a treasury management update.

However, the quarterly financial update does not include any information relating to the delivery of the Efficiency & Productivity Plan for the year. Reporting against savings targets would increase transparency relating to financial performance, including highlighting areas where action may be required to address lower than planned savings.

Delivery of a balanced MTFP over the four years from 2024/25 to 2027/28 requires delivery of £0.953 million of savings. £0.565 million of savings are needed to support a balanced budget in 2024/25, and these have been identified. £0.388 million of savings are needed in the following three-year period, of which 32% (£0.124 million) have been identified to date.

Sensitivity analysis

Sensitivity analysis has been performed within the initial stages of budget development, but the analysis is not updated to reflect new iterations of the budget.

The results of sensitivity analysis have not been presented to the Budget Working Party (which supports the Lead Member for Budget and Income Generation in the development of the budget) or to the Management Committee or Fire Authority.

Including details of sensitivity analysis within budget papers would increase transparency and understanding of financial risks associated with the assumptions underpinning the budget position, by quantifying the potential upside and downside risks.

Improvement recommendation 1:

The Authority should include reporting specifically on efficiency savings achieved as compared to the approved plan, within the quarterly financial update.

The Authority should continue development of its savings plans to identify new sources of savings required to balance the MTFP beyond 2024/25.

Improvement recommendation 2:

Sensitivity analysis should be updated throughout the development of the budget and MTFP, and reports to the Budget Working Party, Authority and Committees should include relevant details.

Governance



We considered how the Audited Body:

Commentary on arrangements

Assessment

| | | |
|---|--|---|
| monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud | <p>The Authority has arrangements in place to identify, understand and record risks. The Operational Risk Management Policy was updated in December 2023 following feedback from Internal Audit. Corporate Risks are monitored by the Senior Leadership Team and reported to the Audit & Governance Committee within the quarterly performance reports. Arrangements for risk management could be improved by linking risks to the Authority's strategic objectives, as described on page 17.</p> <p>The Internal Audit function provides annual assurance over the adequacy of internal controls, including the risk management framework. A summary of progress against the annual Internal Audit plan is presented at each meeting of the Audit & Governance Committee, and the quarterly performance reports track the implementation of actions resulting from the findings of Internal Audit.</p> <p>The Authority monitors the number and type of complaints received; this is reported to the Audit & Governance Committee within quarterly performance reports. The Authority has adequate arrangements for the prevention and detection of fraud, including appropriate policies and procedures.</p> | A |
| approaches and carries out its annual budget setting process | <p>The Authority has a well-established annual budgeting process, overseen by the Budget Working Party. Development of the annual budget is linked to the annual refresh of the MTFP. The budget is based on the prior year base budget, adjusted for changes identified by budget holders. Bids for budget growth are scrutinised by the Budget Working Party. The Authority's capital plans are set out in the ten-year SAIF, with capital funding being released to individual projects following approval of a business plan. The revenue and capital budgets are approved by the Authority each year in February.</p> | G |
| ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships | <p>The Management Committee receives quarterly budget monitoring reports that present the year-to-date outturn and forecast year-end position against the revenue budget, along with details of areas of projected under- or over-spending and a high-level summary of reasons for variances. The report also includes a section on capital spending, providing an update on anticipated spend for the year for each project, as well as forecast project total spend and variance against total project budget and a commentary on the delivery of each capital project. Quarterly budget monitoring reports also include an update on the revenue outturn for Thames Valley Fire Control Services, a joint operation with other FRSs in the Thames Valley area, and a Treasury Management update.</p> <p>Our review has identified an opportunity to further strengthen the reporting of budget performance, by including the planned capital spend for the year alongside forecast spend, as set out on page 17.</p> | A |

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

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

R

Significant weaknesses in arrangements identified and key recommendations made.

Governance (continued)



