



## ROYAL BERKSHIRE FIRE & RESCUE SERVICE

### Procurement

DRAFT Internal Audit Report: 7.25/26

27 February 2026

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# AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix C, the overview of our findings is detailed below.

**Background:** We undertook a review of Procurement as part of the approved 2025/26 internal audit plan. The objective of the review was to assess the adequacy and effectiveness of controls surrounding procurement purchases of goods and services through contracts awarded via tender and to determine how the organisation ensures that value for money is considered.

Procurement responsibilities are led by the Senior Procurement Specialist, with operational input from Contract Managers across the organisation. Governance for procurement activity is overseen by the Fire Authority, with day to day responsibilities delegated to the Deputy Head of Finance and Procurement and the Procurement Team.

Procurement processes are documented within the Contract Standing Orders (2025) which set out procurement objectives, approval thresholds, delegated authority limits and waiver procedures. The framework incorporates the transparency, competition and value for money principles mandated under the Procurement Act 2023. Although tendering activity has started under the new framework, full end to end procurement under the Procurement Act 2023 had not yet taken place at the time of audit. Draft contracts were in place for certain procurements, such as the Hard FM tender, but these had not yet been completed or formally awarded. As a result, the organisation has limited practical experience of applying the full lifecycle of the new regime in practice.

Meetings are held between the Procurement Team and operational leads to monitor contract activity, and quarterly reporting is provided to the Strategic Performance Board (SPB) to highlight contract awards, compliance and supplier spend. The service also publishes payments over £500 and procurement card transactions in line with statutory transparency requirements.

As of December 2025, the organisation managed 146 active contracts. Ten tender waivers were raised between June 2024 and January 2026, totalling £331k. For the year to date, £15.9m had been spent across 3,491 purchase orders, all supported by a valid purchase order.

**Conclusion:** Overall, we found that the Service has well-designed procurement controls, with clear policies aligned to the Procurement Act 2023, consistent use of tender processes, and good evidence of value for money across sampled contracts. Transparency requirements were met, purchase order compliance was strong, and quarterly reporting to the SPB supported effective oversight of procurement activity.

However, we identified some weaknesses in the control framework. Specifically, the contract register was not fully up to date, with expired and extended contracts not accurately reflected, increasing the risk of decisions being based on incomplete information. Results from our staff survey included that awareness of responsibilities under the Procurement Act 2023 was inconsistent, with some respondents unaware of the new framework, the training available, or the requirement to notify Procurement of contract terminations. Awareness of existing training materials appeared low, pending the full rollout of the Learning Management System.

Internal audit opinion:

Minimal Assurance    Partial Assurance    **Reasonable Assurance**    Substantial Assurance

Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

Audit themes: **We identified the following exceptions, resulting in the agreement of two medium priority management actions:**

**Contracts Nearing Expiry:** Through review of a sample of five contracts that appeared outdated in the Contracts Register, we found that two expired contracts and three updated contracts had not been correctly reflected in the contract register at the time of review, despite end dates having passed or new agreements being in place. The Senior Procurement Specialist advised that monthly reviews are undertaken, but recent updates had not yet been completed due to ongoing procurement activity. **(Medium)**

**Awareness of Procurement Requirements:** A procurement questionnaire was completed as part of the audit and results indicated gaps in staff awareness, with some respondents unaware of the Procurement Act (2023), related training, and their responsibility to notify the Procurement Team of contract terminations. While comprehensive training materials had been delivered in 2025 and made available via SharePoint and for inclusion in the new LMS, these had not been fully accessed or understood by all staff. **(Medium)**

**We noted the following controls to be well designed and operating effectively:**

**Policy:** The updated Contract Standing Orders (CSO) published in February 2025 were approved by the Fire Authority and shared with stakeholders via the website, setting out clear procurement objectives, key roles and responsibilities, and procedural expectations. We noted that the CSO aligns with the 2023 Procurement Act, embedding updated thresholds, digital platform requirements, and the principles of transparency, competition, and value for money.

**Financial Regulations:** The Service maintains Financial Regulations that clearly outline the requirements for compliance with the limits set out in the CSO policy. We confirmed that the Financial Regulations were last reviewed and updated in February 2025, approved through the Fire Authority's formal governance process, and were made available on the website.

