



**Agenda
for the Meeting
of the
Audit and Governance Committee**

Wednesday, 27th November, 2024

At

5.00 pm

RBFRS Headquarters
Lynda Kenyon Suite
Newsham Court
Pincents Kiln
Calcot
Reading
Berkshire
RG31 7SD

For further information regarding this meeting, please contact:

Committee Team

0118 938 4611

E-Mail at committeeteam@rbfrs.co.uk

Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD



MEETING: Audit and Governance Committee Meeting

DATE AND TIME: Wednesday, 27th November, 2024 at 5.00 pm

VENUE: Lynda Kenyon Suite
RBFRS Headquarters
Newsham Court
Pincents Kiln
Calcot
Reading, Berkshire RG31 7SD

S U M M O N S

You are hereby summoned to attend the meeting of the Royal Berkshire Fire Authority at the time, date and venue indicated above, when it is proposed to deal with the business set out in the enclosed Agenda.

A handwritten signature in black ink, appearing to read 'Graham Britten'.

GRAHAM BRITTEN
Monitoring Officer

To: **Members of the Audit and Governance Committee:**

Councillor Lou Timlin	Councillor Greg Bello
Councillor Dave McElroy	Councillor Tricia Brown
Councillor Owen Jeffery	Councillor Harjinder Gahir
Councillor Billy Drummond	Councillor Mohammed Nazir
Councillor Dennis Benneyworth	Councillor Zafar Satti

Copy to: **Senior Leadership Team (SLT), Royal Berkshire Fire and Rescue Service**

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Newsham Court
Pincent's Kiln
Calcot
Reading, Berkshire RG31 7SD

AGENDA

- 1. Apologies for Absence**
- 2. Declarations of Interest**

Purpose:

To receive Declarations of Interest from Councillors relating to items to be considered at the meeting, in accordance with the provisions of the Fire Authority's Local Code of Conduct, and any from Officers.

- 3. Minutes of the Meeting held on 16 July 2024 (Pages 5 - 12)**

Recommendation:

That the Minutes of the meeting and any recorded actions held on 16 July 2024 be confirmed as a correct record and signed by the Chair.

- 4. Consideration of any matters properly referred to this Committee for decision**

- 5. Internal Audit Update (Pages 13 - 30)**

Purpose:

To note RSM's Progress Report for 2024/25.

- 6. Annual Governance Statements 2021/22 and 2022/23 (Pages 31 - 86)**

Purpose:

To agree Annual Governance Statements for 2021/22 and 2022/23.

7a. EY External Report - Value for Money (VFM) 2021/22 and 2022/23
(Pages 87 - 110)

Purpose:

To note EY's Value for Money Interim Report.

7b. External Auditor - EY Update and Statement of Accounts for 2021/22 and 2022/23_(To Follow)

Purpose:

To note an update from outgoing External Auditors, EY to include Statement of Accounts for 2021/22 and 2022/23.

8. Grant Thornton (GT) - External Auditor Update on Audit of 2023/24 Accounts *(Pages 111 - 178)*

Purpose:

To note Grant Thornton's update on Audit of 2023/24 Accounts.

9. Quarterly Performance Report 2024-25 Quarter 1 (April - June 2024)
(Pages 179 - 182)

Purpose:

To note Royal Berkshire Fire and Rescue Service's (RBFRS) Quarter 1 performance for the 2024-25 financial year.

Appendix A is attached under a separate cover.

10. Forward Plan *(Pages 183 - 186)*

Purpose:

To note the Forward Plan.

11. Date of next meeting

Thursday 30 January 2025, at 6.30pm, Lynda Kenyon Suite, RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD.

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE



Held on Tuesday, 16th July, 2024 at 6.30 pm

RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading RG31 7SD

Members:
(*present)

* Councillor Greg Bello	* Councillor Dave McElroy
* Councillor Dennis Benneyworth	* Councillor Owen Jeffery
* Councillor Tricia Brown	* Councillor Neel Rana
* Councillor Billy Drummond	Councillor Lou Timlin

In Attendance: Tom Brandon (Area Manager, Response and Resilience, AM R&R)
Paul Bremble (Head of Corporate Services, HCS)
Andrew Britten (EY, External Auditors)
Graham Britten (Monitoring Officer, MO) – virtual
Conor Byrne (Head of Finance and Procurement, HF&P)
David Crease (Area Manager, Response and Resilience, AM R&R)
Andrew Davies (Grant Thornton, External Auditor)
Lucy Greenway (Human Resources Advisor)
Grace Hawkins (Grant Thornton, External Auditor)
Becci Jefferies (Head of Human Resources and Learning Development, HHR&L&D)
Katie Mills (Assistant Chief Fire Officer, ACFO)
Jim Powell (Area Manager, Collaboration and Policy, AM C&P)
Nikki Richards (Deputy Chief Executive, DchEX)
Fayth Rowe (Democratic Support Lead, DSL)
Lukasz Wrona (Head of Business and Information Systems, HBIS)

Action

1. ELECTION OF CHAIR FOR 2024/25 MUNICIPAL YEAR

Councillor Owen Jeffery presided over the meeting as 2023/24 Audit and Governance Committee Vice-Chair. He requested for nominations for the position of Chair and nominated Councillor Tricia Brown. Councillor Dennis Benneyworth seconded the nomination.

There being no other nominations, it was:

RESOLVED that Councillor Tricia Brown be elected Chair of Audit and Governance Committee for the 24/25 Municipal Year.

2. APPOINTMENT OF VICE-CHAIR FOR THE 2024/25 MUNICIPAL YEAR

The Chair sought nominations for Vice–Chair and nominated Councillor Owen Jeffery. This was seconded by Councillor Dennis Benneyworth.

There being no other nominations, it was:

RESOLVED that Councillor Owen Jeffery be elected Vice-Chair of the Audit and Governance Committee for the 2024/25 Municipal Year.

3. APOLOGIES FOR ABSENCE

Apologies for absence was received from Councillors Dave McElroy and Lou Timlin.

4. MINUTES OF THE MEETING HELD ON 28 MARCH 2024

Paul Bremble, Head of Corporate Services (HCS) stated (reflected as a post-meeting note in the minutes) that the action in the minutes of the last meeting had been completed. He confirmed there was a typo in the current and inherent score to risk ID 914 Training Delivery which was in the wrong order.

Councillor Greg Bello requested for information on Five Shires. Becci Jefferies, Head of Human Resources and Learning and Development (HHR&L&D) reported this was covered in the recent Member Champion annual report and agreed to circulate this to Members.

HHR&L&D

RESOLVED that the Minutes of the meeting on 28 March 2024, be approved as a true record to be signed by the Chair.

5. CONSIDERATION OF ANY MATTERS PROPERLY REFERRED TO THIS COMMITTEE FOR DECISION

There were no matters properly referred to this Committee for decision.

6. EXTERNAL AUDIT UPDATE

Conor Byrne, Head of Finance and Procurement (HF&P) introduced this item by stating the external report will be delivered by two external auditors. Andrew Britten from EY will present audits of 2021/22 and 2022/23 Accounts, and Grace Hawkins and Andy Davies from Grant Thornton will present the Audit Plan for 2024/25 Audit.

Andrew Britten gave a brief overview on the progress of 2021/22 and 2022/23 audits. He stated Department for Levelling Up, Housing and Communities (DLUCH) proposed a solution to resolve the backlog of auditors signing off accounts. The deadline for the backlog was to be completed by 30 September 2024, however the recent general election had disrupted the timeline. EY were progressing with Value for Money for 2021/22 and 2022/23 and will bring an update to the next meeting.

Grace Hawkins and Andy Davies from Grant Thornton presented the Audit Plan for 2024/25 and stated the report sets out the scope of the audit covering the Audit Plan, Audit Findings and Value For Money (VFM).

In discussing materiality, Andy Davies reported Grant Thornton proposed that Clearly trivial has been set at £33,000 and have determined planning materiality to be £666,000 for the Authority which equates to 1.5% of prior year. He stated that Grant Thornton did not have assurances from the previous year. The proposed audit fee was set at £106,186 and in referring to the audit logistics confirmed that planning had commenced.

In referring to pages 21 – 22 of the report he outlined auditors had identified the following significant risks, Management of over-ride controls, revenue and expenditure and pension liabilities.

In answer to a question from the Vice-Chair, Andy Davies explained the revenue cycle risk in public sector bodies were different [*than private organisations*] due to the revenue streams were less, therefore the risk was lower.

Councillor Benneyworth queried whether the delay in the signing off 2022/23 accounts was something that would be picked up by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection of Royal Berkshire Fire and Rescue Service (RBFRS) later this year. Conor Byrne reported the inspection would look at broader use of data.

RESOLVED that:

- 1) The updates from both audit firms be noted; and
- 2) The Audit Plan for the 2023/24 Statement of Accounts be noted.

7. INTERNAL AUDIT UPDATE

Conor Byrne presented this item on behalf of Dan Harris, RSM. Conor Byrne stated the report covered two elements, RSM's Annual Report based on audit work carried out during the year and RSM's Internal Audit Plan for 2024/25. The Annual Report attached as Appendix A states the Service has an adequate and effective framework for risk management, governance and internal control.

RSM completed the final three audits for 2023/24. The audits were on Governance and Risk Management; IT General Contracts; and Key Financial Controls (tax) and issued a *Reasonable Assurance* rating for both audits.

In response to a question from the Vice-Chair on page 50, he sought further explanation on the paragraph which stated RSM could not identify the source of assurance and how the identified level of assurance had been concluded. Nikki Richards, Deputy Chief Executive explained that in-house ISO system did not identify how the score was reached, and Officers were looking into how to provide that assurance.

On the same page, Councillor Bello asked a question on the weaknesses identified relating to managers not completing sickness absence training. Becci Jefferies reported work had been carried out around sickness processes and focus groups had been held, as a result new sickness absence training workshops had been introduced.

Councillor Drummond queried the lack of formal tracking of alerts raised by anti-virus solutions, boundary firewall and the untimely actioning of leavers. Lukasz Wrona, Head of Business and Information Systems (HBIS) reported leavers process was an ongoing effort and explained the issue arose during migration. Nikki Richards reported updates on management actions identified in audits were always reported on at the next available meeting of Audit and Governance Committee.

Conor Byrne briefly went through the Audit Plan for 2024/25 on pages 65 – 68 of the report and stated the RSM's audit fee was £65,000. He reported additional audits could be requested during the year and that planned audits for the year were not fixed.

RESOLVED that:

- 1) RSM's Annual Report be noted; and
- 2) RSM's Internal Audit Plan for 2024/25 be noted.

8. LOCAL PENSIONS BOARD - ANNUAL REPORT

Jim Powell, Area Manager Collaboration and Policy reported regular contract meetings had been held with Pension Administrators and in listing the current issues, discussed the volume and complexity of work required to address the age discrimination remedy for wholetime and on-call firefighters (some of which had retired). He advised that all Firefighters were now on the same pension scheme.

In answer to a question from the Vice-Chair, Becci Jefferies, Head of Human Resources and Learning and Development (HHR&L&D) explained the Fire Authority made a decision to enable retiring firefighters a choice in relation to their pension, knowing that it would be amended at a later date. Nikki Richards,

Deputy Chief Executive (DcHx) added the term immediate detriment was the term used for these specific pension cases.

In response to a question from Councillor Bello, Becci Jefferies explained additional resources had been put in place to resolve the remedy's described in the report. She stated it can take up to seven hours to complete one calculation due to complexities.

Nikki Richards in addition reported Pensions had been included as a Corporate Risk and was reviewed regularly by Senior Leadership Team. She stated additional resources had been increased to support the Human Resources Team.

RESOLVED that:

- 1) The contents of the report be noted;
- 2) The appointment of Jim Powell as Pension Board Chair be approved.

9. CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA) FINANCIAL MANAGEMENT CODE REPORT

Conor Byrne reported the Chartered Institute of Public Finance and Accountancy (CIPFA) published a financial management (FM) code which the Fire Authority are required to demonstrate compliance. Appendix A details the six principles and associated seventeen standards of how the Authority has complied with the code over the last financial year.

RESOLVED that the contents as presented in the CIPFA FM Code report be noted.

10. DISCIPLINE AND COMPLAINTS EFFECTIVENESS ASSESSMENT 2023/24

Lucy Greenway, Senior HR Adviser reported Human Resources (HR) annually hold an internal review of year-on-year comparison of discipline and complaint cases. Appendix A detail the findings of the discipline and complaint effectiveness case analysis. In referring to Appendix A, she listed the number of bullying and harassment cases (two) in 2023/24 and the number of cases that were completed within timescale. She stated information on gender, ethnicity and length of service is routinely collected for every disciplinary case to enable HR to analyse any trends or themes emerging.

Lucy Greenway reported the number of complaints had increased and suggested the increase could be a result of recent Fire and Rescue Service Cultural Reviews. Complaints made through SaySo were anonymous, therefore

were difficult to investigate. Investigations were undertaken by middle managers in addition to their day-to-day roles which significantly impacts capacity.

In expressing he was encouraged with the report, Councillor Bello asked Lucy Greenway to explain in greater detail the number of behaviour related disciplinarys and the number of training/development/promotion complaints that were upheld.

Katie Mills, Assistant Chief Fire Officer (ACFO) responded as an organisation, the Service is clear on behaviours and what is expected from all staff groups. Meetings were being held to tackle complaints on behaviours and stated that the above was seen as a positive indication. In relation to training, Becci Jefferies reported operational staff followed a Development Assessment Pathway (DAP). The rollout of DAPs was delayed due to COVID, however this has been rectified.

The Vice-Chair asked for further detail in the increase on reporting via SaySo. Nikki Richards reported the increase could be a result of recent Active Bystander training. She stated she did not consider the increase in reporting to be seen as a negative and stated that it was a reflection on the confidence of staff. She added that some complaints via SaySo were not upheld.

In response to the Vice-Chair's request to review this, Becci Jefferies advised that complaints and compliments were regularly presented to this Committee via Quarterly Performance reports and stated it was also important to be mindful not to expose individuals. In response to Councillor Drummond, Becci Jefferies stated the Service had a good relationship with Fire Brigade Union (FBU).

RESOLVED that the details of the Discipline and Complaints Effectiveness Assessment report be noted.

11. QUARTERLY PERFORMANCE REPORT 2023/24 QUARTER 4 (JANUARY - MARCH 2024)

Paul Bremble, Head of Corporate Services (HCS) stated the quarterly performance report brought together data and contextual information from across the Service to allow oversight of performance and progress. The report outlined performance across four quadrants: Service Provision, Corporate Health, Priority Programmes and Corporate Risk.

Quadrant One – Service Provision – Monitors the delivery of our statutory obligations and the services provided by Royal Berkshire Fire and Rescue Service. In referring to a case study, he mentioned the work of Fire Safety Teams in enforcing the Fire Safety Order and Building Safety Act 2022.

He stated focus continues in the east of the county, to access communities to provide Safe and Well visits. CRMP highlighted Slough as a high-risk area for the county and east hub teams have been working with partner agencies and communities to try and further reach those most vulnerable to receive this vital

service. Primary and secondary fires continue to decrease not only in this quarter but across the year, however injuries from fires this quarter were above target. The level of emergency incidents in Quarter 4 was substantially higher than any equivalent quarter in the past five years partly due to weather-related flooding in January.

High risk safe and well referrals were either on or above target this year, however, our Response Standard was not on target due to an increase in incidents impacting travel times, as well as a high portion of false alarms and special service calls requiring longer call handling times.

In response to a question from the Chair regarding the Prohibition Notice issued and the subsequent caution administered, Dave Crease, Area Manager Prevention and Protection (AM P&P), described the enforcement activity of Fire Safety Inspection Officers.

The Vice-Chair asked how the Service could improve how it works with local communities. Dave Crease discussed the efforts the Service was making in building relationships with communities to ensure they were aware of the services provided, such as Safe and Well visits. He stated the Service were working with Slough Safety Partnership and stated they had committed to making referrals.

The Chair queried the actual 2023/24 Year to Q4 figure on the number of complaints received. Paul Bremble confirmed he would check this figure.

HCS

Quadrant Two – Corporate Health – looks at how the Service is managing key resources e.g. People and Finance. This section showed how the Service managed overtime spend and outlined the Service’s Equality, Diversity and Inclusion (EDI) Objectives were on track and the number of accidents reportable under RIDDOR had reduced this year to 3 compared to 9 last year. In addition, this section showed there were no breaches of information under the information rights legislation.

Quadrant Three – Priority Programmes – show progress against key Community Risk Management Programme (CRMP) priorities. In referring to two projects highlighted as red in the RAG status for the quarter, Paul Bremble explained that wildfire capability was in place, however the project was to increase our understanding of future risks and what new capabilities may be required. A working group had been established for the next steps for this piece of work. Secondly, a review of Flexi Duty Officer arrangements had been held, however its findings had been put on hold to address immediate operational needs.

In response to a question from the Vice-Chair on wildfire capability, Paul Bremble reported the Service had Ford Ranger vehicles to access specific areas / terrains and Officers were now looking at Personal Protective Equipment (PPE) and were working with landowners.

Quadrant Four – Assurance – This quadrant draws together information that provide an assessment of corporate risks that may impact the delivery of Service objectives. Paul Bremble highlighted some risks had been identified and outlined the status of management actions following audits held and RAG status of HMICFRS action plan for the quarter. He reported a Productivity Board had been established to identify improved ways of working and in referring to pages 195 -197, he reported the Service continue to implement Fire Standards across the organisation.

In response to Councillor Benneyworth, Katie Mills, Assistant Chief Fire Officer (ACFO) reported the Service will evaluate the impact of Automatic Fire Alarm (AFA) and Response availability.

Councillor Bello queried whether the Service recorded disability data. Becci Jefferies confirmed she had that data and was happy to circulate to Members or include in the next quarterly performance report.

HHR&L&D

RESOLVED that:

- 1) The performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2023/24 be noted;
- 2) The progress made on the priority programmes be noted; and
- 3) The position of corporate risk be noted.

12. FORWARD PLAN

RESOLVED that the Forward Plan be noted.

13. DATE OF NEXT MEETING

Monday 21 October 2024, 6.30pm at RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading RG31 7SD.

(The meeting concluded at 8.02pm)

ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	27 NOVEMBER 2024
SUBJECT	INTERNAL AUDIT UPDATE
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE

1. EXECUTIVE SUMMARY

- 1.1 The Committee will receive an update on audit activity since the last Committee meeting.

2. RECOMMENDATION

The Committee is requested to:

- 2.1 **NOTE** RSM's Progress Report.

3. REPORT

- 3.1 RSM has completed one audit since the last Committee meeting. The audit was on Driving Licence Checks and the auditors have issued a *Partial Assurance* rating.
- 3.2 RSM issued three recommendations, including one high priority recommendation which is to ensure that the request form is completed by all drivers prior to a pool car being checked out for use. This recommendation was implemented once the report was received.
- 3.3 RSM's Progress Report is attached as **Appendix A** and includes audits planned for the year.
- 3.4 A representative from RSM will attend the meeting to provide further detail and answer any questions from Members.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – Sustainability. We will ensure that we provide a financially sustainable and environmentally friendly service to our communities.

5. FINANCIAL IMPLICATIONS

- 5.1 The work of the internal auditors assures Members that the Authority's finances are in good order.
- 5.2 The expected cost of Internal Audit for 2024/25 is £65,435.

6. LEGAL IMPLICATIONS

- 6.1 In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the Authority's Annual Governance Statement.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None.

8. RISK IMPLICATIONS

- 8.1 The internal audit programme aims to identify key risks and report on the effectiveness of controls and mitigating actions.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 Internal audits will consider how the Authority is meeting this requirement where applicable.

10. PRINCIPAL CONSULTATION

- 10.1 The Chief Fire Officer has been consulted on the report.