| We considered how the Audited Body: | Commentary on arrangements | Assessment |
|--|--|------------|
| ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from Audit & Governance Committee | <p>The Authority and Committee structure is outlined in the Terms of Reference for the Fire Authority, Audit & Governance Committee and Management Committee. The Terms of Reference include matters which can be delegated by the Fire Authority for decision by a Committee and these documents are reviewed on a four-year cycle. Terms of Reference are also in place for other elements of the governance structure such as the Workforce Planning Board, Budget Working Party and Efficiency & Productivity Board, although we note that some of these documents are overdue for review as set out in the improvement recommendation on page 17.</p> <p>From our review of a sample of Authority and Committee papers, we found that decisions are supported by sufficiently detailed information to facilitate appropriate levels of challenge and debate. All Authority and Committee papers are supported by a standard reporting template, providing an overview of the action or decision to be made and a summary of risk, financial, equality and diversity and legal implications as well as an assessment of consistency with duty to collaborate. The reporting template is clearly linked to the Authority's strategic objectives. We did not identify any evidence of inappropriate decision making.</p> | A |
| monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services. | <p>The Authority's governance arrangements include the Standing Orders, Terms of Reference and Scheme of Delegation as well as supporting policies such as the Codes of Conduct (Members and Officers), Gifts & Hospitality Protocol, Social Media Protocol, Financial Regulations, Contract Regulations, Whistleblowing Policy and Anti-Fraud, Bribery & Corruption Policy. We found that some of these key documents had not been reviewed for more than five years and this is identified as an opportunity to improve arrangements on page 17.</p> <p>Declarations of interest are a standing agenda item for all Authority and Committee meetings, and the Authority maintains registers of interests and gifts and hospitality.</p> <p>The Authority has a Member Development Strategy and Action Plan, designed to ensure that Members have access to appropriate support and information needed to fulfil their roles effectively.</p> | A |

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Governance (continued)



Areas for improvement

Risk Management

The Corporate Risk Register does not currently align risks with the six corporate priorities outlined in the Community Risk Management Plan (CRMP).

It is good practice for risks recorded in the risk register to be mapped to strategic objectives, to support effective risk management and informed decision making.

Improvement recommendation 3:

The Authority should consider mapping risks recorded in the Corporate Risk Register to the strategic priorities set out in the Community Risk Management Plan.

Budgetary monitoring reports

The Management Committee receives quarterly financial updates which include information on the forecast outturn against revenue budget for the year, an update on delivery of the capital programme, and a treasury management update.

Our review identified an opportunity to further improve quarterly financial update by reporting the planned capital spend for the year / year to date to increase transparency of any areas of slippage in capital projects

Improvement recommendation 4:

We recommend that the Authority consider expanding the quarterly financial update to the Management Committee to include details of planned capital spending for the year and year to date.

Review of key governance documents

We identified some governance documents which had not been updated in more than five years at the time of our audit:

- Gifts and Hospitality Protocol for Members - last reviewed in 2016
- Social Media Policy - last reviewed in 2016
- Terms of Reference for the Workforce Planning Board - last reviewed in January 2019

It is good practice for key governance documents to be reviewed at least every three to five years so that they remain appropriate for the Authority's needs.

Improvement recommendation 5:

The Authority should ensure there is a clear policy for the review of key governance documents.

The Authority should conduct a comprehensive review of policies and procedures to identify documents in need of review. Following review, policies and procedures should be approved by the Authority or appropriate Committee, even where no changes have been made.

Improving economy, efficiency and effectiveness



We considered how the audited body:

Commentary on arrangements

Assessment

uses financial and performance information to assess performance to identify areas for improvement

The Authority's Audit & Governance Committee receives quarterly performance reports which include analysis of performance against the Key Performance Indicators (KPIs) specified in the Annual Plan. KPIs are aligned to the strategic priorities detailed in the Community Risk Management Plan and cover Service Provision and Corporate Health measures. The report also includes updates on finances, priority programmes and sources of assurance. Our review of performance reports found they contained a good level of detail, which can be used to facilitate appropriate challenge, discussion and assurance, although some opportunities for improvement have been identified on page 20.

Data used for performance reporting is drawn from a range of sources. Although some data quality procedures are in place, the Authority does not have a clearly defined data quality policy or framework, and this is an opportunity to improve arrangements as reported on page 20.

The Authority has used data from HMICFRS to understand its performance in relation to other FRSs as part of the development of its strategic priorities and in preparation for inspection activity. The Authority has also obtained independent value for money benchmarking reports covering economy, efficiency and effectiveness as well as strategic value factors. Priorities for improvement are reflected in the Authority's strategic plans.

A

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

The FRS received a rating of "good" across all categories and sub-categories in its most recent HMICFRS inspection, which was published in January 2023, representing an improvement on the previous inspection when one subcategory was rated as "requires improvement".

In preparation for its forthcoming inspection, the Authority developed an action plan to address the 12 areas for improvement identified by HMICFRS. Progress against the action plan is included in the quarterly performance report presented to the Audit & Governance Committee, and although some actions were not yet closed at the end of 2023/24, the Authority's work to improve performance remains ongoing. We have identified some opportunities for improvement in the reporting relating to the HMICFRS action plan on page 20.

The development of the strategic priorities set out in the CRMP 2023-27 is evidence-based, drawing on data and business intelligence to identify hazards and analyse risks, and includes stakeholder and public consultation.