**Waivers:** Through review of the contracts register, we found that five tender waivers had been raised since February 2025, with values ranging from approximately £15k to £50k. We confirmed that all five waivers used the standard form, included a valid rationale, and were independently reviewed and approved in line with delegated authority under CSO.

**Procurement transparency:** Through review of the RBFPS website, we confirmed that procurement-related financial information, including payments over £500 and procurement card transactions, is published on a monthly basis in line with the organisation's transparency obligations. All required datasets were available, up to date at the time of review, and clearly accessible to the public.

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**Central Digital Platform:** Through walkthrough of Central Digital Platform (Find a Tender) it was confirmed that the Service had registered onto the platform to access procurement opportunities since February 2025.

**Contracts Register:** We reviewed the contracts register as of December 2025 and noted that 146 contracts were in place. The register included key information for each contract, including contract type, description of goods and services, contract start and end dates, contract value, supplier name, and supplier details such as company registration information.

**Procurement Compliance:** Through review of 20 contracts, we found that all 20 followed the intended route to market in line with CSO, and award and selection criteria were correctly applied in 19 cases, demonstrating Value for Money through competition, evaluation scoring, and whole-life costing or price-reasonableness checks. Fully signed contracts were in place for 19 contracts, while the remaining £9.8k purchase (tested due to its proximity to the £10k threshold) had an adequate purchase order raised in accordance with requirements and was therefore not an identified issue.

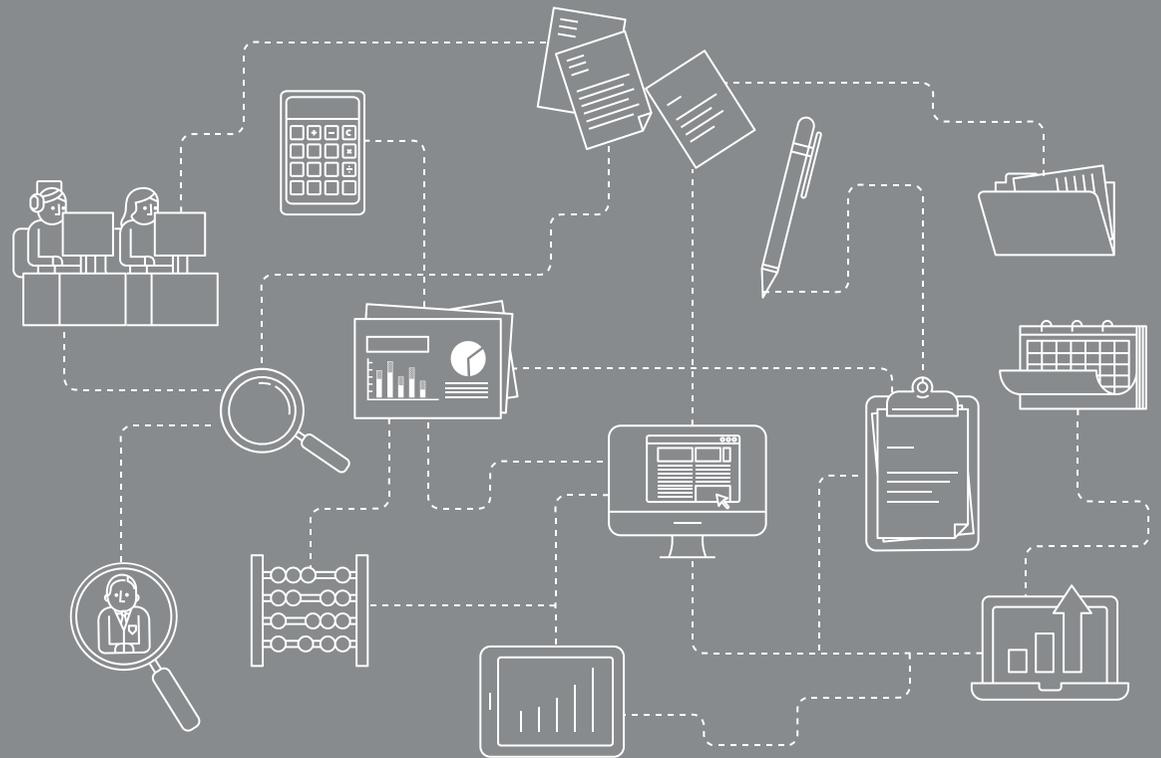
**KPI reporting:** We reviewed the contracts register and noted that no contracts over £5 million were in place; therefore, the annual reporting of Key Performance Indicators (KPIs) required under the 2023 Procurement Act was not applicable. However, the Senior Procurement Specialist advised that KPI reporting is being implemented in the future for high-value contracts to ensure effective performance monitoring, and to promote greater transparency and accountability across the procurement process.