11. BACKGROUND PAPERS

- 11.1 2024/25 Internal Audit Plan

12. APPENDICES

- 12.1 Appendix A – 2023/24 RSM Progress Report

13. CONTACT DETAILS

- 13.1 Conor Byrne - Head of Finance and Procurement
Email: byrnec@rbfrs.co.uk

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ROYAL BERKSHIRE FIRE & RESCUE SERVICE

Internal Audit Progress Report

27 November 2024

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

CONTENTS

Key messages..... 3

1 Final reports 5

Appendices

Appendix A: Progress against the internal audit plan 2024/25 7

Appendix B: Other matters 8

Appendix C: Key performance indicators 9

KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Audit and Governance Committee at the 25 July 2024 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.



We have issued one final report as part of the 2024/25 internal audit plan since the Audit and Governance Committee meeting in July 2024:

- **Driving Licence Checks 1.24/25 (Partial Assurance)**

A summary of the outcome of these reviews is provided in Section 1. [\[To discuss and note\]](#)

Details of the progress made against the internal audit plan are included at Appendix A. [\[To note\]](#)

We have issued the following client briefings to management prior to this Audit and Governance Committee:

- Emergency Services News Briefing – August 2024
- Final Emerging Risk Radar – Summer 2024
- Client Briefing on Internal Audit Code of Practice. [\[For information\]](#)

1 FINAL REPORTS

1.1 Summary of final reports being presented to this Committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed			
		Adv	L	M	H
<p>Driving Licence Checks</p> <p>We identified areas of weakness in the current control framework. We found there to be a lack of an auditable trail for the requesting of specific training sessions for drivers in the Service, we were unable to confirm whether training was attended prior to the driving of any vehicle and we also found that there were no checks undertaken on what vehicles individuals could drive in line with their licence. We therefore found it would be beneficial for this information to be retained centrally detailing this (for example using a new form). We also identified instances whereby pool cars were being checked out without a request form being completed and we found there to be a lack of confirmation by Business Support of training attendance and up to date driving licences being in place on DAVIS. There was also a lack of reporting to senior management on driving licence compliance in DAVIS</p> <p>We did also identify controls that were well designed and operating effectively. Specifically, job descriptions were maintained on the intranet and these detailed driving licence requirements where necessary and access to DAVIS was restricted to only those who needed it (Business Support and Driving Instructors). Sample testing also found there to be up to date driving licences and supporting information on DAVIS with no checks (photocard or licences) overdue and this was supported by the monthly checking of expiring licences within the next 90 days by Business Support.</p>	Partial Assurance	3	1	1	1

APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2024/25

Assignment and Executive Lead	Status / Opinion issued	Actions agreed				Target Committee meeting (as per IA plan / change controls*)	Actual Committee meeting
		A	L	M	H		
Driving Licence Checks 1.23/24	Partial Assurance	3	1	1	1	December 2024	December 2024
Payroll Provider - Dataplan	Fieldwork in progress					March 2024	
Fire Fighter Pension Administration	29 November 2024					March 2024	
Risk Information	02 December 2024					March 2024	
Discipline and Grievance Handling	04 January 2025					March 2024	
Operational Vehicle Compliance	17 January 2025					March 2024	
Key Financial Controls	24 February 2025					July 2024	
Risk Management	27 February 2025					July 2024	
Follow Up	05 March 2025					July 2024	
Cyber	Planning stage					July 2024	

* The timing of these audits have been changed to accommodate staff availabilities (we have not noted any issues with these timing changes).

APPENDIX B: OTHER MATTERS

Detailed below are the changes to the audit plan:

There have been no agreed changes to the internal audit plan so far this financial year.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Following the completion of each product, we include a link to a brief survey in each report we issue.

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.

APPENDIX C: KEY PERFORMANCE INDICATORS

	Delivery				Quality		
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10	1 / 1 (100%)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 days	0 / 1 (0%)	Driver License Checks was 38 days	Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	1 / 1 (100%)		Response for emergencies and potential fraud	1 working day	1 day	

Notes

This takes into account changes agreed by management and Audit Committee during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

FOR FURTHER INFORMATION CONTACT

Dan Harris, Partner and Head of Internal Audit

Email: Daniel.Harris@rsmuk.com

Telephone: +44 1223 455715

Louise Davies, Managing Consultant

Email: Louise.Davies@rsmuk.com

Telephone: +44 116 282 0550

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Royal Berkshire Fire & Rescue Service, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

AUDIT OUTCOME OVERVIEW – DRIVING LICENCE CHECKS

Background: A driving licence audit was undertaken at Royal Berkshire Fire and Rescue Service (RBFRRS) as part of the approved internal audit plan for 2024/25. The objective of the audit was to allow management to take assurance over the processes in place to ensure that staff hold the appropriate driving licences.

The Service uses the DAVIS (Driver and Vehicle Information Solutions) platform to manage driver and vehicle compliance. DAVIS facilitates the retention of driving licences and issues notifications when driving licences (both photocard and licence) are due to expire. Additionally, DAVIS is integrated with the DVLA, enabling automated, accurate and up to date driving licence checks.

The FireWatch system is also used to record training sessions attended by individuals and their respective dates.

HR are responsible for ensuring job descriptions are available for all roles and that these include the driving licence requirements. Business Support maintain DAVIS and ensure all licence checks are in date. The Driving School are responsible for providing training to all drivers and for ensuring this is conducted on three year rolling basis.

Conclusion:

We identified areas of weakness in the current control framework. We found there to be a lack of an auditable trail for the requesting of specific training sessions for drivers in the Service, we were unable to confirm whether training was attended prior to the driving of any vehicle and we also found that there were no checks undertaken on what vehicles individuals could drive in line with their licence. We therefore found it would be beneficial for this information to be retained centrally detailing this (for example using a new form). We also identified instances whereby pool cars were being checked out without a request form being completed and we found there to be a lack of confirmation by Business Support of training attendance and up to date driving licences being in place on DAVIS. There was also a lack of reporting to senior management on driving licence compliance in DAVIS

We did also identify controls that were well designed and operating effectively. Specifically, job descriptions were maintained on the intranet and these detailed driving licence requirements where necessary and access to DAVIS was restricted to only those who needed it (Business Support and Driving Instructors). Sample testing also found there to be up to date driving licences and supporting information on DAVIS with no checks (photocard or licences) overdue and this was supported by the monthly checking of expiring licences within the next 90 days by Business Support.

Internal audit opinion:

				<p>Taking account of the issues identified, the Authority can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action is needed to strengthen the control framework to manage the identified risk(s).</p>
Minimal Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance	

Audit themes: **Driver Training** - Through sample testing, we found that while there was a record of the driver training completed by each individual, we found there was no mention of which driver training courses were required by their role in the service and there was no mention of when the individual was due to begin driving. This lack of documentation could result in a risk of individuals driving without proper training, posing potential safety hazards and financial and legal risks for the Service. **(Medium)**

Pool Cars - Testing found two instances (out of five) where a pool car had been 'checked out' by a member of staff for driving before filling in a request form. We also found Business Support do not carry out checks to confirm that the information populated on the request forms is accurate (driving licences are on DAVIS and training has been completed). If request forms are not completed and checks are not conducted to ensure driving training has been completed, or that a driving licence is registered on DAVIS, there is risk of unsafe driving practices, increasing the risk of accidents and injuries, which could result in potential financial and legal consequences. **(High)**

Reporting - There was no reporting to senior management on issues relating to the driver training required / completion or compliance levels of driving licences recorded on DAVIS. There is therefore a risk that senior management may be unaware of potential issues, leading to a lack of necessary interventions and in the worst case, non compliance with legal or regulatory requirements, resulting in fines or legal action. **(Low)**

Regular Checks - We found there to be no regular checks on whether the licence covers the class of vehicle the individual is employed to drive and as such, there is a risk that unqualified drivers may operate vehicles they are not licensed for, leading to increased accidents and legal liabilities. **(Medium)**

Driving Licence Requirements

Through discussion with the HR Advisor Team Lead we were advised that job descriptions are in place for all existing roles and these detail driving licence requirements. Through walkthrough of the intranet, we confirmed that there was a page that included all current jobs and their job descriptions.

Further discussion confirmed that where a role doesn't already exist, it will go through a job evaluation process with various stakeholders involved who decide on the competencies and different driving licence requirements. This will then be included on the job description and included on the intranet page.

Job Descriptions

We selected a sample of five job roles (Community Safety Adviser, Driver Trainer, Hub Prevention Manager, Hydrant Inspector, Lead Driver Trainer).

We reviewed their job descriptions and confirmed in all instances that they included driving licence requirements. Requirements varied depending on the role and included things such as, full UK driving licence and category C unrestricted driving licence held for a minimum of three years, with no more than three penalty points. The job descriptions also detailed whether the requirements were needed on recruitment or would be gained through training.

Licence Management

We selected a sample of 20 members of staff that required a driving licence with their role and confirmed in all instances that a driving licence and supporting information (such as date of birth, address, penalty points etc.) was uploaded to DAVIS under each profile and all were in date at the time of our review.

System Access

We selected a sample of five members of staff with access to DAVIS and confirmed in all instances they were either from Business Support or were a Driving Instructor, who required access with their job role and were still employed by the organisation at the time of our review.

SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

<p>High</p> <p>Immediate management attention is necessary.</p>	<p>Medium</p> <p>Timely management attention is necessary.</p>	<p>Low</p> <p>There is scope for enhancing control or improving efficiency.</p>
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Ref	Action	Priority	Responsible Owner	Date
1	<p>Form 144 will be completed, detailing the training requirements for the individual. The form will also be updated to include a planned first day of driving and the vehicles the individual can drive that are covered by the licence held.</p> <p>Once all training requirements have been met, forms will be signed and dated to confirm that the individual is qualified to drive the required vehicles.</p> <p>Forms will be retained centrally for ease of access.</p> <p>Revalidation of training will continue to be monitored via the training logs.</p>	Medium	Jordan Fawdon	November 2024
2	<p>We will ensure that the request form is completed by all drivers prior to a pool car being checked out for use.</p> <p>Business Support will also conduct checks on all requests and confirm that driver training has been completed and the individuals driving licence is registered on DAVIS.</p>	High	Samantha Teeling	Immediately

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	27 NOVEMBER 2024
SUBJECT	ANNUAL GOVERNANCE STATEMENTS 2021/22 AND 2022/23
LEAD OFFICER	ANGELA SMITH, PROGRAMME OFFICE AND INSPECTION MANAGER
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR DECISION

1. EXECUTIVE SUMMARY

- 1.1 The draft Annual Governance Statement for each financial year is published on our website along with the unaudited Statement of Accounts.
- 1.2 It is usual practice for the Annual Governance Statement to be approved at the same meeting as the Statement of Accounts.
- 1.3 The audit backlog means that the Statement of Accounts for 2021/22 and 2022/23 are only now being presented to Committee for approval.

2. RECOMMENDATION

The Committee is requested to:

- 2.1 **AGREE** the Annual Governance Statements for 2021/22 and 2022/23.

3. REPORT

- 3.1 The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework' (2016 edition) (The Framework). The 2021/22 and 2022/23 Annual Governance Statements explain how the Authority has complied with the Framework and also meet the requirements of Regulation 6 (1) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement.

Agenda Item 6

- 3.2 Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework. This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.
- 3.3 The Annual Governance Statement for 2021/22 is attached as **Appendix A** and the Statement for 2022/23 is attached as **Appendix B** to this covering report.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – Sustainability. We will ensure that we provide a financially sustainable and environmentally friendly service to our communities.

5. FINANCIAL IMPLICATIONS

- 5.1 The Annual Governance Statement enables the Authority to explain to the community, service users, taxpayers and other stakeholders its governance arrangements and how the controls it has in place manage financial risks of failure in delivering outcomes and thus underpins the financial statements.

6. LEGAL IMPLICATIONS

- 6.1 The auditor's opinion as to whether financial statements give a true and fair view of the financial position of the Authority is based on compliance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None for the purposes of this report.

8. RISK IMPLICATIONS

- 8.1 None for the purposes of this report.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 None for the purpose of this report.

10. PRINCIPAL CONSULTATION

- 10.1 The Chief Fire Officer, Chief Finance Officer, Monitoring Officer and Senior Leadership Team were consulted in the compilation of this report.

11. BACKGROUND PAPERS

11.1 None.

12. APPENDICES

12.1 Appendix A – Annual Governance Statement 2021/22.

12.2 Appendix B – Annual Governance Statement 2022/23.

13. CONTACT DETAILS

13.1 Conor Byrne - Head of Finance and Procurement
Email: byrnec@rbfrs.co.uk

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Annual Governance Statement

2021/22



Contents

»»	Scope of responsibility	3
»»	Purpose of the Governance Framework	4
»»	The Governance Framework	4
»»	Review of Effectiveness	11
»»	Covid-19 implications for Governance	11
»»	Significant Governance Issues Addressed in 2021/22	12
»»	Significant Governance Issues to be addressed in 2022/23	16
	Conclusion	22



Scope of responsibility

Royal Berkshire Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with relevant legislation and standards and that public money is both safeguarded and properly accounted for. It also has a duty under the [Local Government Act 1999](#), to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including arrangements for the management of risk.

The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition). This statement explains how the Authority has complied with the Framework and meets the requirements of [Regulation 6\(1\) of the Accounts and Audit Regulations 2015](#), which requires all relevant bodies to prepare an Annual Governance Statement.

The Authority has also reviewed and reported its compliance with the new CIPFA Financial Management Code (FM Code) which is designed to support good practice in financial management and allow the Authority to demonstrate that it is financially sustainable. The FM Code came into force on 1 April 2021.

Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework. This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the effectiveness of the governance and internal control framework. The Annual Governance Statement is intended as a valuable means of communication. It enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

The overall aim is to ensure that:

- » Resources are directed in accordance with agreed policy and according to priorities;
- » There is sound and inclusive decision-making; and
- » There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.



Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, culture and values by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its Annual Objectives and to consider whether those Objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks in relation to the achievement of the Authority's aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised.

The Governance Framework has been in place within the Authority for the year ended 31 March 2022, and up to the date of approval of the Statement of Accounts.

The Governance Framework

The governance measures in place reflect the seven principles of good governance set out in the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition) as set out below.

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

The Constitution of the Authority establishes the roles and responsibilities of Members of the Authority and its Committees, together with officer functions. It includes details of delegation arrangements. The Constitution is kept under review to ensure that it is fit for purpose. Proposed changes are overseen by the Audit and Governance Committee. The Audit and Governance Committee's views on the suitability of any changes are reported when they are presented to the full Fire Authority for approval.

The Constitution also contains procedure rules, standing orders and financial regulations that define how decisions are taken and where authority lies for decisions. The statutory roles of the Chief Fire Officer/Chief Executive, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight of these posts is supported by the post-holders' membership of the Senior Leadership Team.

A new local Members' Code of Conduct for all Members was agreed by the Authority in April



2022 and a Register of disclosable pecuniary interests for each Member is reviewed annually and published on the Authority's website. This is further supported by [Protocol on Member and Officer Relations](#) which sets out respective obligations and expectations.

To ensure legal compliance and to avoid a conflict arising, a recommendation will be made to the June 2022 Fire Authority meeting to appoint three "Independent Persons" in the event of an allegation being made that a Member has breached the Authority's Code of Conduct. The [Complaints Procedure](#) related to members of the Fire Authority is available on the RBFRS website.

The role of Monitoring Officer is fulfilled as part of a collaborative arrangement with Buckinghamshire and Milton Keynes Fire and Rescue Authority. This arrangement has been in place since 2017/18 and has proved to be effective in ensuring suitable discharge of this responsibility.

All employees are bound by the Employee Code of Conduct which includes standards of conduct. The Employee Code of Conduct also sets out the requirement for the declarations of interests and for employees to register offers or acceptance of gifts and hospitality. The [Officer Register of Gifts and Hospitality](#) is publicly available on the RBFRS website.

A Grievance, Bullying and Harassment Policy, Complaints Procedure, Whistle Blowing Policy and Anti-Fraud, Bribery and Corruption Policy are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. Regular updates on complaints received and their resolution is presented to the Audit and Governance Committee via the quarterly performance report.

The Local Pension Board is set up under the auspices of [The Public Service Pensions Act 2013](#). The Board exists to assist the Fire Authority in its role as Scheme Manager; to secure compliance with the various firefighter pension scheme regulations and other legislation relating to governance and administration of the scheme; secure compliance with requirements imposed by the Pensions Regulator. A six monthly report is provided to the Audit and Governance Committee.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

The [Corporate Plan and Integrated Risk Management Plan \(IRMP\) 2019-23](#), sets out the contribution the Authority will make to its mission; serving the people of Royal Berkshire. It is linked to the Budget, ensuring that the aspirations in the plan are realistic in the context of funding constraints placed upon the Authority.

The Corporate Plan and Community Risk Management Plan is agreed following consultation with the public, staff and stakeholders. The Authority has consulted on and agreed its CRMP Consultation Principles, which are published within the Corporate Plan and Community Risk Management Plan. A Consultation Strategy is in place which underpins all consultation activity and we work with the Consultation Institute to ensure best practice is followed. Details of our [previous public consultations](#) are available on our website.



In 2021/22, we undertook a [Budget and Council Tax Consultation](#) prior to setting the 2022/23 budget. Our [Equality, Diversity and Inclusivity Objectives 2022-2026](#) have been published on our website and underpin our consultation activity.

Whilst the Corporate Plan spans a four-year period, it is reviewed annually. An [Annual Plan](#) is produced and published on the website for each of those four years, setting out Annual Objectives together with Corporate Measures. Each Unitary Authority area also has a dedicated annual [Local Safety Plan](#), which sets out localised risk and how resources will be targeted to meet that risk.

An [Annual Report](#) is published on our website taking account of matters that have arisen during the last 12 months and reporting on performance for that period.

Corporate Measures that are set annually via the Annual Plan are internally monitored through the Strategic Performance Board prior to reporting via the Audit and Governance Committee. Any strategic projects are managed through the Programme Board, with our Priority Programmes being reported to the Audit and Governance Committee via the [Quarterly Performance Reports](#). In addition to publishing the Quarterly Performance Reports, we publish key performance information on our website on a monthly basis. Our website also contains a '[Transparency and Governance](#)' section publishing financial and staff information which includes the Council Tax Leaflet, procurement card transactions and payments over £500.

The Authority is fully committed to working in partnership and has a record of partnership working that predates the statutory duty to collaborate, as set out in the [Policing and Crime Act 2017](#), with examples including a joint Control Room and fleet maintenance arrangements. The three Thames Valley Fire Services, Thames Valley Police, Police and Crime Commissioner and South Central Ambulance Service have put in place governance arrangements to manage and ensure the effectiveness of collaboration in the Thames Valley. The governance arrangements, which are set out in the [Thames Valley Emergency Services Collaboration Report](#), together with a [Thames Valley Collaboration Register](#), are publicly available on our website.

Meetings of [the Fire Authority and its committee meetings](#) are accessible to the public and dates are published on the website, including the minutes and decisions taken at those meetings. The Authority appoints two members to the Thames Valley Fire Control Service Joint Committee and papers are published on the website for these meetings.

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

The Corporate Plan and CRMP provides a clear vision and formal statement on the organisation's purpose and intended outcomes, including how we will manage our resources to achieve those outcomes. Our Community Risk Management Plan sets out how we will



safely and effectively manage risk across our Prevention, Protection and Response activities. We have consulted on and published [strategies](#) for our Prevention, Protection and Response activities, which set how we will target local risk to achieve economic, social and environmental benefits, making best use of our available resources.

Our Consultation Principles set out that we will consult with a wide range of stakeholders, including the public, on any changes that will have a material impact on the performance of the services we provide.