A

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

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

R

Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

| | | |
|--|---|-----------------|
| <p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p> | <p>The Authority actively collaborates with local partners through various initiatives. Notable examples include:</p> <ul style="list-style-type: none"> the Thames Valley Emergency Services Collaboration Programme, established to facilitate collaboration among local partners in the fire and rescue, police, and ambulance sectors following the introduction of a duty to collaborate in the Policing and Crime Act 2017 the Thames Valley Fire Control Service, a joint control room operation shared by the Fire & Rescue Services in Berkshire, Oxfordshire and Buckinghamshire which was established in 2015 <p>Authority members are represented within the governance structures of both the Thames Valley Emergency Services Collaboration Programme and the Thames Valley Fire Control Service. An annual update on collaboration activities is presented to the Authority by the Lead Member for Collaboration.</p> <p>The FRS's 2023 HMICFRS inspection report highlighted the way in which the Authority undertakes constructive and continuous public consultation as an area of innovative practice.</p> | <p>G</p> |
| <p>commissions or procures services, assessing whether it is realising the expected benefits</p> | <p>The Authority has Contract Regulations in place, supported by a Contract Management Guidance Framework which clearly sets out the responsibilities for contract management across the procurement team and local contract managers. The Authority is currently updating its Contract Regulations to reflect changes in public procurement resulting from the Procurement Act 2023; these changes are due to be approved by the Authority in October 2024.</p> <p>Our assessment of contract monitoring arrangements involved a review of arrangements relating to Thames Valley Fire Control Service ("TVFCS"), the joint control room operated in collaboration with Oxfordshire and Buckinghamshire Fire and Rescue Services. TVFCS performance is measured against KPIs agreed by the TVFCS Joint Coordination Committee, which includes representatives from the Authority and FRS. Performance is monitored by the Joint Coordination Committee, with quarterly performance reports tabled to the Committee for discussion. Where relevant, performance information is included in the quarterly performance reports presented to the Audit & Governance Committee. An annual performance report is presented to both the TVFCS Joint Committee and the Authority.</p> <p>The Authority has established an Estates Development & Sustainability Working Group, chaired by the Lead Member for Strategic Assets & Sustainability, to support delivery of the capital programme. The Group meets quarterly, and agenda items include updates on major projects.</p> | <p>G</p> |

G

No significant weaknesses in arrangements identified or improvement recommendation made.

A

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

R

Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

Performance Reports

The Audit & Governance Committee receives a quarterly performance update report. Review of the Q4 performance report for 2023/24 identified some examples where performance against KPIs had worsened over the year and full-year performance was below target. Although an analysis of the reasons for underperformance was included in the report, details of actions being taken to address the issue were not always explained. Furthermore, commentary on causes and mitigating actions was not included in the report for all aspects of priority projects (such as the SAIF and CRMP implementation) which were rated red.

Inclusion of additional information would enhance oversight and transparency of the Authority's performance levels.

Data quality

Data used for performance reporting is drawn from a range of sources. Although some data quality procedures are in place, the Authority does not have a formal data quality framework or policy.

Implementing a data quality policy or framework would provide greater assurance over the reliability of data used to make informed decisions.

HMICFRS action plans

The HMICFRS action plan reported to the Audit & Governance Committee in July 2023 included a high-level description of the areas identified for improvement and actions planned in response. However, the action plan lacked information concerning timelines for completion of each action and named owners for each action.

A high-level progress update against the action plan is included in the quarterly performance reports presented to the Audit & Governance Committee. Each area for improvement has a reported RAG status and as at the end of 2023/24, no projects were red-rated but two were rated amber. However, the report lacked information on the issues leading to amber ratings and mitigations planned to address the area of exception.

The HMICFRS action plan does not incorporate recommendations from thematic inspections such as the 2023 HMICFRS report Values and culture in fire and rescue services, although the Authority is implementing these recommendations.

To support effective oversight, it is good practice to include commentary on reported exceptions, and for actions to be SMART (specific, measurable, achievable, relevant and timebound).

Improvement recommendation 6:

The Authority should ensure that where performance measures indicate areas of underperformance or deteriorating performance, performance reports should include analysis of reasons for underperformance and actions being taken to address underperformance.

Improvement recommendation 7:

The Authority should develop a data quality policy and implement a formalised data quality framework.