**Reporting to Strategic Performance Board (SPB):** Contracts awarded on a quarterly basis, along with compliance with the tender processes followed and supplier spend, are reported to the SPB each quarter. Through review of the Q1 and Q2 reports for 2025/26, we confirmed that all awarded contracts were appropriately reported and that compliance with the relevant procurement routes was fully documented and the Service remained within its target.

**Procurements just below / above thresholds:** Through analysis of supplier payments made since April 2025, we noted that payments totalling £12.9m excluding VAT were made to 395 suppliers. A review of five suppliers confirmed that the route to market was applied in line with CSO, appropriate tender processes were followed, award and selection criteria were correctly applied, Value for Money was demonstrated, and fully signed contracts with key terms were in place.

# Summary of Actions for Management

# 01



# SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

## High

Immediate management attention is necessary.

## Medium

Timely management attention is necessary.

## Low

There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	We will keep the contract register up to date by recording contract expiries, extensions and revised end dates in a timely manner.  Any draft extensions or pending updates will be clearly noted in the register to provide transparency on work still in progress.	Medium	Shuvham Bhandari, Senior Procurement Specialist	31 March 2026
2	We will provide clear communication to staff about the training materials available on the Procurement Act (2023) and highlight their accessibility within the new LMS once implemented, with a focus on the responsibility to notify the Procurement Team of contract terminations in order to support compliance and transparency.	Medium	Shuvham Bhandari, Senior Procurement Specialist	TBC – dependant on LMS implementation

\* Refer to Appendix B for more detail



## DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

### Contracts Nearing Expiry

<b>Control</b>	Contracts are managed in accordance with the CSOs and Standing Financial Instructions, with Contract Managers verifying that the correct procurement procedures have been followed and appropriately authorised.	<b>Assessment:</b>	
	Each contract must demonstrate value for money through documented evaluation and assurance processes, and no goods, services, or works should begin until a fully signed contract is in place and recorded within the contract register.	<b>Design</b>	✓
		<b>Compliance</b>	×

<b>Findings / Implications</b>	<p>Through review of five contracts recorded in the Contract Register (four with an end date of December 2025 and one with an end date of February 2026), we noted that in two cases (with December end dates), the contracts had expired and the suppliers were no longer working with the Service. However, this was not reflected in the contract register at the time of review in January 2026. In the remaining three cases, updated contracts were in place; however, the contract end dates had not been updated within the Register. The Senior Procurement Specialist advised that the Contract Register is reviewed on a monthly basis and that the end-date updates had not been completed due to ongoing procurement activity.</p> <p>If contract records are not kept accurate and up to date, there is a risk that the authority may rely on incomplete or outdated information when making procurement or operational decisions. This could result in non-compliance with procurement governance, delays in contract renewal or re-procurement activity, or unintended service disruption.</p>
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<b>Management Action 1</b>	We will keep the contract register up to date by recording contract expiries, extensions and revised end dates in a timely manner. Any draft extensions or pending updates will be clearly noted in the register to provide transparency on work still in progress.	<b>Responsible Owner:</b> Shuvham Bhandari, Senior Procurement Specialist	<b>Date:</b> 31 March 2026	<b>Priority:</b> Medium
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### Awareness of Procurement Requirements

<b>Control</b>	Training surgeries were delivered to staff during 2025 covering the Procurement Act updates with materials made available to staff via SharePoint.
<b>Findings / Implications</b>	<p>A procurement questionnaire was conducted in January 2026 as part of the review. Six responses were received, and the results highlighted the following:</p> <ul style="list-style-type: none"> <li>17% of respondents were unaware of the new Procurement Act (2023), and 33% reported they had not received training or guidance on the Act.</li> </ul>

## Awareness of Procurement Requirements

- 34% were unaware of their responsibility to notify the Procurement Team when a contract is terminated due to performance issues, including the requirement to publish formal notices.