The [15-year Strategic Asset Investment Framework](#), sets out our intent for the management and investment in our capital assets which include our buildings, fleet and ICT, underpinning the Corporate Plan and Integrated Risk Management Plan.

The Organisational Risk Management Policy sets out our approach to the identification and management of risk which may impact on our ability to provide our services. The Corporate Risk Register is reviewed on a four weekly basis by the Strategy Leadership Team, and is reported to the Audit and Governance Committee.

The Service's intention is to support wider Government sustainability and environmental targets. In addition to ordering the Service's first alternative fuelled vehicles, a piece of work has been commissioned to undertake an organisational carbon footprint assessment. Once complete, the information will be used to inform future strategies so that the organisation can set out its direction to becoming more sustainable and environmentally friendly.

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

Medium to long-term planning is informed by the [Medium Term Financial Plan](#), which sets out the financial strategy for the Authority. This enables the Authority to understand likely future challenges, and ensure its strategic planning is realistic.

Where necessary, appropriate action is identified to mitigate potential financial risk. This is further supported by the Authority's [Efficiency Plan](#), the final savings from which have been built into the 2022/23 Budget. A new plan is being developed for 2023/24.

Our Performance Management Framework sets out how we will manage performance to ensure organisational aims and objectives are achieved. This Framework sets out how we will measure and monitor performance and where and when the organisation will manage performance. This is further supported by the Organisational Risk Management Policy as set out above.

Core Principle E: Developing the Authority's capacity, including the capability of its leadership and the individuals within it

A key theme of the Corporate Plan and Community Risk Management Plan is Capacity, Capability and Resilience. Our [People Strategy 2018-21](#), sets out how we will support our staff



to be the best public servants they can be, creating a workforce that can deliver an efficient and effective service.

The Authority has agreed a Member Development Strategy 2020-23, which is further supported by a Member Development Action Plan.

The training needs of Members and officers are identified through appraisal and review processes. Appropriate training is made available to ensure that individuals are able to undertake their current roles effectively and that they have the chance to develop to meet their, and the Authority's, needs.

There is a Leadership Development Programme in place for supervisory and middle-managers, with the Senior Leadership Team developed through coaching and external leadership development courses.

Our Behavioural Competency Framework is directly linked to our People Strategy, Equality and Diversity and Inclusion Objectives and our Behavioural Competency Framework, and has leadership at its core.

Our Workforce Planning Group allows us to monitor our workforce profile, as well as anticipate future workforce needs and plan accordingly.

We have a Health, Safety and Wellbeing Strategy and Action Plan, to support our staff, with a particular focus on Mental Health.

Independent assurance is provided by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services across the three pillars of 'effectiveness', 'efficiency' and 'people'. In June 2019, the first inspection report for Royal Berkshire Fire and Rescue Services was issued in which it said the Service was performing to a high standard in these areas and was graded as 'good' in all three pillars.

In August 2020, the Home Secretary commissioned HMICFRS to examine how fire and rescue services were responding to the pandemic.

The findings of the virtual inspection released on 22 January 2021, confirmed that Royal Berkshire Fire and Rescue Service has 'adapted and responded to the pandemic effectively', highlighting the additional support the Service has been offering its communities throughout the public health crisis.

The next round of inspections are underway with RBFRS being inspected in tranche three which started in 2021 and will be completed in summer 2022.

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

The Authority ensures that the Service has appropriate governance arrangements in place and that risk and performance are being effectively managed. As set out above, there is a Performance Management Framework and Organisational Risk Management Policy which sets out how this is achieved.



The Authority has ownership of the strategic risks of the Service and is responsible for monitoring and challenging risks and actions appearing on the Corporate Risk Register. This responsibility for risk and performance management is delegated by the Authority to the Audit and Governance Committee.

The Head of Finance and Procurement is appointed as the Chief Finance Officer and ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with section 112 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is required to adhere to professional standards set by CIPFA.

Until October 2015, the Authority's insurance was arranged through a consortium of nine fire and rescue authorities. These fire and rescue authorities are now members of the [Fire and Rescue Indemnity Company Ltd \(FRIC\)](#). The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. The aims of the Company are twofold: to reduce risk to the Authority by driving up standards, for example, by adopting best practice in relation to driving standards and also to reduce the cost to the Authority of its risk protection arrangements over the longer-term.

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

Data is published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision-making, public spending and democratic processes.

The Authority has a designated statutory Data Protection Officer (DPO) that reports through the Authority's Senior Information Risk Owner (SIRO) which is the Deputy Chief Executive/Director of Corporate Services. Both the DPO and SIRO ensure legal compliance with data protection requirements.

The [Pay Policy](#) has been approved by the Authority and is subject to review annually. It is produced in accordance with new or proposed legislation to ensure that it remains relevant and effective. The Pay Policy Statement for 2022-23 was approved by the Authority on 15 February 2022.

In addition to publishing the [Gender Pay Gap Report for 2021](#), on our website. The Authority, also published an Ethnicity Pay Gap Report for 2021 which goes further than the statutory Gender Pay Gap report and gives clearer and more extensive information regarding how individuals are paid at RBFRS and how individual pay elements are distributed across the various protected groups. We will be doing a follow up audit on the Ethnicity Pay Gap report in 2022/23.

An annual [Statement of Assurance](#) is produced to formally confirm to Government, stakeholders and the communities we serve, the adequacy of arrangements for the effective management of financial, governance and operational matters in RBFRS. The Statement confirms the extent to which the requirement of the Fire and Rescue National Framework for England have been met.



The Audit and Governance Committee undertakes the scrutiny function within the Authority and provides a robust challenge to the Authority. The Committee reviews performance and risk within the Authority, initiating reviews where it considers performance could be improved.

The Authority's Internal Audit Service is carried out by external contractors appointed under contract. The appointed Internal Auditor (RSM) is required to provide an annual independent and objective opinion to the Authority on risk management, governance and the control environment. The annual Audit Plan is agreed by the Audit and Governance Committee and in 2021/22 RSM undertook the following audits:

Audit	Assurance Level
Cyber Essentials	Advisory
Performance management	Reasonable assurance
Value for money	Reasonable assurance
Vetting and pre-employment checks	Reasonable assurance
Risk Management and Governance	Substantial assurance
Firefighter Pension Administration	Substantial assurance
Payroll provider	Substantial assurance
Key Financial Controls	Substantial assurance



Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors' (RSM) annual report, and by the findings and reports issued by the external auditors and other review agencies and inspectorates.

The Authority has an Audit and Governance Committee with responsibility for monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance.

Covid-19 implications for Governance

In March 2020, COVID-19 emerged in the UK as a public health emergency. As a governance issue that has been ongoing since 2019/20, the Authority's consideration of COVID-19 has been summarised separately for the purposes of the Annual Governance Statement and provides a summary of the impact on Governance for the period of the pandemic.

Early in the pandemic, in line with government guidance, RBFRS suspended non-essential activities to protect our communities, staff and critical functions. Since then we have continually risk assessed our activities, reintroducing services when case levels and restrictions have allowed.

Internally, our robust governance arrangements continue to enable us to respond to the risk posed by COVID-19 in accordance with the Business Continuity Management and Critical Event Management Policy. Our Critical Event Management Team (CEMT) and Governance structure remained in place until Q4 2022 when this was moved into being managed as part of business as usual activities.



Significant Governance Issues Addressed in 2021/22

Agenda Item 6
Appendix A

The following provides a progress report against the significant governance issues identified in the last Annual Governance Statement.

Governance matter identified	Action taken in 2021/22	Lead Officer	Target date
<p><u>Volatility of Funding</u></p> <p>Volatility of funding continued to be a significant and ongoing pressure for the Authority in 2021/22. In addition to the pressure which emerged in 2021/22, the Authority continues to monitor a number of possible budgetary pressures which may create challenges in the future.</p> <p>The Authority will await the outcome of the Government’s Comprehensive Spending Review (CSR). Further potential volatility may result from the CSR and the likely resetting of the business rates funding baseline.</p> <p>Departmental savings of £73,000 and additional income of £28,000 had been built into the base budget for 2021/22.</p> <p>These shortfalls highlight why the Chairman of the Fire Authority has been lobbying MPs and the Government to provide the Fire Authority with increased flexibility around the setting of the precept. Our current CRMP model is required to deliver an effective and efficient service for the people of Berkshire. However, should additional funding</p>	<p>The outbreak of the global coronavirus (COVID-19) pandemic had profound financial consequences for the Authority. However, lobbying of Government through the NFCC resulted in additional funding which meant that the Authority has been able to take all necessary measures to preserve its ability to provide critical emergency response and to protect its staff from unnecessary risk during 2021/22.</p> <p>The precept flexibility lobbying was successful and RBFA increased the council tax precept by £5 for 2022/23 which will increase revenue by £1.2m.</p>	<p>Wayne Bowcock</p>	<p>Feb 2022</p>

Page 46



Governance matter identified	Action taken in 2021/22	Lead Officer	Target date
<p>not be secured in the upcoming CSR, the Authority will have to consider revisiting its IRMP model to balance the budget.</p>			
<p><u>HMICFRS</u></p> <p>The Service is being inspected as part of tranche 3 of the inspection programme with formal inspection activity commenced in early 2022. Fieldwork is scheduled to take place in spring-summer 2022, with the dates to be confirmed by HMICFRS.</p>	<p>During 2021/22, RBFRS has continued to work towards its HMICFRS Action Plan, which is monitored through the strategic Performance Board and Audit and Governance Committee.</p> <p>The six week fieldwork starts in June 2022 and preparation and evidence collection underway for submission and preparation for fieldwork.</p> <p>Final report publication is expected during Winter 2022/23.</p>	<p>Nikki Richards</p>	<p>December 2022</p>
<p><u>Built Environment</u></p> <p>The Built Environment Programme will remain an area of focus in 2020/21, with ongoing additional financial pressures this creates for the Fire Authority. Following a gap analysis to identify areas of improvement, work will continue to be delivered to ensure the Authority appropriately responds and learns from the findings of the Grenfell Tower Inquiry. Alongside this, the risk posed by High Risk Residential Buildings remains a significant national challenge and forms part of the national Fire Chiefs Council Building Risk Review Programme. The Authority will continue to contribute towards this national programme as well as build on the work already</p>	<p>The Programme has made significant progress towards addressing the 46 recommendations, including the producing of a number of LMS training packages, introduction of EIPs (Electronic Premise Information Plates) and carrying out radio tests within all of our HRRBs.</p> <p>All data for the Building Risk Review Programme was completed in Autumn ahead of schedule with a high level of assurance and data checking prior to submission.</p> <p>We have now moved into phase 2 of our High Risk Residential Building project whereby we continue to work closely with Building Owners and Responsible Persons, alongside our partners in</p>	<p>Noosha Churchill</p>	<p>Ongoing</p>



Governance matter identified	Action taken in 2021/22	Lead Officer	Target date
<p>undertaken locally to address the challenges posed by the High Risk Residential Buildings with the Service, where appropriate, making full use of its statutory powers to drive remediation of those buildings.</p>	<p>local authority housing teams, ensuring where necessary, enforcement action is taken and interim measures are applied as appropriate.</p>		
<p><u>Pay Award</u></p> <p>The 2021/22 Budget was set on the basis that there would be no pay award for staff in line with the Government's announcement of a pay freeze for public sector workers. Furthermore, the Authority would not have been able to balance its budget if any form of pay rise had been factored in. Pay award negotiations since the budget was set will create a significant budget pressure.</p>	<p>The pay award for Green Book staff was 1.75% and for Grey Book staff it was 1.5%. This created significant budgetary pressure which was offset by one-off rebates from business rates appeals.</p> <p>The £5 increase in the precept for 2022/23 has been partly used to provide on-going funding for this unbudgeted pay award.</p> <p>Unfortunately, the macro economic situation has worsened and inflation rates have compounded budget pressures. Coupled with anticipated cost of living pay increase requests and rising costs anything above the budgeted pay award of 2.5% in 2022/23 will be difficult to fund.</p>	<p>Conor Byrne</p>	<p>February 2022</p>
<p><u>Development of new People Strategy</u></p> <p>Our people are our most important asset and the current People Strategy ran until 2021. A key theme of the Corporate Plan and Community Risk Management Plan is Capacity, Capability and Resilience. Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can</p>	<p>We will undertake a staff engagement programme to inform the development of our new strategy, which we aim to publish in 2022/23.</p>	<p>Nikki Richards</p>	<p>January 2023</p>

Appendix A

Agenda Item 6



Governance matter identified	Action taken in 2021/22	Lead Officer	Target date
<p>be, creating a workforce that can deliver excellence to our communities. It will also allow the Service to consider working arrangements following the pandemic, and its longer-term strategy for ways of working.</p>			



Significant Governance Issues to be addressed in 2022/23

In addition to the significant issues in action, the following significant governance issues have been identified for 2022/23:

Governance matter identified	Action to be taken in 2022/23	Lead Officer	Target date
<p><u>New Community Risk Management Plan</u></p> <p>Our CRMP and corporate plan runs to 2023 and requires a review to ensure our future plans are relevant to our communities and reflect an ever changing world. Our CRMP model is required to deliver an effective and efficient service for the people of Berkshire.</p> <p>A new plan is needed which will require significant resource and capacity to review and build to meet risk and the needs of our communities. Our new CRMP will continue our journey of improvement and could change how we deliver the service.</p>	<p>Programme of work to be initiated to review risks and help develop our future plans and impacts.</p>	<p>Nikki Richards</p>	<p>February 2023</p>
<p><u>Funding</u></p> <p>The Authority’s funding position going into 2022/23 is one of extreme volatility due to both the uncertain political and economic uncertainty at a national level. This uncertainty means that it is increasingly difficult to predict the outcomes of the Government’s upcoming Spending</p>	<p>Monitor progress of the government White Paper consultation outcomes and the NFCC fit for the Future vision.</p> <p>Scenario planning will highlight the implications of a financial settlement that requires expenditure cuts to balance the budget.</p>	<p>Wayne Bowcock</p>	<p>February 2023</p>



Governance matter identified	Action to be taken in 2022/23	Lead Officer	Target date
<p>Review which will determine the financial parameters within which the Authority will have to operate.</p>	<p>Development of a new Efficiency Plan.</p>		
<p><u>Pay Award</u> The 2022/23 Budget was set on the basis that there would be a pay award of 2.5% for staff. Pay award negotiations since the budget was set are likely to create a significant budget pressure.</p>	<p>Unbudgeted pay awards will need to be funded through the use of reserves or reduced revenue funding of capital in 2022/23.</p> <p>Scenario planning for 2023/24 will take account of pay awards and strategies will be developed to bring the budget back into balance.</p>	<p>Conor Byrne</p>	<p>February 2023</p>
<p><u>Pensions</u> The pensions landscape remains complex and the technical policy and secondary legislation associated with the Sargeant case is not yet in place During the 2021/22 year RBFRS considered its approach to those due to retire and most affected by the pension situation, agreeing through the Fire Authority, the approach to be adopted in relation to those classed as ‘immediate detriment’.</p> <p>Guidance on the O’Brien/Matthews case and how retained duty system staff should be treated is still awaited and will create significant additional workload pressure for the Service and the administrator in the same time frame.</p> <p>Responding to the changes in pension regulations and ensuring the workforce is resourced appropriately</p>	<p>RBFRS will continue preparation of data and records for when regulations come in to force by taking account of emerging guidance and increasing pension knowledge by working together with the pension administrator and across the sector to ensure effective management of pension arrangements.</p> <p>Recruitment of firefighters will be scheduled to meet workforce needs.</p> <p>Quarterly updates to A&G Committee will provide oversight of the emerging issues.</p>	<p>Becci Jefferies</p>	<p>February 2023</p>



Governance matter identified	Action to be taken in 2022/23	Lead Officer	Target date
<p>through effective planning and will remain a priority area of focus.</p>			
<p><u>Workforce</u></p> <p>Our people are our most important asset and the current People Strategy runs until 2021. A key theme of the Corporate Plan and Community Risk Management Plan is Capacity, Capability and Resilience.</p> <p>Linked to the cost of living crisis, workforce retention is being impacted and we are experiencing a high percentage of staff in development. This will also impact internal costs and capacity.</p> <p>Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can be, creating a workforce that can deliver excellence to our communities. It will also allow the Service to consider longer-term strategy for ways of working.</p>	<p>We will undertake a staff engagement programme to inform the development of our new strategy.</p> <p>Continue to ensure our workforce planning takes account of forecasted changes and requirements.</p>	<p>Becci Jefferies</p>	<p>February 2023</p>
<p><u>Refresh of Strategic Documents</u></p> <p>Implementation of Phase One of the Strategic Asset Investment Framework continues, the lack of funding for Phase Two remains an issue for the Fire Authority.</p>	<p>Lobbying of MPs and Government will continue during 2022/23 to highlight the need for financial support to renew our assets to enable the Authority to deliver an efficient and effective service to the public.</p> <p>The Authority’s new Efficiency Plan and refreshed Strategic Asset Investment Framework will be developed during 2022/23. The Efficiency Plan will</p>	<p>Wayne Bowcock</p>	<p>February 2023</p>



Governance matter identified	Action to be taken in 2022/23	Lead Officer	Target date
	be based on the outcomes of the value for money exercise that was carried out in spring 2022.		
<p><u>Sustainability</u></p> <p>Increasing expectations that organisations should consider sustainability. It is our intention to support the wider Government sustainability and environmental targets. A strategy needs to be set out so the organisation can set its direction towards becoming more sustainable and environmental friendly.</p>	Review outcomes of the organisational carbon footprint assessment to produce future strategy.	Andy McLenahan	February 2023
<p><u>Built Environment</u></p> <p>The Built Environment Programme will remain an area of focus for 2022/23. RBFRS will continue to deliver within its priority areas of work to ensure that it continues to learn and improve as a result of the findings of the Grenfell Tower Inquiry.</p> <p>The Authority will need to ensure that it is well prepared for the recent legislative changes relating to the built environment and the challenges these will bring.</p> <p>The risk posed by High Risk Residential Buildings is still a significant challenge both at a national and local level.</p>	<p>We will continue to deliver against the priority areas of work identified as part of the Built Environment Programme.</p> <p>We will continue to link in with the national programme of work to ensure we are well positioned for the recent and upcoming legislative changes e.g. Building Safety Bill and the outcomes of Grenfell Phase 2.</p> <p>Alongside this, we will continue with Phase 2 of the HRRB project working with responsible persons to ensure our building are compliant and monitor impacts to our future plans.</p> <p>The Authority will continue to build on the work already undertaken in 2021/22, making full use of its statutory powers to drive remediation of those buildings.</p>	Noosha Churchill	February 2023



Governance matter identified	Action to be taken in 2022/23	Lead Officer	Target date
<p><u>Government White Paper, Fire Reform and PCCs</u></p> <p>A consultative White Paper is due to be published in 2022, setting out the Government’s reform agenda in relation to fire and exploring specific proposals on fire governance in more detail, including whether ex</p> <p>The White paper for fire reform is expected to be published for public consultation in Q1 2022.</p> <p>The Fit for the Future initiative partnership between the National Employers (England) (NE England), the Local Government Association (LGA) and the National Fire Chiefs Council (NFCC) ran a consultation process during 2020 and are committed to moving forward work in 2022 across 11 areas for improvement across the breadth of Fire And Rescue services.</p>	<p>The Authority will consider the White paper and its proposals when published and respond to the consultation.</p> <p>Any additional impacts from the wider Fire Reform Agenda will also have significant impacts across all areas of RBFRS activity and will require consideration.</p>	Wayne Bowcock	February 2023
<p><u>HMICFRS</u></p> <p>The Service is being inspected as part of tranche 3 of the inspection programme with formal inspection activity commenced in early 2022. Fieldwork is anticipated to take place in June 2022, and the report will be published towards the end of 2022 and any areas for improvements will not be known until that point.</p>	<p>We will remain focused on delivering the existing HMICFRS Action Plan to completion.</p> <p>We will continue to proactively engage to ensure that the Service is suitably prepared and align internal resource to support organisational preparation.</p> <p>The inspection activity and any findings will be considered in the development of the Annual Plan and Service Plans.</p>	Nikki Richards	December 2022

Appendix A
Agenda Item 6



Governance matter identified	Action to be taken in 2022/23	Lead Officer	Target date
<p><u>Cyber security threat</u></p> <p>There is increasing use of and movement to cloud based IT services. With the increased circumstances of remote working there is additional pressure on those services. There have been increased incidences and threats of ransomware attacks and the potential for the risk of cyber-attacks to increase in frequency.</p>	<p>We will continue to focus resources in this area and commission audits of our systems to test for vulnerabilities.</p>	<p>Tony Vincent</p>	<p>February 2023</p>



Conclusion

The Authority will monitor the governance issues identified in this Statement through its performance and risk management arrangements. This ensures regular review and scrutiny of the issues identified by the Senior Leadership Team and the Authority.