Improvement recommendation 8:

Reporting relating to the HMICFRS action plan and progress updates provided in the quarterly performance report could be improved by including:

- a timeline for the completion of each action
- designated owner for each action
- details of issues and mitigations for actions rated amber (issues with the project but these are being managed)
- actions relating to HMICFRS thematic reports

**Value for Money
Recommendations raised in
2023/24**



Recommendations raised in 2023/24

| Recommendation | Type of recommendation * | Criteria impacted | Evidence | Impact or possible future impact | Actions agreed by Management |
|---|--------------------------|--------------------------|---|---|------------------------------|
| <p>IR1 The Authority should include reporting specifically on efficiency savings achieved as compared to the approved plan, within the quarterly financial update.</p> <p>The Authority should continue development of its savings plans to identify new sources of savings required to balance the MTFP beyond 2024/25..</p> | Improvement | Financial sustainability | <p>Review of quarterly budget monitoring reports</p> <p>Review of MTFP including Efficiency & Productivity Plan</p> | <p>A robust framework of monitoring, reporting and oversight of progress against a phased plan for the delivery of efficiency savings will support achievement of the savings target.</p> <p>Delivery of the planning savings will be harder to achieve without plans being fully developed before the start of the financial year.</p> | Agreed |
| <p>IR2 Sensitivity analysis should be updated throughout the development of the budget and MTFP, and reports to the Budget Working Party, Authority and Committees should include relevant details.</p> | Improvement | Financial sustainability | <p>Review of sensitivity analysis workings</p> <p>Review of MTFP</p> <p>Review of meeting papers and minutes</p> | <p>Including details of sensitivity analysis within budget papers would increase transparency and understanding of financial risks associated with the assumptions underpinning the budget position, by quantifying the potential upside and downside risks.</p> | Agreed |

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

| Recommendation | Type of recommendation * | Criteria impacted | Evidence | Impact or possible future impact | Actions agreed by Management |
|---|--------------------------|-------------------|---|---|------------------------------|
| IR3 The Authority should consider mapping risks recorded in the Corporate Risk Register to the strategic commitments set out in the Corporate Plan and the Community Risk Management Plan. | Improvement | Governance | Review of Corporate Risk Register | It is good practice for risks recorded in the risk register to be mapped to strategic commitments, to support effective risk management and informed decision making. | Agreed |
| IR4 We recommend that the Authority consider expanding the quarterly financial update to the Management Committee to include details of planned capital spending for the year and year to date. | Improvement | Governance | Review of quarterly financial update reports | Reporting the planned capital spend for the year / year to date would increase transparency of any areas of slippage in capital projects. | Agreed |
| IR5 The Authority should ensure there is a clear policy for the review of key governance documents. The Authority should conduct a comprehensive review of policies and procedures to identify documents in need of review. Following review, policies and procedures should be approved by the Authority or appropriate Committee, even where no changes have been made. | Improvement | Governance | Review of Terms of Reference, Policies and Procedures | It is good practice for key governance documents to be reviewed at least every three to five years so that they remain appropriate for the Authority's needs. | Agreed |

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

| Recommendation | Type of recommendation * | Criteria impacted | Evidence | Impact or possible future impact | Actions agreed by Management |
|---|--------------------------|---|---|--|------------------------------|
| IR6 The Authority should ensure that where performance measures indicate areas of underperformance or deteriorating performance, performance reports include analysis of reasons for underperformance and actions being taken to address underperformance. | Improvement | Improving Economy, Efficiency and Effectiveness | Review of quarterly performance reports | Inclusion of additional information would enhance oversight and transparency of the Authority's performance levels. | Agreed |
| IR7 The Authority should develop a data quality policy and implement a formalised data quality framework. | Improvement | Improving Economy, Efficiency and Effectiveness | Interview with Head of Corporate Services | Implementing a data quality policy or framework would provide greater assurance over the reliability of data used to make informed decisions. | Agreed |
| IR8 Reporting relating to the HMICFRS action plan and progress updates provided in the quarterly performance report could be improved by including: - a timeline for the completion of each action - designated owner for each action - details of issues and mitigations for actions rated amber (issues with the project but these are being managed) - actions relating to HMICFRS thematic reports | Improvement | Improving Economy, Efficiency and Effectiveness | Review of quarterly performance reports | To support effective oversight, it is good practice to include commentary on reported exceptions, and for actions to be SMART (specific, measurable, achievable, relevant and timebound). Reporting on thematic issues would enhance oversight of the Authority | Agreed |

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B:

Value for Money Auditor responsibilities



Value for Money arrangements work

All Fire & Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Service makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Authority's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment

| | |
|---|---|
| Cumulative knowledge and experience of the audited body | Annual Governance Statement and the Head of Internal Audit annual opinion |
| Interviews and discussions with key stakeholders | The work of inspectorates and other regulatory bodies |
| Progress with implementing recommendations | Key documents provided by the audited body |
| Findings from our opinion audit | Our knowledge of the sector as a whole |

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Authority's auditors as follows:

- Statutory recommendations – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and are required to be considered by the body and responded to publicly.
- Key recommendations – actions which should be taken by the Authority where significant weaknesses are identified within arrangements.
- Improvement recommendations – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Authority's arrangements.