Through review of the training slides utilised during the 2025 training, we confirmed that they provided comprehensive guidance on the Act, including the obligation to publish contract termination notices. These materials were made available via SharePoint and shared with the Research and Development team for inclusion in the new Learning Management System (LMS) scheduled for implementation in Q4 2025/26.

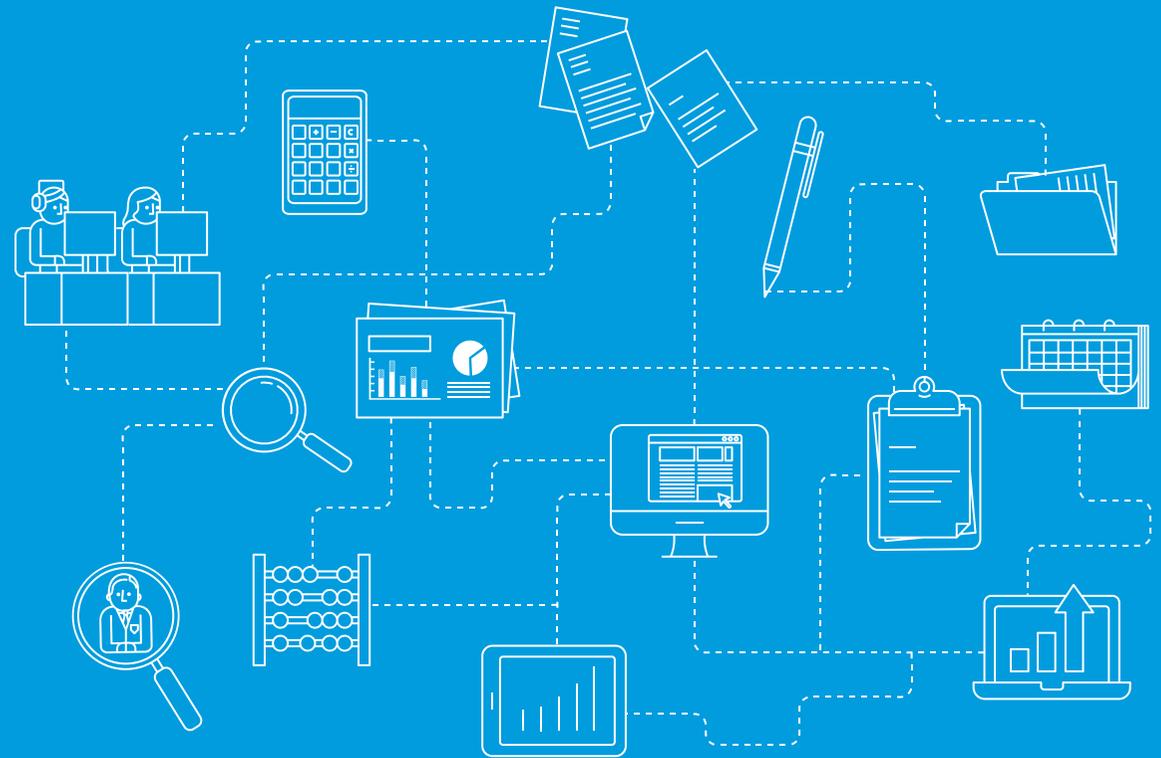
However, if staff are not aware of the guidance available, nor of their responsibility to notify the Procurement Team of contract terminations, there is a risk that statutory notice requirements may not be fulfilled, leading to non-compliance with the Procurement Act (2023) and reduced transparency in contract management.