Signed:

Date:

Chair of Audit and Governance Committee for Royal Berkshire Fire Authority

Signed:

Date:

Chief Fire Officer and Chief Executive

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Annual Governance Statement

2022 - 2023



Contents

• Scope of responsibility	3
• Purpose of the Governance Framework	4
• The Governance Framework	4
• Review of Effectiveness	12
• Significant Governance Issues Addressed in 2022/23	13
• Significant Governance Issues to be addressed in 2023/24	19
Conclusion	26

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We will consider the request and get back to you. For more information on accessibility at Royal Berkshire Fire and Rescue Service, please read our [Accessibility Statement](#).

Scope of responsibility

Royal Berkshire Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with relevant legislation and standards and that public money is both safeguarded and properly accounted for. It also has a duty under the [Local Government Act 1999](#), to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, use of its resources and including arrangements for the management of risk and the maintenance of an effective internal control environment

The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) '*Delivering Good Governance in Local Government: Framework*' (2016 edition). This statement explains how the Authority has complied with the Framework and meets the requirements of [Regulation 6\(1\) of the Accounts and Audit Regulations 2015](#), which requires all relevant bodies to prepare an Annual Governance Statement.

The Authority also reviews and reports its compliance with the CIPFA Financial Management Code (FM Code) which is designed to support good practice in financial management and allow the Authority to demonstrate that it is financially sustainable. The FM Code came into force on 1 April 2021. Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework.

This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the effectiveness of the governance and internal control framework. The Annual Governance Statement is intended as a valuable means of communication. It enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place to manage risks of failure in delivering its outcomes.

The overall aim is to ensure that:

- » Resources are directed in accordance with agreed policy and according to priorities;
- » There is sound and inclusive decision-making; and
- » There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, cultures and values by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

The system of internal control is a significant part of that Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks in relation to the achievement of the Authority's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised.

The Governance Framework has been in place within the Authority for the year ended 31 March 2023, and up to the date of approval of the Statement of Accounts.

The Governance Framework

The governance measures in place reflect the seven principles of good governance set out in the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition) as set out below.

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

The Constitution of the Authority establishes the roles and responsibilities of Members of the Authority and its Committees, together with officer functions. It includes details of delegation arrangements. The Constitution is kept under review to ensure that it is fit for purpose. Proposed changes are overseen by the Audit and Governance Committee. The Audit and Governance Committee's views on the suitability of any changes are reported when they are presented to the full Fire Authority for approval.

The Constitution also contains procedure rules, standing orders and financial regulations that define how decisions are taken and where authority lies for decisions. The statutory roles of the Chief Fire Officer/Chief Executive, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight of these posts is supported by the post-holders' membership of the Senior Leadership Team.

A local Members' Code of Conduct for all Members was agreed by the Authority in April 2022 and a further public consultation held in December 2022 to ensure our community still supported the code of conduct. A Register of dis-closable pecuniary interests for each Member is reviewed annually and published on the Authority's website. This is further supported by [Protocol on Member and Officer Relations](#) which sets out respective obligations and expectations. If a member of the public

In the event of an allegation being made that a Member has breached the Authority's Code of Conduct, The [Complaints Procedure](#) related to members of the Fire Authority is available on the RBFRS website.

The role of Monitoring Officer is fulfilled as part of a collaborative arrangement with Buckinghamshire and Milton Keynes Fire and Rescue Authority. This arrangement has been in place since 2017/18 and has proved to be effective in ensuring suitable discharge of this responsibility.

All employees are bound by the Employee Code of Conduct and provides a framework for the behaviour, decisions and actions of employees. It is based on the national Core Code of Ethics for Fire and Rescue Services in England and supports a consistent approach to ethics and behaviours across RBFRS. The Employee Code of Conduct also sets out the requirement for the declarations of interests and for employees to register offers or acceptance of gifts and hospitality. The [Officer Register of Gifts and Hospitality](#) is publicly available on the RBFRS website.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) are due to publish their findings on their review of values and culture in the Fire Service. We are awaiting publication and will review the contents for action.

A Grievance, Bullying and Harassment Policy, Complaints Procedure, Whistle Blowing Policy and Anti-Fraud, Bribery and Corruption Policy are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. Regular updates on complaints received and their resolution is presented to the Audit and Governance Committee via the quarterly performance report.

The Local Pension Board is set up under the auspices of [The Public Service Pensions Act 2013](#). The Board exists to assist the Fire Authority in its role as Scheme Manager; to secure compliance with the various firefighter pension scheme regulations and other legislation relating to governance and administration of the scheme; secure compliance with requirements imposed by the Pensions Regulator. A six monthly report is provided to the Audit and Governance Committee.

We are committed to [data protection and processing personal data](#) in line with the requirements of the UK GDPR and the Data Protection Act 2018. It also sets out the process by which data incidents are recorded and investigated, and where appropriate, reported.

Royal Berkshire Fire Authority is committed to the highest possible standards of integrity, openness and accountability. The Authority recognises that sound systems of public accountability are vital to effective management and to protecting the public funds entrusted to it. The Anti-Fraud, Bribery and Corruption Policy outlines the Authority's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.

RBFRS Whistleblowing policy outlines arrangements to give staff confidence to challenge and report allegations of inappropriate behaviour and gives the authority the means to investigate such reports. There is the opportunity to use Say So, who are an organisation RBFRS has engaged to confidentially report workplace concerns.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

The [Corporate Plan and Community Risk Management Plan \(CRMP\) 2019-23](#), sets out the contribution the Authority will make to its mission; serving the people of Royal Berkshire. It is linked to the Budget, ensuring that the aspirations in the plan are realistic in the context of funding constraints placed upon the Authority.

The Corporate Plan and Community Risk Management Plan is agreed following consultation with the public, staff and stakeholders. The Authority has consulted on and agreed its CRMP Consultation Principles, which are published within the Corporate Plan and Community Risk Management Plan.

A new Corporate Plan and Community Risk Management Plan covering 2023-2027 was consulted on from January 2023 with plans to present the consultation outcomes to the Fire Authority in April 2023. If agreed, this will then be published on our website.

A Consultation Strategy is in place which underpins all consultation activity and we work with the Consultation Institute to ensure best practice is followed. Details of our [previous public consultations](#) are available on our website. All consultations are supported by a communication and engagement plan aimed at engaging our stakeholders.

In 2022/23, we undertook a [Budget and Council Tax Consultation](#) prior to setting the 2023/24 budget. Our [Equality, Diversity and Inclusivity Objectives 2022-2026](#) have been published on our website and underpin our engagement activity.

Whilst the Corporate Plan spans a four-year period, it is reviewed annually. An [Annual Plan](#) is produced and published on the website for each of those four years, setting out Annual Objectives together with Corporate Measures. Each Unitary Authority area also has a dedicated annual [Local Safety Plan](#), which sets out localised risk and how resources will be targeted to meet that risk.

An [Annual Report](#) is published on our website taking account of matters that have arisen during the last 12 months and reporting on performance for that period.

Corporate Measures that are set annually via the Annual Plan are internally monitored through the Strategic Performance Board prior to reporting via the Audit and Governance Committee. Any strategic projects are managed through the Programme Board, with our Priority Programmes being reported to the Audit and Governance Committee via the [Quarterly Performance Reports](#). In addition to publishing the Quarterly Performance Reports, we publish key performance information on our website on a monthly basis. Our website also contains a '[Transparency and Governance](#)' section publishing financial and staff information which includes the Council Tax Leaflet, procurement card transactions and payments over £500. We work closely with our neighbouring Fire and Rescue Services, notably through long standing collaboration with Thames Valley partners and the wider Thames Valley Local Resilience Forum. These partnerships and collaborative activities allow us to share our understanding of risk and contribute to wider regional risk reduction. We actively seek collaborative opportunities, such as sharing the facilities in our fire stations with Thames Valley Police and South Central Ambulance Service, joint procurement arrangements and our joint Thames Valley Fire Control Service. Working together leads to greater resilience and increases our efficiency and effectiveness. The governance arrangements are set out in the [Thames Valley Emergency Services Collaboration Five Year Plan](#), together with a [Thames Valley Collaboration Register](#), and are publicly available on our website.

Meetings of [the Fire Authority and its committee meetings](#) are accessible to the public and dates are published on the website, including the minutes and decisions taken at those meetings. The Authority appoints two members to the Thames Valley Fire Control Service Joint Committee and papers are published on the website for these meetings.

[Standing orders](#) are published outlining the rules for the operation of Authority and committee meetings. The [Scheme of Delegation](#) sets out those decisions which can only be taken by the authority or the audit and Governance committee and those which can be taken by the Chief Fire Officer/chief Executive.

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

The Corporate Plan and CRMP provides a clear vision and formal statement on the organisation's purpose and intended outcomes, including how we will manage our resources to achieve those outcomes. Our Community Risk Management Plan sets out how we will safely and effectively manage risk across our Prevention, Protection and Response activities. Our Consultation Principles set out that we will consult with a wide range of stakeholders, including the public, on any changes that will have a material impact on the performance of the services we provide.

The [Strategic Asset Investment Framework](#), sets out our intent for the management and investment in our capital assets which include our buildings, fleet and ICT, underpinning the Corporate Plan and Integrated Risk Management Plan. We monitor the delivery of our corporate strategies and report on these through our Audit & Governance Committee.

The Organisational Risk Management Policy sets out our approach to the identification and management of risk which may impact on our ability to provide our services. The Corporate Risk Register is reviewed on a four weekly basis by the Senior Leadership Team, and is reported to the Audit and Governance Committee.

The Service's intention is to support wider Government sustainability and environmental targets. In addition to ordering the Service's first alternative fuelled vehicles, a piece of work has been commissioned to undertake an organisational carbon footprint assessment. Once complete, the information will be used to inform future strategies so that the organisation can set out its direction to becoming more sustainable and environmentally friendly. Governance structures have been set up to enable us to progress actions and the Authority has signed up to the Emergency Services Environmental and Sustainability Group.

A key element to the revenue budget setting process is ensuring the long-term sustainability of the organisation, taking into account the current pressures, risks and challenges that the Service faces.

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

The Fire Authority meetings approximately three times per year with separate committee meetings for Audit and Governance and Management committee. In accordance with the Scheme of Delegation, all relevant items for decision are taken to the appropriate and relevant committee for scrutiny and approval.

Medium to long-term planning is informed by the [Medium Term Financial Plan](#), which sets out the financial strategy for the Authority. This enables the Authority to understand likely future challenges, and ensure its strategic planning is realistic.

Where necessary, appropriate action is identified to mitigate potential financial risk. This is further supported by the Authority's [Efficiency Plan](#), which was refreshed as part of the budget setting process for 2023/24. Savings of £1.384m will be delivered between 2023/24 and 2025/26.

Our Performance Management Framework sets out how we will manage performance to ensure organisational aims and objectives are achieved. This Framework sets out how we will measure and monitor performance and where and when the organisation will manage performance. This is further supported by the Organisational Risk Management Policy as set out above.

The Authority will inform the public about changes we intend to make, or would like the public's views on, and then engage in a process of public consultation. This enables assessment of feedback from our Communities and partners on our options. Responses are analysed and then presented to the Fire Authority.

Core Principle E: Developing the Authority's capacity, including the capability of its leadership and the individuals within it

A key theme of the Corporate Plan and Community Risk Management Plan is Capacity, Capability and Resilience. Our vision outlines our capability commitments and that we value and invest in developing our people to ensure we can deliver the best possible service.

A new People Strategy is in development and the timeline on this has been extended. The themes will remain the same and will enable our staff to be the best public servants they can be, creating a workforce that can deliver an efficient and effective service.

The Authority has developed a new Member Development Strategy which is in draft and due for review at Fire Authority in April 2023. This strategy will be further supported by a Member Development Action Plan.

The training needs of Members and officers are identified through appraisal and review processes. Appropriate training is made available to ensure that individuals are able to undertake their current roles effectively and that they have the chance to develop to meet their, and the Authority's, needs.

There is a Leadership Development Programme in place for supervisory and middle- managers, with the Senior Leadership Team developed through coaching and external leadership development courses.

Our Behavioural Competency Framework has leadership at its core and is directly linked to our Employee Code of Conduct and Equality and Diversity and Inclusion Objectives. Our performance development review structure is aligned to the framework.

Our Workforce Planning Group allows us to monitor our workforce profile, as well as anticipate future workforce needs for capacity and capability and plan accordingly.

The health and wellbeing of colleagues is a priority and our Health, Safety and Wellbeing Strategy and Action Plan supports our staff, with a particular focus on Mental Health.

Independent assurance is provided by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) across the three pillars of 'effectiveness', 'efficiency' and 'people'. In June 2019, the first inspection report for Royal Berkshire Fire and Rescue Services was issued in which it said the Service was performing to a high standard in these areas and was graded as 'good' in all three pillars. HMICFRS inspected RBFRS during 2022 with the final report published in January 2023. RBFRS was graded as 'good' in all three pillars. Progress on the areas for improvements identified by HMICFRS are reported through our Strategic Performance Board.

Since the introduction of the Fire Standards Board, we have been an active and engaged participant in the development of the new fire standards and in ensuring that we are fully compliant with all of the published professional standards for fire and rescue services.

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

The Authority ensures that the Service has appropriate governance arrangements in place and that risk and performance are being effectively managed. As set out above, there is a Performance Management Framework and Organisational Risk Management Policy which sets out how this is achieved.

The Authority has ownership of the strategic risks of the Service and is responsible for monitoring and challenging risks and actions appearing on the Corporate Risk Register. This responsibility for risk and performance management is delegated by the Authority to the Audit and Governance Committee.

The Head of Finance and Procurement is appointed as the Chief Finance Officer and ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with section 112 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is required to adhere to professional standards set by CIPFA.

Until October 2015, the Authority's insurance was arranged through a consortium of nine fire and rescue authorities. These fire and rescue authorities are now members of the [Fire and Rescue Indemnity Company Ltd \(FRIC\)](#). The company commenced trading in November 2015 and now has 13 member authorities. The Authority's risk protection arrangements are provided through the pooled funds of the company. The aims of the Company are twofold: to reduce risk to the Authority by driving up standards, for example, by adopting best practice in relation to driving standards and also to reduce the cost to the Authority of its risk protection arrangements over the longer-term.

The Audit and Governance Committee provides independent assurance to the Authority and scrutinises the performance of our service and reviews audit reports from internal and external auditors and also approves the statement of accounts.

Management Committee receives quarterly budget monitoring reports.

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

Data is published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision-making, public spending and democratic processes.

The Authority has a designated statutory Data Protection Officer (DPO) that reports through the Authority's Senior Information Risk Owner (SIRO) which is the Deputy Chief Executive/Director of Corporate Services. Both the DPO and SIRO ensure legal compliance with data protection requirements.

The Authority publishes on the website monthly listings of all procurement card expenditure and payments over £500 that have been made. A contracts register is also maintained and published detailing businesses with whom we have official agreements and supplies regular services.

The [Pay Policy](#) has been approved by the Authority and is subject to review annually. It is produced in accordance with new or proposed legislation to ensure that it remains relevant and effective. The Pay Policy Statement for 2023-24 has been approved by the Authority.

In addition to publishing the [Gender Pay Gap Report for 2022](#), on our website. The Authority, also published an [Ethnicity Pay Gap Report for 2022](#) which goes further than the statutory Gender Pay Gap report and gives clearer and more extensive information regarding how individuals are paid at RBFRS and how individual pay elements are distributed across the various protected groups. An Equal Pay Audit was undertaken in 2022 with outcomes reported to the Authority in January 2023.

An annual [Statement of Assurance](#) is produced to formally confirm to Government, stakeholders and the communities we serve, the adequacy of arrangements for the effective management of financial, governance and operational matters in RBFRS. The Statement confirms the extent to which the requirement of the Fire and Rescue National Framework for England have been met.

The Audit and Governance Committee undertakes the scrutiny function within the Authority and provides a robust challenge to the Authority. The Committee reviews performance and risk within the Authority, initiating reviews where it considers performance could be improved.

The Authority's Internal Audit Service is carried out by external contractors appointed under contract. The appointed Internal Auditor (RSM) is required to provide an annual independent and objective opinion to the Authority on risk management, governance and the control environment. The annual Audit Plan is agreed by the Audit and Governance Committee and in 2022/23 RSM undertook the following audits:

Audit	Assurance Level
Health and Safety	Reasonable assurance
Facilities Management	Reasonable assurance
Grenfell actions plans	Substantial assurance
Firefighter Pension Administration	Substantial assurance
Payroll provider	Substantial assurance
Key Financial Controls	Substantial assurance

Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors' (RSM) annual report, and by the findings and reports issued by the external auditors and other review agencies and inspectorates.

The Authority has an Audit and Governance Committee with responsibility for monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance.



Significant Governance Issues Addressed in 2022/23

The following provides a progress report against the significant governance issues identified in the last Annual Governance Statement.

Governance matter identified	Action taken in 2022/23	Lead Officer	Target Date
<p><u>HMICFRS</u> The Service is being inspected as part of tranche 3 of the inspection programme with formal inspection activity commenced in early 2022. Fieldwork is scheduled to take place in spring-summer 2022, with the dates to be confirmed by HMICFRS.</p>	<p>During 2022/23, RBFRS continued to work towards its HMICFRS Action Plan and this is monitored through the Strategic Performance Board and Audit and Governance Committee.</p> <p>HMICFRS completed their inspection with the fieldwork completed in July 2023. The final report was published in January 2023 and an action plan associated with areas for improvements is being updated and reviewed as a result.</p> <p>We will remain focused on delivering the existing HMICFRS Action Plan to completion. The inspection activity and any findings will be considered in the development of the Annual Plan and Service Plans.</p>	<p>Nikki Richards</p>	<p>Closed</p>
<p><u>Built Environment</u> The Built Environment Programme will remain an area of focus in 2022/23, with ongoing additional</p>	<p>An external audit was completed by RSM and the work completed substantially assured.</p>	<p>Mark Arkwell</p>	<p>Closed</p>



<p>financial pressures this creates for the Fire Authority. Work was delivered to ensure the Authority appropriately responded and learnt from the findings of the Grenfell Tower Inquiry. Alongside this, the risk posed by High Risk Residential Buildings remains a significant national challenge and forms part of the national Fire Chiefs Council Building Risk Review Programme. The Authority will continue to contribute towards this national programme as well as build on the work already undertaken locally to address the challenges posed by the High Risk Residential Buildings with the Service, where appropriate, making full use of its statutory powers to drive remediation of those buildings.</p>	<p>The Programme was closed down in December 2022 with open actions transferred to the appropriate departments for completion.</p> <p>An end of programme status report was developed and published following closure.</p>		
<p>Pay Award The 2022/23 Budget was set on the basis that there would be a 2.5% pay award for both green and grey book staff.</p>	<p>The pay award for Grey Book staff was 7%. For Green Book staff it was a lump sum increase of £1,925 in almost all cases. This created significant budgetary pressure which were offset partly by one-off rebates from business rates appeals.</p> <p>The £5 increase in the precept for 2023/24 has been partly used to provide on-going funding for the impact of this unbudgeted pay award and future projected pay awards.</p> <p>Unfortunately, the macro economic situation has worsened and inflation rates have compounded budget pressures. Coupled with anticipated cost of living pay increase requests and rising costs anything above the budgeted pay award of 4% for green book staff in 2023/24 will be difficult to fund.</p>	<p>Conor Byrne</p>	<p>February 2023</p>



<p><u>Development of a new People Strategy</u></p> <p>Our people are our most important asset and the current People Strategy ran until 2021. Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can be, creating a workforce that can deliver excellence to our communities.</p>	<p>Following staff engagement, the timelines for the development of our new People Strategy have been extended. A key theme of the Corporate Plan and Community Risk Management Plan is capacity, capability and resilience.</p> <p>Our vision outlines our commitments to capability, and culture. Monitor for publication of the HMICFRS values and cultures report.</p>	<p>Nikki Richards</p>	<p>December 2023</p>
<p><u>New Community Risk Management Plan</u></p> <p>Our CRMP and corporate plan runs to 2023 and requires a review to ensure our future plans are relevant to our communities and reflect an ever changing world. Our CRMP model is required to deliver an effective and efficient service for the people of Berkshire.</p> <p>A new plan is needed which will require significant resource and capacity to review and build to meet risk and the needs of our communities. Our new CRMP will continue our journey of improvement and could change how we deliver the service.</p>	<p>A Programme of work was undertaken during 2022 to develop a new Corporate plan and CRMP.</p> <p>A thorough review of risk and the needs of our communities was undertaken and a public consultation completed to understand our staff and community views on the proposals.</p> <p>The consultation completed in March 2023 and the proposals and outcome of the consultation will be reviewed by the Fire Authority in April 2023.</p>	<p>Nikki Richards</p>	<p>April 2023</p>
<p><u>Refresh of Strategic Documents</u></p> <p>Implementation of Phase One of the Strategic Asset Investment Framework continues, the lack of funding for Phase Two remains an issue for the Fire Authority.</p>	<p>Lobbying of MPs and Government will continue to highlight the need for financial support to renew our assets to enable the Authority to deliver an efficient and effective service to the public.</p> <p>The Authority's new Efficiency Plan and refreshed Strategic Asset Investment Framework has been</p>	<p>Wayne Bowcock</p>	<p>Closed</p>



	developed during 2022/23 and approved by the Fire Authority. These have been published on our website.		
<p>Funding</p> <p>The Authority’s funding position going into 2023/24 is one of extreme volatility due to both the uncertain political and economic uncertainty at a national level. This uncertainty means that it is increasingly difficult to predict the outcomes of the financial settlements received from central Government which will determine the financial parameters within which the Authority will have to operate.</p>	<p>Monitor central Government funding updates and proactively lobby local MP’s for further clarity and support.</p> <p>Scenario planning will highlight the implications of a financial settlement that requires expenditure cuts to balance the budget.</p>	Wayne Bowcock	February 2023
<p>Pensions</p> <p>The pensions landscape remains complex with technical policy and secondary legislation associated with the Sargeant case still to be finalised. During the 2022/23 year RBFRS continued to support those due to retire and most affected by the pension situation through the adoption of the Fire Authority agreed approach for those classed as ‘immediate detriment’.</p> <p>The legislation in respect of the O’Brien/Matthews case and how retained duty system staff should be treated is also not finalised and preparation for, and the required activities in response to implementation will create significant additional workload pressure for the Service and the administrator in the same time frame.</p>	<p>RBFRS will continue preparation of data and records for when regulations come in to force by taking account of emerging guidance and increasing pension knowledge by working together with the pension administrator and across the sector to ensure effective management of pension arrangements.</p> <p>Recruitment of firefighters will be scheduled to meet workforce needs.</p> <p>Quarterly updates to A&G Committee will provide oversight of the emerging issues.</p>	Becci Jefferies	February 2023



<p>Responding to the changes in pension regulations and ensuring the workforce is resourced appropriately remains a priority</p>			
<p><u>Workforce</u></p> <p>Our people are our most important asset and the current People Strategy runs until 2021. Linked to the cost of living crisis, workforce retention is being impacted and we are experiencing a high percentage of staff in development. This will also impact internal costs and capacity.</p> <p>Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can be, creating a workforce that can deliver excellence to our communities. It will also allow the Service to consider longer-term strategy for ways of working.</p>	<p>We will undertake a staff engagement programme to inform the development of our new strategy.</p> <p>Continue to ensure our workforce planning takes account of forecasted changes and requirements.</p>	<p>Becci Jefferies</p>	<p>February 2023</p>
<p><u>Sustainability</u></p> <p>Increasing expectations that organisations should consider sustainability. It is our intention to support the wider Government sustainability and environmental targets. A strategy needs to be set out so the organisation can set its direction towards becoming more sustainable and environmentally friendly.</p>	<p>Review outcomes of the organisational carbon footprint assessment to produce future strategy.</p> <p>Expansion of the Authority role of the Lead member to Strategic Asset and sustainability.</p>	<p>Andy McLenahan</p>	<p>February 2023</p>
<p><u>Government White Paper, Fire Reform and PCCs</u></p> <p>A consultative White Paper was published in 2022, setting out the Government’s reform agenda in</p>	<p>The Authority considered the White paper and its proposals when published and responded to the consultation.</p>	<p>Wayne Bowcock</p>	<p>February 2023</p>



<p>relation to fire and exploring specific proposals on fire governance in more detail, including whether ex</p> <p>The Fit for the Future initiative partnership between the National Employers (England) (NE England), the Local Government Association (LGA) and the National Fire Chiefs Council (NFCC) ran a consultation process during 2020 and are committed to moving forward work in 2022 across 11 areas for improvement across the breadth of Fire and Rescue services.</p>	<p>Any additional impacts from the wider Fire Reform Agenda will also have significant impacts across all areas of RBFRS activity and will require consideration.</p> <p>This will continue to be monitored.</p>		
<p><u>Cyber security threat</u></p> <p>There is increasing use of and movement to cloud based IT services. With the increased circumstances of remote working there is additional pressure on those services. There have been increased incidences and threats of ransomware attacks and the potential for the risk of cyber-attacks to increase in frequency.</p>	<p>We continue to focus resources in this area and we have commissioned audits of our systems to test for vulnerabilities. A controlled “phishing attack” to evaluate any gaps in training which need addressing has been completed and will continue with testing on a regular basis.</p> <p>RBFRS Disaster Recovery plan has been reviewed and necessary changes implemented wherever possible. Further adjustments are being rolled out to improve service’s resilience to attacks and/or their potential consequences.</p>	<p>Lukasz Wrona</p>	<p>February 2023</p>



Significant Governance Issues to be addressed in 2023/24

In addition to the significant issues in action, the following significant governance issues have been identified as new or continuing for 2023/24:

Governance matter identified	Action taken in 2023/24	Lead Officer	Target Date
<p>Pay Award</p> <p>The 2023/24 Budget was set on the basis that there would be a 4% green book pay award.</p> <p>Gold book conditions pay award has not yet been agreed</p>	<p>The Authority will need to closely monitor ongoing negotiations, and possible budget pressures that will occur should the agreed pay award be in excess of the 4% budgeted for.</p> <p>Pay award for Gold book conditions of service for FRS Principle Officers i.e. ACO to CFO yet to be agreed and outcomes to be monitored.</p>	Conor Byrne	February 2024
<p>Development of a new People Strategy</p> <p>Our people are our most important asset and the current People Strategy ran until 2021. Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can be, creating a workforce that can deliver excellence to our communities.</p>	<p>Following staff engagement, the timelines for the development of our new People Strategy have been extended. Our new Corporate Plan and Community Risk Management Plan will look to support the People Strategy and outlines our plans to develop the service over the four years.</p> <p>Our new vision outlines our commitments to capability, and culture.</p> <p>Implementation of the outcomes of staff engagement will be a focus for the coming year.</p>	Nikki Richards	December 2023



<p><u>New Community Risk Management Plan</u></p> <p>Our CRMP and corporate plan runs to 2023 and requires a review to ensure our future plans are relevant to our communities and reflect an ever-changing world. Our CRMP outlines how we will manage the risk from Fire and rescue related incidents.</p> <p>Our new CRMP will continue our journey of improvement and could change how we deliver the service.</p>	<p>The CRMP public consultation completed in March 2023 and the proposals and outcome of the consultation will be reviewed by the Fire Authority in April 2023.</p>	<p>Nikki Richards</p>	<p>April 2023</p>
<p><u>Funding</u></p> <p>The Authority's funding position going into 2023/24 is one of extreme volatility due to both the uncertain political and economic uncertainty at a national level. This uncertainty means that it is increasingly difficult to predict the outcomes of the financial settlements received from central Government which will determine the financial parameters within which the Authority will have to operate.</p>	<p>Monitor central Government funding updates and proactively lobby local MPs for further clarity and support.</p> <p>Scenario planning will highlight the implications of a financial settlement that requires expenditure cuts to balance the budget.</p>	<p>Wayne Bowcock</p>	<p>February 2024</p>
<p><u>Pensions</u></p> <p>The pensions landscape remains complex with technical policy and secondary legislation associated with the Sargeant case still to be finalised. During the 2022/23 year RBFRS continued to support those due to retire and most affected by the pension situation through the adoption of the Fire Authority agreed approach for those classed as 'immediate detriment'.</p>	<p>RBFRS will continue preparation of data and records for when regulations come in to force by taking account of emerging guidance and increasing pension knowledge by working together with the pension administrator and across the sector to ensure effective management of pension arrangements.</p> <p>Recruitment of firefighters will be scheduled to meet workforce needs.</p>	<p>Becci Jefferies</p>	<p>February 2024</p>



<p>The legislation in respect of the O'Brien/Matthews case and how retained duty system staff should be treated is also not finalised and preparation for, and the required activities in response to implementation will create significant additional workload pressure for the Service and the administrator in the same time frame.</p> <p>Responding to the changes in pension regulations and ensuring the workforce is resourced appropriately remains a priority</p>	<p>Quarterly updates to A&G Committee will provide oversight of the emerging issues.</p>		
<p><u>Workforce</u></p> <p>Our people are our most important asset and the current People Strategy ran until 2021 and a new one is under development.</p> <p>A key theme of the Corporate Plan and Community Risk Management Plan is Capacity, Capability and Resilience.</p> <p>Linked to the cost of living crisis, workforce retention is being impacted and we are experiencing a high percentage of staff in development and developing and maintaining skills and knowledge across the operational workforce is a priority. This will also impact internal costs and capacity.</p> <p>Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can be, creating a workforce that can deliver excellence to our communities. It</p>	<p>We will review the outcomes of our staff engagement and implement the outcomes.</p> <p>Continue to ensure our workforce planning takes account of forecasted changes and requirements. Options are being explored related to incentivised retention.</p> <p>The implementation of our CRMP priorities is subject to Fire Authority approval.</p> <p>The launch of a new vision and purpose with four headlines of culture, capability, sustainability and risk management. The publication of the HMICFRS on values and culture will enable us to consider the findings and look at across our organisation in line with our vision.</p>	<p>Becci Jefferies</p>	<p>February 2024</p>



<p>will also allow the Service to consider longer-term strategy for ways of working.</p>			
<p><u>Sustainability</u> Increasing expectations that organisations should consider sustainability. It is our intention to support the wider Government sustainability and environmental targets. A strategy needs to be set out so the organisation can set its direction towards becoming more sustainable and environmentally friendly.</p>	<p>Review outcomes of the organisational carbon footprint assessment to produce future strategy. Expansion of the Authority role of the Lead member to Strategic Asset and sustainability. Review of internal governance structure to support sustainability</p>	<p>Andy McLenahan</p>	<p>February 2024</p>
<p><u>Government White Paper, Fire Reform and PCCs</u> A consultative White Paper is due to be published in 2022, setting out the Government’s reform agenda in relation to fire and exploring specific proposals on fire governance in more detail, including whether ex The White paper for fire reform was published for public consultation in Q1 2022. The outcomes are awaited. The Fit for the Future initiative partnership between the National Employers (England) (NE England), the Local Government Association (LGA) and the National Fire Chiefs Council (NFCC) ran a consultation process during 2020 and are committed to moving forward work across 11 areas for</p>	<p>The Authority considered the White paper and its proposals when published and responded to the consultation. Any additional impacts from the wider Fire Reform Agenda will also have significant impacts across all areas of RBFRS activity and will require consideration. This will continue to be monitored.</p>	<p>Wayne Bowcock</p>	<p>February 2024</p>

Appendix B



<p>improvement across the breadth of Fire and Rescue services.</p>			
<p>Cyber security threat</p> <p>There is a heightened threat of cyber incidents which has been linked to recent geo-political issues. National Cyber Security Centre warns that organisations should consider this level of threat to become a new norm, forcing organisation to ensure their cyber defences are adequately improved.</p> <p>With the increased circumstances of remote working there is additional pressure on ensuring the services required to facilitate it are adequately protected.</p> <p>There have been increased incidences and threats of ransomware attacks and the potential for the risk of cyber-attacks to increase in frequency.</p>	<p>This is an on-going challenge and needs vigilance. We will continue to focus resources in this area and continue to work with our external partners to commission audits of our systems to test for vulnerabilities.</p> <p>We will review technology required to protect our systems from cyber incidents and adjust accordingly to meet the highest level of protection available to RBFA's systems.</p> <p>We will continue to review and adjust our IT Disaster Recovery plans in response to changing cyber threat patterns and operational needs.</p> <p>We will continue to educate and train our staff to recognise and appropriately handle cyber security risks.</p> <p>An ongoing action plan is being developed.</p>	<p>Lukasz Wrona</p>	<p>March 2024</p>
<p>IT General Controls</p> <p>A review of arrangements governing the operations of our technology estate highlighted inconsistencies in approach resulting from significant changes within the service in recent years. It is important to understand and address those inconsistencies as they may have an impact on the effectiveness of our IT and security controls in place to ensure</p>	<p>We will work with the findings of IT General Controls audit to address the risks identified in the physical estate.</p> <p>We will review the policies and processes governing the delivery and consumption of technology within the service addressing inconsistencies and aligning with appropriate guidance.</p>	<p>Lukasz Wrona</p>	<p>March 2024</p>



<p>The new FSER imposed new duties on the responsible persons (RP) for multi-occupied residential buildings and requires them to take specific actions depending on the height of their buildings.</p>			
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Conclusion

The Authority will monitor the governance issues identified in this Statement through its performance and risk management arrangements. This ensures regular review and scrutiny of the issues identified by the Senior Leadership Team and the Authority.

Signed:

Date:

Chair of Audit and Governance Committee for Royal Berkshire Fire Authority

Signed:

Date:

Chief Fire Officer and Chief Executive



-  RoyalBerksFRS
-  @RBFRSOfficial
-  RoyalBerkshireFire
-  Royal Berkshire Fire & Rescue Service
-  rbfrs.co.uk

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	27 NOVEMBER 2024
SUBJECT	EY EXTERNAL AUDIT UPDATE - VFM
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE

1. EXECUTIVE SUMMARY

- 1.1 Members will receive an update from EY in relation to the Authority's Value for Money arrangements for 2021/22 and 2022/23.

2. RECOMMENDATION

The Committee is requested to

- 2.1 **NOTE** EY's Value for Money Interim Report.

3. REPORT

- 3.1 A representative from EY will present the conclusions from their Value for Money Interim Report (**Appendix A**) which covers the financial years 2021/22 and 2022/23. In summary, EY did not identify any risks of significant weaknesses nor any actual significant weaknesses in Value for Money arrangements.
- 3.2 EY will summarise their final view of Value for Money arrangements as part of their Auditor's Annual Report once the audit opinion has been issued for 2022/23.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – Sustainability. We will ensure that we provide a financially sustainable and environmentally friendly service to our communities.

5. FINANCIAL IMPLICATIONS

- 5.1 The Value for Money Report provides assurance to Members that the Authority's finances are in good order and are being used efficiently and effectively.

6. LEGAL IMPLICATIONS

- 6.1 VFM work ensures the auditors comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None.

8. RISK IMPLICATIONS

- 8.1 The VFM Report sets out any significant weaknesses in relation to financial sustainability, governance and improving economy, efficiency and effectiveness.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 EY were appointed by PSAA through a national procurement exercise.

10. PRINCIPAL CONSULTATION

- 10.1 No issues for statutory officers.

11. BACKGROUND PAPERS

- 11.1 None.

12. APPENDICES

- 12.1 Appendix A – Value for Money Interim Report.

13. CONTACT DETAILS

- 13.1 Conor Byrne - Head of Finance and Procurement
Email: byrnec@rbfrs.co.uk

Royal Berkshire Fire Authority

Value for Money Interim Report

Years ended 31 March 2022 and 31 March 2023

September 2024

September 2024

Royal Berkshire Fire Authority
Newsham Court
Pincents Kiln
Calcot
Reading
RG31 7SD

Dear Audit & Governance Committee Members

2021/22 and 2022/23 Value for Money Interim Report

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for Royal Berkshire Fire Authority. This commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for the audit years 2021/22 and 2022/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The National Audit Office (NAO) issued a consultation on 8 February 2024 seeking views on changes to the Code of Audit Practice (the Code) to support auditors to meet backstop dates and promote more timely reporting of their work on value for money arrangements. The consultation proposes to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. At this stage, we are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code.

This report is intended solely for the information and use of the Audit & Governance Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit & Governance Committee meeting on 21st October 2024.

Yours faithfully

Andrew Brittain

Partner

For and on behalf of Ernst & Young LLP

Encl

Contents

01 Executive Summary



02 Value for Money Commentary



03 Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/auditquality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to Audit & Governance Committee and management of Royal Berkshire Fire Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit & Governance Committee and management of Royal Berkshire Fire Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit & Governance Committee and management of Royal Berkshire Fire Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



BOARDROOM

01 Executive Summary

Executive Summary

Purpose

Auditors are required to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditor's provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this interim commentary is to explain the work we have undertaken for the year ended 31 March 2022 and 31 March 2023 and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for the audit years 2021/2022 and 2022/23. The NAO has confirmed that where VFM reporting is outstanding for more than one year, the auditor can issue one report covering all years.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Authority (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. As part of the NAO consultation issued on 8 February 2024, there is a proposal to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. However, the consultation states that where auditors have begun or already undertaken work that no longer falls under the reduced scope, they may still report on it in accordance with Schedule 4. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will summarise our final view of the value for money arrangements as part of the Auditor's Annual Report once the audit opinion has been issued for 2022/23.

Executive Summary (continued)

Risks of Significant Weakness

In undertaking our procedures to understand the Authority's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of the Fire Authority's committee reports;
- meetings with key officers;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with the Fire Authority's management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Fire Authority's VFM arrangements.

As a result, we have no matters to report by exception at this stage of the audit and we will update our interim reporting as part of issuing the final commentary in the Auditor's Annual Report later in the year.

Executive Summary (continued)

Reporting

Our interim commentary for 2022/23 and 2021/22 is set out over pages 10 to 20. The interim commentary on these pages summarises our understanding of the arrangements at the Fire Authority based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2021/22 and 2022/23. We include within the VFM commentary below the associated recommendation we have agreed with the Fire Authority around timely preparation and publication of accounts.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Auditor’s Annual Report and have been updated for this report.