**Please see Appendix A for survey results.**

<b>Management Action 2</b>	We will provide clear communication to staff about the training materials available on the Procurement Act (2023) and highlight their accessibility within the new LMS once implemented, with a focus on the responsibility to notify the Procurement Team of contract terminations in order to support compliance and transparency.	<b>Responsible Owner:</b> Shuvham Bhandari, Senior Procurement Specialist	<b>Date:</b> TBC – dependant on LMS implementation	<b>Priority:</b> Medium
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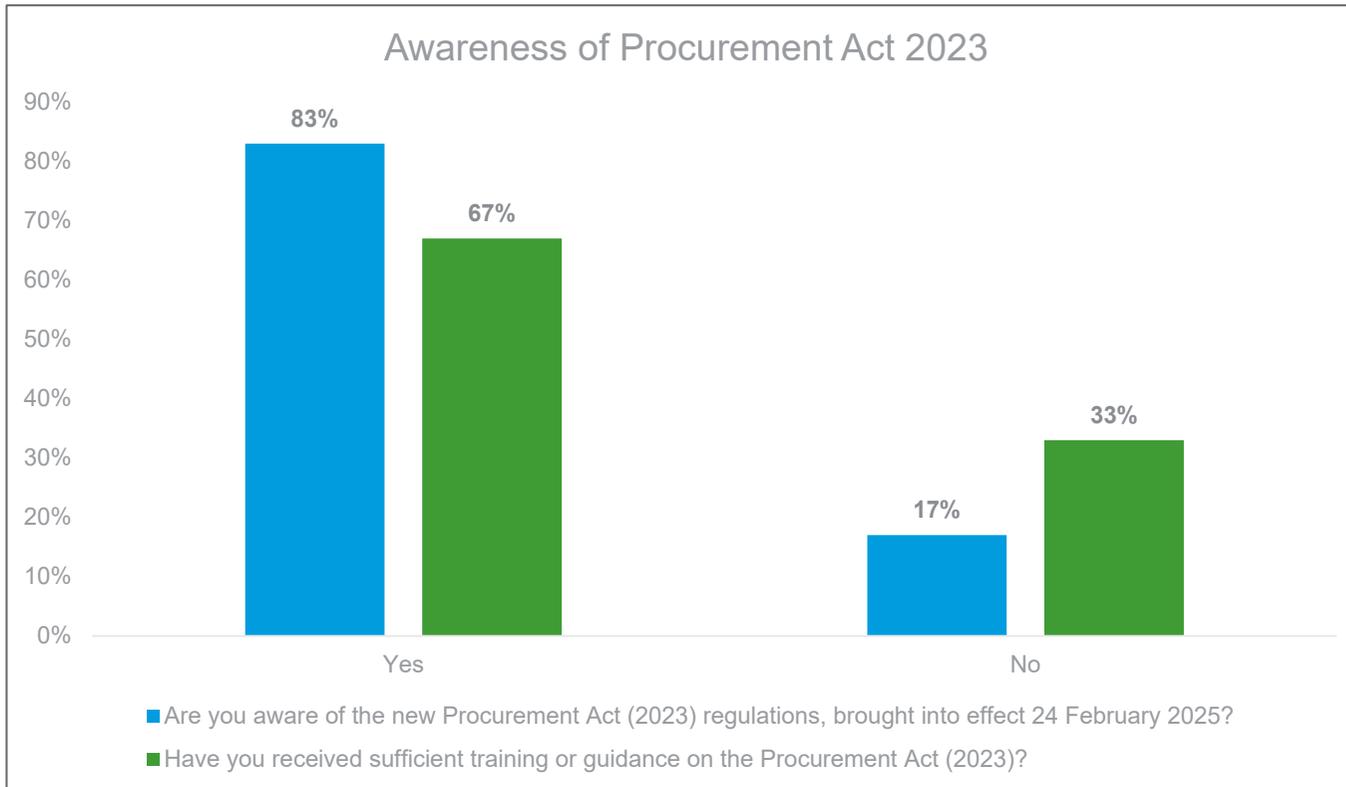
# Appendices

# 03



# APPENDIX A: SURVEY RESULTS

In addition to the findings recorded in this report, the results of the survey are summarised below.



## Procurement Questionnaire

I am aware that the Procurement Act 2023 has an increased focus on Social, Environmental, and Innovation Factors when selecting a contract.