In accordance with the NAO’s 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body’s arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Fire Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Fire Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Fire Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)



02 Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Fire Authority plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Fire Authority is required to have arrangements to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement rests with management.

Budget monitoring is done on a quarterly basis to identify and address short term financial pressures. It involves identifying variances, pressures and risks while taking prompt action to prevent budget pressures or to bring pressures that have arisen back under control by identifying savings and income opportunities.

The Fire Authority has a robust process that continually reviews local and national financial pressures and responds to these accordingly. Regular meetings are held with heads of services, the Senior Leadership Team and with members. Any significant financial pressures to deliver the Plan are raised and mitigated with identified savings, or, if an earmarked or risk reserve exists, then a draw from reserves may be considered in accordance with financial regulations, which is then reported in the quarterly monitoring reports. Future year pressures are considered as part of the Medium Term Financial Plan ('MTFP') and reported as part of the budget setting process. This may lead to budget adjustments in some service areas or a risk reserve review.

The Authority has contingency plans to balance the budget should funding decrease as well as ongoing projects to deliver efficiencies. The contingency plans include use of budget contingency reserve / other reserves as deemed appropriate. Scenario planning exercises look at a range of potential options available, dependent on the severity of the funding deficit.

BFRA's strategic documents are developed in line with the Authority's Medium Term Financial Plan. Capital plans and investments plans are presented to Members as part of the budget setting papers that include the MTFP. The consistency of these with the financial plan, is therefore picked up as part of the preparation and sign-off of these papers prior to publication. Workforce, operational planning and effectively any other decision-making process will require a supporting paper for approval to be presented at either Senior Leadership Team or the appropriate Member committee.

Financial resilience is managed through the Corporate Risk Register which is reviewed monthly by SLT. Scenario planning work is completed with Directors / wider SLT colleagues when applicable. The service has identified and assessed a range of fire and rescue-related risks to its communities. It has used a range of information and consulted widely, to produce a comprehensive community risk management plan (CRMP), formerly known as its integrated risk management plan (IRMP).

Conclusion: Based on the work performed, the Fire Authority had proper arrangements in place in 2022/23 and 2021/22 to enable it to plan and manage its resources to ensure that it can continue to deliver its services

Value for Money Commentary (continued)

Governance: How the Fire Authority ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Fire Authority published their draft 2021/22 financial statements for audit on 29th July 2022 and their draft 2022/23 financial statements on 31 May 2023. Both publishing dates are in line with the Accounts and Audit regulations and the relevant amendments. The Fire Authority advertised and held inspection periods for members of the public in line with these regulations. We validated that the 2022/23 and 2021/22 draft financial statements were arithmetically correct, agreed to the data in the general ledger, and prepared in line with the content required by the CIPFA Code. The Authority has carried out bank reconciliations during the year. Therefore, based on these procedures appropriate arrangements for financial reporting were in place during 2022/23 and 2021/22.

The Fire Authority produces an Annual Governance Statement ('AGS') each year which sets out the governance roles and responsibilities and follows the adopted Local Code of Corporate Governance, which is reviewed and published annually. The Fire Authority is committed to openness and transparency. We noted that RBFRA received a partial response for IT General Controls (ITCG's) in 22/23 but have not mentioned this in the draft AGS currently available on the website - we have enquired with Conor Byrne (Head of Finance) as to the reason, which is that the IT audit opinion was issued after the draft AGS was published and that this will be updated when it comes to Committee for final approval.

During our 2020/21 audit, we identified and reported within our Audit Results Report a number of adjusted and unadjusted errors across the financial statements. We considered whether this represents a risk of significant weakness in the proper arrangements to ensure there are proper processes in place to have relevant, accurate and timely information to support statutory financial reporting requirements. The Authority accepted that improvements were needed in those areas and this was reported to the Audit & Governance Committee. We did not consider those findings to indicate a weakness in the proper arrangements at the Authority.

The Fire Authority Committee has the primary oversight of key decision making within the Fire Authority with some responsibilities delegated to the Audit and Governance Committee and Management Committee. The Fire Authority recognises the need to identify and understand its key business risks and is committed to ensuring that appropriate arrangements are in place to enable informed risk decision taking, recognising that effective risk management seeks to optimise the balance between risk and reward. An important part of the Fire Authority's decision making process is to ensure that risks are identified. The Fire Authority has a range of monitoring controls in place including regular reviews of effectiveness of internal controls to prevent and detect fraud through the Internal Audit Function. This is done on an annual basis through an annual internal audit report. In addition, quarterly internal audit progress reports are presented and discussed at the Audit and Governance Committees taking place during the year.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 and 2021/22 to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Fire Authority has appropriate arrangements in place in relation to how the Fire Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Performance monitoring is undertaken to understand if and how priorities identified in the Corporate Plan are being achieved with the desired outcomes. The Fire Authority has robust processes that continually review, collect data and report financial and non-financial performance to various committees.

Reviews of budget monitoring information identifies areas for improvement. All proposed activities and projects outside of normal business are scrutinised from a value for money perspective.

The HMICFRS reports provide an assessment of the Authority at a given point in time. Following the inspection in 2018/19, a second inspection commenced in June 2022 and the Authority received an overall good rating. The Authority utilised the report from the first inspection to identify areas for improvement and to contribute towards the wider development of the Authority's plans.

All procurement is conducted in line with the Authority's recently revised Contract Regulations which in turn ensure compliance with relevant legislation. A record of procurement savings is maintained to track expected benefits. These Contract Regulations (known as the Rules) are made under Section 101 of the Local Government Act 1972 and approved by Royal Berkshire Fire Authority ("the Authority") to facilitate efficient and transparent decision making.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 and 2021/22 to use information about its costs and performance to improve the way it manages and delivers its services.



03 Appendices

Appendix A – Summary of arrangements

Financial Sustainability

Reporting criteria considerations

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

Arrangements in place

Budget monitoring is done on a quarterly basis to identify and address short term financial pressures. It involves identifying variances, pressures and risks while taking prompt action to prevent budget pressures or to bring pressures that have arisen back under control by identifying savings and income opportunities.

The Fire Authority has a robust process that continually reviews local and national financial pressures and responds to these accordingly. Regular meetings are held with heads of services, the Senior Leadership Team and with members. Any significant financial pressures to deliver the Plan are raised and mitigated with identified savings, or, if an earmarked or risk reserve exists, then a draw from reserves may be considered in accordance with financial regulations, which is then reported in the quarterly monitoring reports. Future year pressures are considered as part of the Medium Term Financial Plan ('MTFP') and reported as part of the budget setting process. This may lead to budget adjustments in some service areas or a risk reserve review. The MTFP is refreshed every year in order to build in changes in the environment and to respond to pressures.

How the body plans to bridge its funding gaps and identifies achievable savings

The saving targets and other headline issues are agreed as part of the MTFP. The Fire Authority will also budget for contingencies to mitigate non-delivery of savings. This is completed using a risk-based approach.

The Authority has engaged with local MPs, the NFCC and the Home Office to lobby for precept flexibility. The Authority has contingency plans to balance the budget should funding decrease as well as ongoing projects to deliver efficiencies. The contingency plans include Use of budget contingency reserve / other reserves as deemed appropriate. Scenario planning exercises looking at a range of potential options available, dependent on the severity of the funding deficit. HMICFRS Inspection Report 2021-22 also commented that the RBFRA has a sound understanding of future financial challenges and comments that the underpinning assumptions of the plans are relatively robust, realistic and sensible.

In the service's medium-term financial plan, it has identified savings of £345,000 that it can make in 2022/23. This includes its successful appeal of business rate charges worth £77,000 per year. It has also identified £120,000 of the £325,000 savings it needs to make in 2023/24. The service has transferred £332,000 from its budget carry-forward reserve to its transition fund reserve. This will support invest-to-save IT projects from 2023/24.

The Efficiency and Productivity Plan captures invest to-save projects that will result in revenue budget savings in future years. As well as helping to secure financial sustainability for the Authority, in many cases, these projects will also contribute to the Authority's environmental strategy of reducing its carbon emissions.

Appendix A – Summary of arrangements

Financial Sustainability (continued)

Reporting criteria considerations

Arrangements in place

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Head of Facilities, Fleet and Equipment has been tasked with developing the Authority's sustainability strategy which will link into the Strategic Asset Investment Framework and Corporate Risk Management Plan. RBFRA's recent carbon footprint assessment undertaken by Planet Mark indicates that 64.7% of the organisation's carbon output comes from our buildings. In line with their core objectives for estate improvements, as stated above, and in keeping with central government's commitment to reduce greenhouse gas emissions, they are incorporating environmental sustainability into all of their major rebuild and improvement works. In addition to targeted improvement works at most in need locations, the SAIF identifies thematic estate wide improvement programmes that they will accelerate to make their estate more environmentally friendly and deliver revenue budget savings over the medium term. These will include:

- The installation of LED lighting across the estate will be the first sustainability project to be delivered and should offer the quickest return on investment with the minimum resource demand. This project is therefore planned in for 2023/24.
- Installation of Solar PV also offers a good return on investment (estimated 5 years) and will be completed over a two-year period, starting in 2024.
- The cost of upgrading our power infrastructure to support electric vehicle (EV) charging is planned into the SAIF. The costs within this project are to pay for upgrades to power supplies at stations, which will be required to support the installation of charging points and further support the longevity of our estate.

The Efficiency and Productivity Plan captures invest to-save projects that will result in revenue budget savings in future years. As well as helping to secure financial sustainability for the Authority, in many cases, these projects will also contribute to the Authority's environmental strategy of reducing its carbon emissions.

HMICFRS Inspection Report 2021-22 mentioned that the service has sound financial management.

How the body ensures that 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

All of the Authority's strategic documents are developed in line with the Authority's Medium Term Financial Plan. Capital plans and investments plans are presented to Members as part of the budget setting papers that include the MTFP. The consistency of these is therefore picked up as part of the preparation and sign off of these papers prior to distribution / publication. Workforce, operational planning and effectively any other decision making process will require a supporting paper for approval to be presented at either Senior Leadership Team or the appropriate Member committee. The content of these are reviewed and challenged where deemed applicable as part of the sign off process, to ensure consistency with the MTFP / other funding requirements.

Appendix A – Summary of arrangements

Financial Sustainability (continued)

Reporting criteria considerations

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Arrangements in place

Through the Corporate Risk Register which is reviewed monthly by SLT. Scenario planning work is completed with Directors / wider SLT colleagues when applicable. It has not been necessary to report content to Members to date due to the wider sound financial management structure in plan to mitigate risks.

The service has identified and assessed a range of fire and rescue-related risks to its communities. It has used a range of information and consulted widely, to produce a comprehensive community risk management plan (CRMP), formerly known as its integrated risk management plan (IRMP). The consultation is well planned and supports the service to include the public in its decision-making. HMICFRS Inspection Report 2021-22 mentioned that:

1. The service's protection strategy is aligned to its risk management plan
2. Royal Berkshire Fire and Rescue Service is good at making best use of its resources. Fire and rescue services should manage their resources properly and appropriately, aligning them with the services' risks and statutory responsibilities.

Appendix A – Summary of arrangements

Governance

Reporting criteria considerations

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Arrangements in place

The Annual Internal Audit Plan is developed based on the key risks to the Authority and at its core, assesses the operation of internal control. The internal auditors' audit reports are reviewed by SLT and actions are monitored through the Strategic Performance Board. The Internal Auditors report findings to the Audit and Governance Committee on a quarterly basis.

Controls are regularly tested, and the Authority's internal auditors are focused on assessed higher risk areas accordingly. Finance staff meet at least monthly with key cost centre managers to analyse transactions where the risk of fraud is high. The Authority conducts an annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the organisation, internal auditor reports as well as feedback from the external auditors and other review agencies and inspectorates.

The Authority has Anti-Fraud, Bribery and Corruption Policy which aims to:

- avoid the consequences of fraud, bribery and corruption, which are costly, time consuming, threaten morale and ultimately damage the standing and reputation of the Service;
- encourage confidence in raising concerns of fraud, bribery or corruption;
- reassure employees that if they raise any concerns in good faith and reasonably believe them to be true, they will be protected from possible reprisals or victimisation;
- provide an effective mechanism for members of the public to raise genuine and serious concerns.

How the body approaches and carries out its annual budget setting process

The annual budget is developed within the framework of the Fire Authority's MTFS. The assumptions made in the MTFS are used in the detailed budget preparation. In setting the annual budget and the MTFS, the Fire Authority ensures potential risks are assessed and managed so that their impact is minimised or accounted for either via contingencies or use of reserves.

A top down and bottom-up approach is used to capture all pressures and savings. Any budget bids and proposed capital spend need to be agreed by SLT before being put to Members for approval. Relevant Heads of Service and the Head of Finance meet with the Lead Member for assets who scrutinizes the proposed Strategic Asset Investment Framework. The Head of Finance presents a draft budget to the Lead Member for Finance and the Chairman of the Authority for scrutiny. The Head of Finance also presents the budget to each Political Grouping for comment and feedback prior to the Budget being presented to the full Fire Authority for approval.

Appendix A – Summary of arrangements (continued)

Governance (continued)

Reporting criteria considerations

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

Arrangements in place

Capital, financial and other monitoring reports are used by officers and members to make informed decisions. There is a planned approach to running monthly reports from the financial ledger, holding meetings with budget holders to discuss financial and non financial issues in respect of their service area, calculating forecasts of income/expenditure and producing monitoring reports which are timetabled and resourced by skilled and qualified staff in place in the accountancy team.

The process is underpinned by financial regulations and procedures. Any corrective action (e.g. unplanned demand leading to reduced income) is highlighted, and mitigating actions discussed (e.g. identify savings, use reserves if earmarked or risk reserve exists or report financial pressure). This is raised and actioned in a timely fashion.

Budget monitoring is devolved to Heads of Service who complete a monthly forecast of projected expenditure for the year which is held in a database. This is refined after Finance staff discussions with Heads of Service and reports are produced monthly. These are presented to SLT, Strategic Performance Board, Audit and Governance Committee and Management Committee on a quarterly basis.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Audit & Governance Committee

All templates for decision making at SLT and Member meetings must set out the financial implications of proposals. The arrangements for effective challenge are through various boards and committees: Programme Board, Workforce Planning, Strategic Performance Board, SLT, Audit and Governance Committee and Management Committee. Similarly structured papers are required for Programme Board and Workforce Planning. Strategic Performance Board papers include a section dedicated to financial performance, whilst appropriate targets across the Authority are also set and actively monitored and challenged.

The Audit and Governance Committee maintains an overview of effectiveness of the Authority's constitutional arrangements in order to ensure compliance with best practice and other national published standards, regulations and controls as well as its own existing arrangements, and makes recommendations for improvement. They also assess the performance against any agreed targets and reports on areas of string/ weak performance. Further details can be found in the terms of reference: [e3- Audit and Governance Committee Terms of Reference.pdf \(rbfrs.co.uk\)](https://rbfrs.co.uk/e3-Audit%20and%20Governance%20Committee%20Terms%20of%20Reference.pdf)

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

Members and officers are required to adhere to Codes of Conduct covered by the Fire Authority's Constitution. There are numerous internal policies that officers are required to understand and adhere to in carrying out their duties which are available on the intranet and reviewed on a regular basis: e.g. Gifts and Hospitality Rules, Anti-Fraud, Bribery and Corruption, Capability and Staff Appraisal Processes, Whistleblowing and Disciplinary policies.

The Fire Authority appoints a Monitoring Officer who has responsibility for ensuring compliance with established policies, procedures, laws and regulations and for reporting to the Committee any potential breaches of the law. At the beginning of meetings, a specific agenda item for declarations of interest is addressed, in accordance with the provisions of the Fire Authority Local Code of conduct. A specific section detailing this is maintained on the RBFRS website. The Fire Authority Member Code of Conduct is reviewed periodically and approved by Fire Authority.

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting criteria considerations

How financial and performance information has been used to assess performance to identify areas for improvement

Arrangements in place

Performance monitoring is undertaken to understand if and how priorities identified in the Corporate Plan are being achieved with the desired outcomes. The Fire Authority has robust processes that continually review, collect data and report financial and non-financial performance to various committees.

Reviews of budget monitoring information identifies areas for improvement. All proposed activities and projects outside of normal business are scrutinised from a value for money perspective.

The HMICFRS reports provide an assessment of the Authority at a given point in time. A second inspection commenced in June 2022 and the Authority received an overall good rating. The Authority utilised the report from the first inspection to identify areas for improvement and to contribute towards the wider development of the Authority's plans.

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

Through scrutiny at the Strategic Performance Board and the Audit and Governance Committee. Key performance indicators and progress against corporate priorities are scrutinised on a quarterly basis.

The Authority participates in a number of statistical returns and data collection exercises across all areas. These result are interpreted and used to identify areas for development. RBFRA also assesses its performance through various sources discussed above including the review of the Corporate Risk Register and Budget monitoring reports.

See also: [Evaluating our performance | Royal Berkshire Fire and Rescue Service \(rbfrs.co.uk\)](#)

Areas for improvement and evaluation of services also come from HMICFRS.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

All major projects have a communications workstream to ensure engagement with partners and stakeholders. Partnership work is regularly undertaken, with Procurement workstreams under constant review with partners to identify possible collaborative opportunities. Thames Valley Fire Control Service (TVFCS) has its own structured performance and review processes outside of those of RBFRS to meet the requirements of all 3 contributing partners. Member meeting agendas, papers and minutes are available on the website and further internal meetings are held across the three services on a regular basis.

RBFRA manage risks identified through an integrated approach – they work closely with their neighbouring Fire and Rescue Services, notably through long standing collaboration with Thames Valley partners and the wider Thames Valley Local Resilience Forum. These partnerships and collaborative activities allow them to share understanding of risk and contribute to wider regional risk reduction. They actively seek collaborative opportunities, such as sharing the facilities in the fire stations with Thames Valley Police and South Central Ambulance Service, joint procurement arrangements and their joint Thames Valley Fire Control Service. Working together leads to greater resilience and increases our efficiency and effectiveness - [Integrated Service Delivery Strategy | Royal Berkshire Fire and Rescue Service \(rbfrs.co.uk\)](#)

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting criteria considerations

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

Arrangements in place

All procurements are conducted in line with the Authority's recently revised Contract Regulations which in turn ensure compliance with relevant legislation. A record of procurement savings is maintained to track expected benefits. These Contract Regulations (known as the Rules) are made under Section 101 of the Local Government Act 1972 and approved by Royal Berkshire Fire Authority to facilitate efficient and transparent decision making.

The Monitoring Officer is required to ensure that the Rules are fit for purpose, adhere to the legislative framework and follow best practice. As such, these Rules will be regularly reviewed and amended by the Authority.

These Rules are to be read and followed by all RBFRS employees including Thames Valley Fire Control (TVFCS), contract staff and anyone approved to act on behalf of the Authority.

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ED None

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	27 NOVEMBER 2024
SUBJECT	GRANT THORNTON (GT) - EXTERNAL AUDITOR UPDATE ON AUDIT OF 2023/24 ACCOUNTS
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE

1. EXECUTIVE SUMMARY

- 1.1 Members will receive an update from Grant Thornton on progress in relation to the audit of the 2023/24 Statement of Accounts and Value for Money findings.
- 1.2 It is anticipated that the 2023/24 Accounts will be presented to Committee for approval at the January meeting.

2. RECOMMENDATION

The Committee is requested to

- 2.1 **NOTE** the Auditor’s Annual Report; and
- 2.2 **NOTE** the Interim Audit Findings Report.

3. REPORT

- 3.1 Representatives from Grant Thornton will provide a verbal update on progress in relation to the audits of the 2023/24 Statement of Accounts and, in particular, their work in relation to the Authority’s arrangements to secure value for money.
- 3.2 The auditor’s Value for Money review as set out in the Annual Report (**Appendix A**) does not identify any significant weaknesses in relation to the Authority's arrangements concerning financial sustainability, governance, and improving economy, efficiency and effectiveness. Recommendations to further improve value for money are set out in the report.

Agenda Item 8

- 3.3 Members will also be updated on work to date in relation to the audit of the 2023/24 Statement of Accounts as set out in the Interim Audit Findings Report, attached as **Appendix B**. It is anticipated that the Financial Statements, which will be presented to Committee at the January meeting, will be disclaimed on the basis of the opening balances.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – Sustainability. We will ensure that we provide a financially sustainable and environmentally friendly service to our communities.

5. FINANCIAL IMPLICATIONS

- 5.1 External audit of the Statement of Accounts provides assurance to Members that the Authority's finances are in good order.

6. LEGAL IMPLICATIONS

- 6.1 Under the National Audit Office Code of Audit Practice, the auditors are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None.

8. RISK IMPLICATIONS

- 8.1 The Value for Money review considers risks around the Authority's financial sustainability, governance and whether it is improving economy, efficiency and effectiveness.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 Grant Thornton were appointed by PSAA through a national procurement exercise.

10. PRINCIPAL CONSULTATION

- 10.1 The Chief Fire Officer has been consulted.

11. BACKGROUND PAPERS

- 11.1 None

12. APPENDICES

12.1 Appendix A – Grant Thornton Annual Report

12.2 Appendix B – Grant Thornton Interim Audit Findings Report

13. CONTACT DETAILS

13.1 Conor Byrne - Head of Finance and Procurement
Email: byrnec@rbfrs.co.uk

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Royal Berkshire Fire Authority

Page 115

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

15 November 2024



Contents

Section

Introduction	28
Executive summary	04
Opinion on the financial statements and use of auditor's powers	07
Value for Money commentary on arrangements	10
The current landscape	11
Financial sustainability	12
Governance	15
Improving economy, efficiency and effectiveness	18
Recommendations raised in 2023/24	21

Appendices

Appendix A – Responsibilities of the Audited Body	26
Appendix B – Value for Money Auditor responsibilities	27



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:

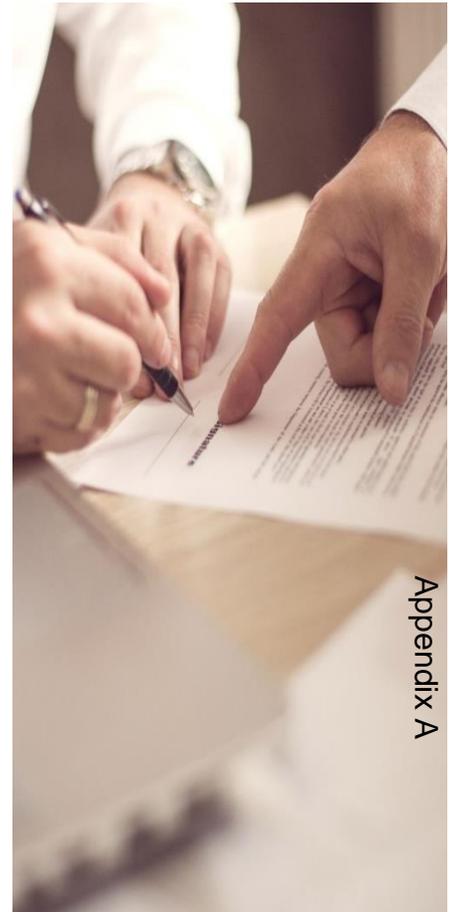
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

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

Auditor powers

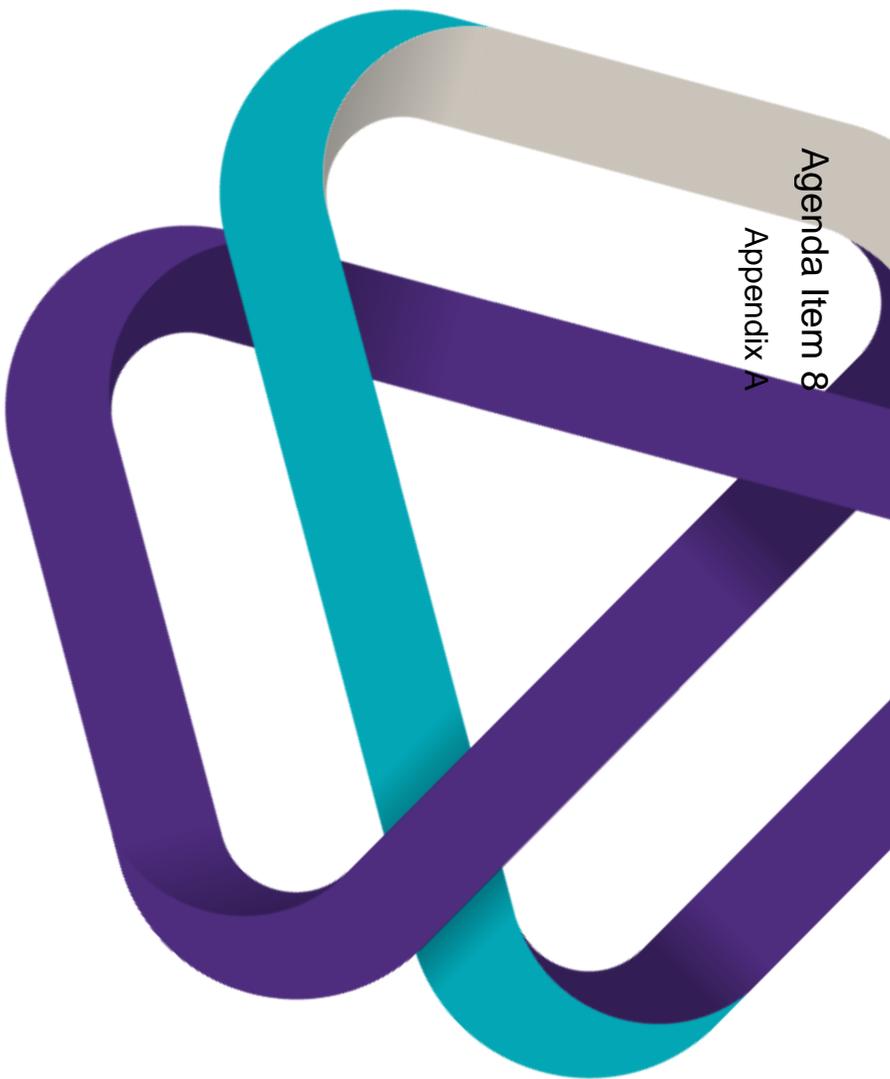
Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

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



Appendix A

Agenda Item 8



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.



Our audit of your financial statements remains in progress. Our Interim Audit Findings Report sets out the findings to date, against the risks identified in the Audit Plan. The Audit Findings also gives an update on the impact of the audit findings and the backstop on our Audit Report.

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



Agenda Item 8

Page 119



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.

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 arrangements 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 work is currently in progress. Our work has been focused on in year transactions and 31 March 2024 balances. The prior year audit will be subject to a disclaimed opinion under backstop legislation. This means that we have no assurance over the opening balances and the prior year comparators included in the Authority's financial statements. We therefore plan to issue a qualified opinion for 2023/24 regarding this matter.

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 have 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.

Our anticipated financial statements audit report opinion will be disclaimed on the basis of opening balances and including a qualification in respect of building revaluations.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. An interim version of our report will be presented to the Service's Audit & Governance Committee on 27 November 2024. Requests for this Audit Findings Report should be directed to the Service. We will issue a final Audit Findings Report and Auditors Annual Report on completion of our financial statements audit.

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.



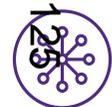
National context

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.

Page



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.



Appendix A
Agenda Item 8

Financial sustainability



We considered how the audited body:

Commentary on arrangements

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.

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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.

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- 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

<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<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>	<p>G</p>
<p>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>	<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>	<p>G</p>
<p>identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans</p>	<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>	<p>A</p>

Appendix A
Agenda Item 8

- 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

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.

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.

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.

A

approaches and carries out its annual budget setting process

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.

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

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.

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.

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Appendix A
Agenda Item 8

- 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

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.

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.

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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.

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.

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.

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.

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

Appendix A
Agenda Item 8

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.

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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

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

The Authority actively collaborates with local partners through various initiatives. Notable examples include:

- 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

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.

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.

G

commissions or procures services, assessing whether it is realising the expected benefits

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.

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.

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.

G

Appendix A

Agenda Item 8

- 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.

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.

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.

Improvement recommendation 7:

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

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 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 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.

Interim Audit Findings for Royal Berkshire Fire Authority

Year ended 31 March 2024

15 November 2024





Royal Berkshire Fire and Rescue Service

Newham Court
Reading
RG31 7SD

15 November 2024

Dear members

Audit Findings for Royal Berkshire Fire Authority for the 31 March 2024

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents [have been/will be] discussed with [management/the Board/the Audit Committee].

As an auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

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 expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to drive audit quality by reference to the Audit Quality Framework. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2023.pdf](#) ([grantthornton.co.uk](#)).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Grace Hawkins

Director
For Grant Thornton UK LLP

**Private and
Confidential**

Grant Thornton UK LLP

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Bristol

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Agenda Item 8
Appendix B

Chartered Accountants

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Section

1. [Headlines](#)
2. [Financial statements](#)
3. [Value for money arrangements](#)
4. [Independence and ethics](#)

Appendices

- A. [Communication of audit matters to those charged with governance](#)
- B. [Action plan – Audit of Financial Statements](#)
- C. [Follow up of prior year recommendations](#)
- D. [Audit Adjustments](#)
- E. [Fees and non-audit services](#)
- F. [Auditing developments](#)

Page

4
7
23
25

28
29
30
31
34
35

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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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Appendix B
Agenda Item 8

1. Headlines

Financial Statements

This table summarises the key findings and other matters arising from the statutory audit of Royal Berkshire Fire Authority ('the Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2024 for the attention of those charged with governance.

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Authority's financial statements give a true and fair view of the financial position of the Authority and the Authority's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report and the Fire Fighters Pension Fund Accounts, is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

As at the date of this report or work remains in progress, where audit work has not yet been concluded, we have highlighted the work undertaken to date, and any audit findings and recommendations.

The main areas on which we have been unable to conclude our work are opening balances, cash flow and IAS 19 Pension Liability. A detailed list of outstanding items is set out on page 7 of this report.

Our findings from the work undertaken to date are summarised on pages 7 to 22. We have not identified any adjustments that result in an adjustment to the Authority's Comprehensive Income and Expenditure Statement. Audit adjustments are detailed at Appendix D. We have also raised recommendations for management as a result of our audit work. These are set out at Appendix B. Our follow up of recommendations from the prior year's audit are detailed at Appendix C.

Unfortunately, owing to the challenges of undertaking an audit where the previous audits were disclaimed due to the local authority backstop, this year we have been unable to regain full assurance and it has not been possible for us to undertake sufficient work to support an unmodified audit opinion in advance of the proposed backstop date of 28 February 2025. Our expectation is that Ernst and Young (EY) will issue back stopped opinions for 2021/22 and 2022/23 financial years. The limitations imposed by not having assurance on opening balances mean that we need to modify our opinion on the financial statements.

Our anticipated financial statements audit report opinion will be disclaimed on the basis of opening balances and including a qualification in respect of building revaluations. This proposed audit opinion has been agreed by our internal partner panel, to ensure consistency across our client base.

As part of detailed work we noted that the Cash Flow statement was not in line with the code requirements. Management have corrected the Cash Flow statement for 2023/24 and the prior year comparators. We have audited these revisions and have identified no issues. We are currently discussing with management the need to revise the Cash Flow statement within the 2022/23 financial statements. If this is not completed prior to the backstop opinions being issued by Ernst and Young, then this will require a prior period adjustment to be completed.

We will issue our report after this ratification and on completion of the outstanding procedures set out above.

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement, is consistent with our knowledge of your organisation and with the financial statements we have audited.

1. Headlines

Value for Money (VFM) arrangements

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. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

Our work on the Authority's value for money (VFM) arrangements will be reported in our commentary on the Authority's arrangements in our Auditor's Annual Report (AAR). We have been able to satisfy ourselves that the Authority has made proper arrangements in securing economy, efficiency and effectiveness in its use of resources.

We have completed our VFM work, which is summarised on page 24, and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

Significant matters

We have experienced some delays during the audit to date. These have been in relation to obtaining listings on which to complete our work, as well receiving evidence to support sampled items. We have also identified some issues which have required further work and internal consultation. An example of this is on our property plant and equipment work where Gross Internal Areas used by the valuer did not agree to the Authority's records. We are currently considering the impact of this on our audit opinion. Other areas impacted were Journals, Payroll (where the use of our digital team was required to bring down sample sizes) and required cashflow adjustments. Due to these delays and issues audit progress has slipped. This additional work has increased the costs of delivering the audit and will subsequently require additional fees. This will be reviewed and communicated on completion of the work. This will be discussed with management and any additional fee will be subject to PSAA approval.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

- An evaluation of the Authority's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter our audit plan, as communicated to you on 4th July 2024. However our audit procedures have been adapted to reflect the latest guidance on the local authority backstop. This is set out in more detail on page 6.

Conclusion

As highlighted on page 4 of this report, it will not be possible for us to undertake sufficient work, on opening balances, to provide full assurance. We therefore plan to issue a modified audit opinion.

The circumstances resulting in the application of the local authority backstop to prior year audits are clearly extremely unusual. The government has signalled its intent that where backstops have been applied, local authorities and their auditors work together to recover the position over subsequent years. We will follow relevant guidance including from the NAO and the FRC to work with you over the coming years, as we seek to rebuild audit assurance.

Recognising the backstop date of 28 February 2025, we anticipate issuing a disclaimed audit opinion following the Audit and Governance Committee meeting in January 2025, subject to the clearance of the following outstanding items:

- Receipt and review of an updated IFRIC14 assessment;
- Agreement of cashflow changes to prior year accounts/or review of prior period adjustment note;
- Receipt and review of the pension fund letter of assurance letter;
- Final manager and engagement lead reviews;
- Completion of our subsequent events review;
- Receipt of management representation letter; and
- Review of the final set of financial statements.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff. The audit has generally progressed well and the team have been supportive within the business as usual constraints. We have experienced a number of challenges that had added additional time and cost to the audit:

- Discussing findings and reviewing additional evidence in relation to the revaluation issue and cash flow findings. These have also involved internal consultations and will involve an internal quality review of our proposed audit opinion;
- Difficulties reconciling the Vehicle, Plant and Equipment Asset Register to the accounts;
- Obtaining transactional listings, to test from, for journals and Fire Fighter Pension information; and
- Reviewing opening and closing cash balances due to the sensitive nature of the items.

2. Financial Statements



Our approach to materiality

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

Materiality levels remain the same as reported in our audit plan on 4th July 2024.

We set out in this table our determination of materiality for Royal Berkshire Fire Authority.

	Authority Amount (£)
Materiality for the financial statements	666,000
Performance materiality	400,000
Trivial matters	33,300
Materiality for senior officer remuneration	20,000



Appendix B
Agenda Item 8

2. Financial Statements: Significant risks

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

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan

Commentary

Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk.

As set out earlier in this report we are unable to gain assurance over the opening balances of estimates and journal transactions. Our work has focused on the in-year transactions and the reasonableness of estimates as at 31 March 2024. Due to some estimates, such as depreciation, being calculated using prior year closing balances, on which no assurance has been provided, we have not been able to conclude our work in these areas. For all estimates we have been able to assess the reasonableness of managements approach for calculating the estimate – we have no issues to report in this regard.

We experienced some difficulties obtaining the data required to undertake our journals testing. This was due to the SAGE system not being able to provide transactional listings with the user who posted the journal visible. We worked with the Authority to resolve this issue but recommend that in future years this data is made available at the commencement of the audit to avoid delays.

We have completed the following work on this risk:

- evaluated the design and implementation of management controls over journals;
- analysed the journals listing and determined the criteria for selecting high risk unusual journals;
- identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration; and
- gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness

Our work in this area is not yet complete. Our work to date has not identified any significant issues.

Please see appendix B for recommendations raised.

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Commentary

Improper revenue recognition

The revenue cycle includes fraudulent transactions (rebutted)

We considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, during our planning, and we determined that the risk of fraud arising from revenue recognition could be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited; and
- the culture and ethical frameworks of local authorities, including Royal Borough of Berkshire Fire and Rescue Authority, mean that all forms of fraud are seen as unacceptable.

We reconsidered this rebuttal on receipt of the draft financial statements and concluded that this remained appropriate.

As part of our income testing, we noted that within Note 8.6 (expenditure analysed by nature) there was £2.2m of income that was misclassified. This was due to the 'Fees and Charges and other service income' line item containing £2.2m of grant income. This has been updated in the final set of accounts. There is no impact on the overall balance of the note and the Comprehensive Income and Expenditure statement.

Our general income testing has not identified any significant issues.

Improper expenditure recognition

The expenditure cycle includes fraudulent transactions (rebutted)

In line with PN10 we have considered whether we have any significant concerns about fraudulent financial reporting of expenditure, which would need to be treated as a significant risk for the audit. During our planning we rebutted this presumed risk for Royal Borough of Berkshire Fire and Rescue Authority because:

- expenditure is well controlled, and the Authority has a strong control environment; and
- the Authority has clear and transparent reporting of its financial plans and financial position to those charged with governance.

We reconsidered this rebuttal on receipt of the draft financial statements and concluded that this remained appropriate.

Our general expenditure testing has not identified any significant issues.

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Commentary

Closing valuation of land and buildings, and investment properties and the key assumptions and judgements that underpin these significant estimates

The Authority revalues its land and buildings (and investment properties) on an annual basis to ensure that the carrying value is not materially different from the current value at the financial statements date. These valuations represents a significant estimate by management in the financial statements due to the size of the numbers involved (£65m for land and buildings and £1m for investment properties) and the sensitivity of this estimate to changes in key assumptions.

Management have engaged the services of a valuer to estimate the current value as at 31 March 2024. The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions.

We therefore identified valuation of land and buildings and investment properties as a significant risk, in particular, any large or unusual assets or where there have been movements in valuations outside our expectations, as well as testing a sample of those within our expectations. This is one of the most significant assessed risks of material misstatement, and a key audit matter.

Our work has focused on the 2023/24 closing valuations. We are not able to gain assurance on assets revalued (and disclosed) in the prior year due to the 2022/23 audit being backstopped. This will contribute to the disclaimer opinion we intend to issue.

As part of our work we have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluated the competence, capabilities and objectivity of the valuation expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- challenged the information and assumptions used by the valuer to assess completeness and consistency, with our understanding, the Authority's valuer's report and the assumptions that underpin the valuation; and
- tested revaluations made during the year to see if they had been input correctly into the Authority's asset register.

Our work to date has identified one key issue that we wish to bring to your attention:

Our testing identified a number of buildings where the gross internal areas used by the valuer in calculating the year-end valuations, was not supported by the information held by the Authority. On recalculation using the correct GIAs, the difference was above our performance materiality. We tested 11 Fire Stations/buildings out of a total of 17 owned. Of these 11, six had the incorrect GIA and the value of the error noted was £0.476m. The extrapolated impact of these errors across the buildings population is £1.241m. We will modify our audit report for this matter. Given that opening balances will also be subject to a modified audit opinion, we have reported this as an unadjusted misstatement and recommend that the Authority engage the valuer to review GIA's for all assets as part of a full valuation as at 31 March 2025.