I am aware of my responsibility to notify the procurement team whenever a contract is terminated due to performance issues.



I am aware that under the Procurement Act 2023 that contracts over £5 million are required to have at least three monitoring Key Performance Indicators.



I am aware of the Governance Process for every procurement, including the completion of the Authority to Procure form, Tender Waiver (if applicable) and the Authority to Award form.



I know who to contact for support or clarification regarding the new regulations.



I am confident in implementing the new procurement processes in my daily work.



I know where to find resources and information about the new regulations. (elaborate if necessary)



0% 20% 40% 60% 80% 100% 120%

■ Strongly Agree ■ Agree ■ Disagree ■ Strongly Disagree

## APPENDIX B: CATEGORISATION OF FINDINGS

### Categorisation of internal audit findings

#### Low

There is scope for enhancing control or improving efficiency.

#### Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

#### High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
Procurement	0 (8)	1 (8)	0	2	0
<b>Total</b>			<b>0</b>	<b>2</b>	<b>0</b>

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

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## APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

### Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following objective:

#### Objective of the risk under review

This audit will assess the effectiveness of the Procurement process in place for the purchase of goods and services through contracts awarded via tender and how the organisation ensures that value for money is considered.

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### When planning the audit, the following were agreed:

#### Areas for consideration:

- Robust monitoring is undertaken internally to ensure compliance with the policies and procedures. There is exception reporting to identify any goods or services procured outside of procedure and an escalation process for these instances.
- Clearly defined policies and procedures are in place to support the procurement function and reflect the new Procurement Act which came into force in February 2025. In addition, it includes defined and robust process for the tendering of contracts, thresholds for procurement activity, and timeliness of engaging the Procurement Team. We will determine whether the separation of open and competitive/flexible procedures has been distinguished as well as the emphasis on social value. These are subject to periodic review to ensure that they remain up to date and reflect current operating practice.
- Confirm an established and effective system for tender waivers is in place, including sample testing to confirm that these have followed the appropriate process.
- Governance reporting in place (including the publication of pipeline and tender notices as well as notices for contract modifications/terminations). We will review the planned process for annual reporting of KPIs including whether RBFRS has identified the source of information and process to capture performance information.
- We will confirm whether RBFRS has registered onto the Central Digital Platform (Find a Tender) to access procurement opportunities.
- We will undertake sample testing to assess whether the procurement procedures are being followed for a sample of contracts (since February 2025). This will include reference to the Standing Financial Instructions, an assessment of value for money and whether there is a signed contract in place.
- Where data is available and of an acceptable quality, we will undertake the following data analytics tests to inform our audit work:
  - extraction of procurements just below each procurement threshold to drive sample testing of compliance with procurement routes and approval levels;
  - identification and further investigation of supplier payments without associated purchase orders.

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- To help identify any gaps in knowledge for training purposes, we will seek to issue a questionnaire to gauge staff understanding of the updates to the Procurement Act 2023.

#### Limitations to the scope of the audit assignment:

- We will not consider the appropriateness of any procurement exercise, or whether value for money has been achieved, just that this has been actively considered as part of procurement activity.
- We will not provide assurance that goods and services provided are fit for purpose.
- We will not comment on whether the appropriate contractors are being utilised, only that the correct contractor was awarded the contract based on the organisations guidelines and tender compliance.
- We will provide assurance that financial regulations have been fully complied with only for the sample tested. Testing will be completed on a sample basis from transactions within the current year.
- Supplier set up and changes to supplier data or system back-up controls for the procurement system will not form part of this review.
- Staff training and awareness in relation to procurement will not form part of this review.
- This audit will not establish if there are alternative providers who RBFRS should have considered as part of the tendering process.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

<b>Debrief held</b>	3 & 12 February 2026
<b>Final evidence received:</b>	26 February 2026
<b>Draft report issued</b>	27 February 2026
<b>Responses received</b>	
<b>Final report issued</b>	

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<b>Client sponsor</b>	Conor Byrne, Director of Finance
<b>Distribution</b>	Conor Byrne, Director of Finance Irene Kema Onyeri, Deputy Head of Finance and Procurement Shuvham Bhandhari, Senior Procurement Specialist

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