Our work on the Property, Plant and Equipment disclosure note (note 8.16) identified one issue in relation to cumulative depreciation. The Authority revalues all land and buildings each year. The CIPFA code requires that where this is the case the depreciation for assets revalued should be returned to zero. This has not been done within note 8.16. This is a disclosure matter only as the net book values reported were correctly recorded.

The Authority has amended the accounts for this issue and have restated the prior year comparators – setting out the prior year figures have been restated. Net book values remain unchanged. This adjustment will also need to be processed in the 2022/23 financial statements ahead of the backstop opinion being issued.

Due to backstop legislation we have not been able to gain any assurance over the opening valuations. In addition, we will modify our audit report for the GIA issues set out above. This modification will also mean that unusable reserves will be impacted and so to will be the '[Surplus] or deficit on revaluation of Property, Plant and Equipment assets' in the Comprehensive Income and Expenditure Statement.

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Closing Valuation of pension fund net liability

The Authority's balance sheet reflects a pension liability of £280m. This is made up of the Fire Fighters Pension Scheme and the Local Government Pension scheme.

The Firefighters Pension scheme's pension fund liability is valued at £275m in the balance sheet and represents a significant estimate in the financial statements.

The Local Government Pension Scheme (LGPS) pension net liability, which is reflected in the balance sheet at £4.6m, also represent a significant estimate in the financial statements.

These estimates by their nature are subject to significant estimation uncertainty being sensitive to small adjustments in the key assumptions used.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary.

A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 1.9% effect on the liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.

Commentary

Our work has focused on the 2023/24 closing valuations. We are not able to provide assurance on the valuation in the prior year due to the 2022/23 audit being backstopped. This will contribute to the disclaimer opinion we intend to issue.

We have completed the following work against this risk:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;
- assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

Our work, to date, has not identified any significant issues.

- At the time of writing this report we are awaiting the letter of assurance from the auditors of the Berkshire Pension Fund.
- We are awaiting an updated IAS19 report covering an IFRIC 14 assessment. On receipt we will review the calculation of any applicable IFRIC 14 asset ceiling for appropriateness and considered the potential impact of IFRIC 14 on prior years.

2. Financial Statements: new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Commentary
<p>IFRS 16 implementation</p> <ul style="list-style-type: none"> Following consultation and agreement by FRAB, the Code will provide for authorities to opt to apply IFRS 16 in advance of the revised implementation date of 1 April 2024. In advance of this standard coming into effect, we would expect audited bodies to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases, along with the estimated impact of IFRS 16 on the accounts. 	<p>Although not required until 1 April 2024, the Authority have carried out and disclosed an assessment on the impact of IFRS16. Although not material we have reviewed this assessment, agreeing through to supporting working papers and have identified no issues to bring to your attention.</p>

2. Financial Statements: key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £65m	<p>Other land and buildings comprises £64m of specialised assets such as fire stations, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£2m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The Authority has engaged Wilkes Head and Eve to complete the valuation of properties as at 31 March 2024 on a five yearly cyclical basis. 100% of total assets were revalued during 2023/24.</p> <p>The total year end valuation of land and buildings was £64.5m, a net decrease of £3.1m from 2022/23 (£67.6m).</p>	<p>Our work on this estimate is complete. We have carried out the following work in relation to this estimate:</p> <ul style="list-style-type: none"> assessed management's expert to ensure suitably qualified and independent, assessed the completeness and accuracy of the underlying information used to determine the estimate, confirmed there were no changes to valuation method,, and assessed the adequacy of disclosure of the estimate in the financial statements. <p>As set out previously in this report we have identified an issue where the Gross Internal Areas used by the valuer to complete the valuation were not supported by the information held by the Authority. This has resulted in the valuations being understated by £0.476m. This is above or level of performance materiality and we will modify our audit report for this matter.</p>	<p>No overall conclusion formed this year, as our opinion has been disclaimed. In addition, we will be further modifying our audit report in relation to the GIA issue.</p>

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Investment Property Valuation - £0.995m	<p>Investment properties are revalued each year in line with the Code and Accounting Standards. This valuation is completed by Wilkes Head and Eve. Therefore 100% of total investment property assets were revalued during 2023/24.</p> <p>The total year end valuation of investment property was £0.995m, a net decrease of £0.105m from 2022/23 (1.100m).</p>	<p>We have carried out the following work in relation to this estimate:</p> <ul style="list-style-type: none"> Assessed management's expert to ensure suitably qualified and independent, Assessed the completeness and accuracy of the underlying information used to determine the estimate, Confirmed there were no changes to valuation method, Assessed the adequacy of disclosure of the estimate in the financial statements. evaluated the assumptions (yields and rental income) made by the valuer for the assets revalued at 31 March 2024. <p>Our work has identified no significant issues.</p>	<p>No overall conclusion formed this year, as our opinion has been disclaimed. However, we have not identified any issues.</p>

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Net pension liability (liability) – £280m

The Authority's total net pension liability at 31 March 2024 is £280m (PY £275m), which includes both the Berkshire Pension Fund Local Government funded defined benefit scheme (£5m) and the Firefighters unfunded defined benefit pension scheme obligations (£275m). The Authority uses Barnett Waddingham to provide actuarial valuations of the Authority's assets and liabilities derived from these schemes. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £5m net actuarial loss during 2023/24.

Our work on this estimate is reaching completion – we are current awaiting responses for a small number of queries and the receipt of the pension fund assurance letter from the Berkshire pension fund auditor. We have carried out the following work in relation to this estimate:

- Assessed management's expert to ensure suitably qualified and independent,
- Assessed the actuary's roll forward approach taken,
- We have used PwC as auditor's expert to assess actuary and assumptions made by actuary. The table below summarises where Royal Berkshire Fire and Rescue Authority fall in the acceptable ranges set by PwC. This work has not highlighted any assumptions outside of the expected range.

Local Government Pension Scheme

Assumption	Actuary Value	PwC range	Assessment
Discount rate	4.95%	4.80% - 4.95%	✓
Pension increase rate	2.90%	2.85% - 3.00%	✓
Salary growth	3.90%	1% above CPI of 2.90%	✓
Life expectancy – Males currently aged 45 / 65	Current 20.8 Future 22	Current 19.2 – 21.8 Future 20.6 – 23.1	✓
Life expectancy – Females currently aged 45 / 65	Current 23.6 Future 25	Current 22.6 – 24.3 Future 24.1 – 25.7	✓

No overall conclusion formed this year, as our opinion has been disclaimed. However, we have not identified any issues.

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management’s approach

Audit Comments

Assessment

Net pension liability (liability) – £280m

Please see approach on previous page relating to the Firefighters Pension Scheme.

Fire Fighters Pension Scheme

Assumption	Actuary Value	PwC range	Assessment
Discount rate	4.85%	4.80% - 4.95%	✓
Pension increase rate	2.90%	2.85% - 3.00%	✓
Salary growth	3.90%	1% above CPI of 2.90%	✓
Life expectancy – Males currently aged 45 / 65	Current 20.6 Future 21.9	Current 20.6 – 21.3 Future 21.8 – 22.5	✓
Life expectancy – Females currently aged 45 / 65	Current 23.2 Future 24.6	Current 22.2 – 23.3 Future 24.6 – 24.7	✓

No overall conclusion formed this year, as our opinion has been disclaimed. However, we have not identified any issues.

We have:

- gained assurance over the completeness and accuracy of the underlying information used to determine the estimate,
- gained assurance over the reasonableness of the Authority’s share of LGPS pension assets, and
- reviewed the adequacy of disclosure of the estimate in the financial statements.

We have concluded the estimate is reasonable based on our work completed to date.

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Minimum Revenue Provision - £0.484m	<p>The Authority is responsible on an annual basis for determining the amount charged for the repayment of debt known as its Minimum Revenue Provision (MRP). The basis for the charge is set out in regulations and statutory guidance.</p> <p>We have reviewed the Authority's MRP calculation and have concluded that this is in line with statutory guidance,</p> <p>The year end MRP charge was £0.484k, a net decrease of £8k from 2022/23. This represents a c4.5% charge against the CFR.</p>	<p>Our work has identified that:</p> <ul style="list-style-type: none"> MRP has been calculated in line with the statutory guidance; the Authority's policy on MRP complies with statutory guidance; The MRP policy remains unchanged from prior years; and The decrease in MRP is deemed reasonable. <p>Following consultation DLUHC have clarified and updated the regulations and the statutory guidance for minimum revenue provision. Although these take full effect from April 2025, the consultation highlighted that the intention was not to change policy, but to clearly set out in legislation the practices that authorities should already be following.</p> <p>This guidance clarifies that capital receipts may not be used in place of a prudent MRP and that MRP should be applied to all unfinanced capital expenditure and that certain assets should not be omitted from the calculation unless exempted by statute.</p>	<p>No overall conclusion formed this year, as our opinion has been disclaimed. However, we have not identified any issues.</p>

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
SAGE	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	Financial transactions
E Paysafe	ITGC assessment (design, implementation and operating effectiveness)	●	●	●	●	Payroll

Assessment

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

2. Financial Statements: other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Governance Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Authority, which will be provided on completion of the audit. This will include specific representation around opening balances.
Confirmation requests from third parties	We requested from management permission to send balance confirmation requests in relation to the Authority's bank and investment balances. This permission was granted, and the requests were sent, these were returned with positive confirmations.
Accounting practices	We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/significant difficulties	With the exception of the difficulties set out at the beginning of this report, all information and explanations requested from management, has been provided.

2. Financial Statements: other communication requirements



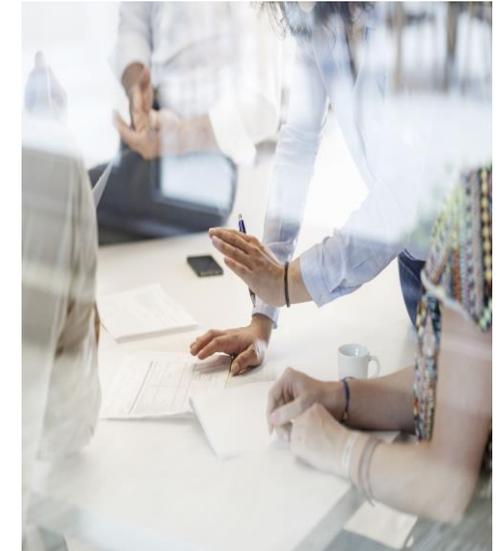
Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. . In doing so, we planned to consider and evaluate:</p> <ul style="list-style-type: none"> the nature of the Authority and the environment in which it operates the Authority's financial reporting framework the Authority's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>However, as we have been unable to conclude our audit in advance of the backstop date, we have not been able to obtain sufficient appropriate audit evidence to enable us to conclude that a material uncertainty related to going concern has not been identified and that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report and Fire Fighters Pension Fund disclosures), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. However, because of the significance of the matter described in the basis for disclaimer of, we have been unable to consider whether the Annual Governance Statement does not comply with ‘delivering good governance in Local Government Framework 2016 Edition’ published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Detailed work is not required for the Authority as it does not exceed the threshold. We will therefore complete the WGA assurance statement to this effect.</p>
Certification of the closure of the audit	<p>The NAO have recently issued guidance requesting that audit firms do not certify audits as closed until their work on the Whole of Government Accounts (WGA) is concluded. We will therefore not be able to certify the closure of the 2023/24 audit of Royal Berkshire Fire Authority in the audit report.</p>



3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2023/24

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

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



Financial Sustainability

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

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

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



Key recommendation

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



Improvement recommendation

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



3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We did not identify any risks of significant weakness. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We have identified some improvement recommendations.

5. Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers [and network firms]).

In this context, we disclose the following to you:

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed at Appendix E.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No non-audit services were identified which were charged from the beginning of the financial year to October 2024.

5. Independence and ethics

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

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

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that they are independent and are able to express an objective opinion on the financial statements

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments

A. Communication of audit matters to those charged with governance

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

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

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

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

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

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified 4 recommendations for the Authority as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2024/25 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
	Journals was an area where we experienced a significant amount of delay obtaining a transactional listing. The initial data provided did not include user and posting date. This is pivotal to our work. The final data was not received until September 2024 and manual adjustments were still required for us to complete our work.	We recommend that the Authority provide a suitable transaction listing at the beginning of the audit to help avoid delays and additional audit costs. Management response Agreed.
	Our PPE testing identified a number of buildings where the gross internal areas used by the valuer in calculating the year-end valuations, was not supported by the information held by the Authority. On recalculation using the correct GIAs, the difference was above our performance materiality. The value of the error noted was £0.476m, we have reported this as an unadjusted misstatement.	We recommend that the Authority engage the valuer to review GIA's for all assets as part of a full valuation as at March 2025 and ensure there is appropriate audit evidence to support these figures. Management response Agreed.
	During our audit we have identified a number of adjustments that were not processed through the trial balance. These adjustments are mainly related to LGPS, Fire Fighter Pensions, Council Tax and NNDR. The Authority made manual adjustments regarding these values instead of using the usual GL process. We have been able to test each of these items to third party evidence, but is good/usual practice, for all transactions to be posted to the GL. This reduces the risk of mistake and ensures that controls in place operate.	We recommend that all financial transactions are posted to the GL. Management response Agreed.
	During our testing of Useful Economic Lives (UEL) on Vehicles, Plant and Equipment, we discovered 90 assets, with a nil NBV but with a remaining useful life. We sampled 5 of these assets and identified that these assets were still operational. This highlights that UELs are not appropriate and are in need of review.	We recommend that UELs are reviewed for appropriateness. Management response Agreed.

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

The prior years audit has not yet been concluded by the previous auditor and there are therefore no recommendations to follow up. We will consider in due course any recommendations that are raised as part of closing down the prior years. This includes VFM and financial statements.

D. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2024.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £' 000	Impact on total net expenditure £'000	Impact on general fund £'000
Our work on the cashflow statement identified that it has not been prepared in line with the code, and that it is unclear which method of preparation has been used (direct/indirect).	N/A	N/A	N/A	N/A
Overall impact	N/A	N/A	N/A	N/A

D. Audit Adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure/issue/Omission	Adjusted?
Our work on the Property, Plant and Equipment disclosure note (note 8.16) identified one issue in relation to cumulative depreciation. The Authority revalue all land and buildings each year. The CIPFA code requires that where this is the case the depreciation for assets revalued should be returned to zero. This has not been done within note 8.16. This is a disclosure matter only as the net book values reported were correctly recorded. The Authority has amended the accounts for this issue and have restated the prior year comparators – setting out the prior year figures have been restated. Net book values remain unchanged.	✓
As part of our income testing, we noted that within Note 8.6 (expenditure analysed by nature) there was £2.2m of income that was misclassified. This was due to the 'Fees and Charges and other service income' line item containing £2.2m of grant income. This has been updated in the final set of accounts. There is no impact on the overall balance of the note and the Comprehensive Income and Expenditure statement.	✓
Our work on the audit fee note Under "Note 8.15 - External Audit Costs" in the noted that the ISA315 element of £5,020 was not disclosed in the financial statements. This was due to the timing of the fee communication. A footnote to this effect has been added to the note. On finalisation of the audit this footnote will require updating to reflect any additional fees for overruns. The footnote refers to these amounts being subject to PSAA approval.	✓
Our review of the Authority's accounting policies identified that there was no policy for joint operations. This has now been included.	✓
We have recommended a number of adjustments to the Authority's AGS.	✓
<p>Our work on the Authority's related party note has identified two required adjustments:</p> <ul style="list-style-type: none"> - A number of collaborative working arrangements had been included as related parties, when they do not meet the definition under IS24, and - The FRIC disclosure did not include the value of the transactions with the related party, as required by the standard. 	✓
During the course of the audit a number of small disclosure amendments were made to the financial statements. These have not been reported separately due to their insignificant nature.	✓

D. Audit Adjustments (continued)

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Our testing identified a number of buildings where the gross internal areas used by the valuer in calculating the year-end valuations, was not supported by the information held by the Authority. On recalculation using the correct GIAs, the difference was above our performance materiality. The error noted was £0.476m. The extrapolated impact of these errors across the buildings population is £1.241m. This error will also impact on the surplus/deficit on the revaluation of property plant and equipment assets as well as usable and unusable reserves.	Not quantified as some revaluation adjustments would be charged to the revaluation reserve.	476	-	-	- Other land and buildings valuations are subject to opening balances qualification, and as such it would not be cost effective to undertake a full revaluation based on revised GIA's at this time.
Due to a timing difference The RBFA didn't have the confirmation from council till the year end Mar'24, regarding if the amount of £90k deficit for the opening is final or not as the Slough Council was sorting out their prior year accounts. However, in Sept 2024 upon further chasers from RBFA they confirmed the revision of amount from £90k deficit to £36k Surplus. The impact if taken would be an increase in the Taxation & Non-Specific Grant Income and Debtors by £127k, which is not material and hence authority is not looking to make changes. We will record this in our summary of uncorrected Misstatement.	(127)	127	(127)	(127)	Not material
Overall impact	(127)	£603	(127)	(127)	-

Impact of prior year adjusted and unadjusted misstatements

The prior year audit will be subject to a disclaimer opinion and as such there are no adjusted or unadjusted. We will consider the previous auditors report ahead of issuing our audit opinion.

E. Fees and non-audit services

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	Proposed fee	Final fee
Scale fee	101,166	101,166
ISA 315	5,020	4,710
IFRIC 14 additional work	0	TBC
Other additional work/costs [please see detail on page 5 of this report]	0	TBC
Total audit fees (excluding VAT)	£106,186	TBC

The fees reconcile to the financial statements.

fees per financial statements	£101k
ISA 315 cost as set out above	£5k
total fees per above	£106k

A footnote is to be added to the financial statements to identify the amount payable above and set out that all items, above the scale fee are subject to PSAA approval.

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of: <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Professional scepticism	The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Definition of engagement team	The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor. <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to: <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	27TH NOVEMBER 2024
SUBJECT	QUARTERLY PERFORMANCE REPORT 2024-25 QUARTER 1 (APRIL – JUNE 2024)
LEAD OFFICER	PAUL BREMBLE, HEAD OF CORPORATE SERVICES
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	TO NOTE

1. EXECUTIVE SUMMARY

- 1.1 To provide Audit & Governance Committee with an overview of the Royal Berkshire Fire and Rescue Service (RBFRS) first quarter (April – June 2024) performance for the 2024-25 financial year.

2. RECOMMENDATION

That the Audit & Governance Committee:

- 2.1 **NOTE** the performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2024-25.
- 2.2 **NOTE** the progress made on the priority programmes.
- 2.3 **NOTE** the position of corporate risk.
- 2.4 **DISCUSS** and **AGREE** any further actions, if appropriate.

3. REPORT

- 3.1 The quarterly performance report supports the Performance Management Framework which provides structure and governance that will enable RBFRS to measure, monitor and manage outputs and outcomes in a timely manner, allowing the organisation to respond and make informed decisions to ensure that statutory obligations and the Fire Authority’s Strategic Commitments are successfully delivered.
- 3.2 Following data capture, review and analysis, evidence is reviewed by the Strategic Performance Board (SPB) whose purpose is to lead, support and

Agenda Item 9

monitor the effective delivery of the Strategic Objectives by monitoring and reviewing performance across the four Quadrants.

- 3.3 Informed by these processes, key data and highlights have been extracted and reviewed by the Senior Leadership Team (SLT) and are presented in this report for scrutiny at the Audit and Governance committee.
- 3.4 The attached report provides an overview of performance for the first quarter (April – June 2024) performance for the 2024-25 financial year. It reports performance in four key areas:
- 3.5 Quadrant one - Service Provision - This section presents data and information which will allow members to monitor how RBFRS are doing at delivering its statutory obligations and any internal services provided between teams, departments and functions.
- 3.6 Quadrant two - Corporate Health - This section brings together all data, information and measures from across the organisation, which will allow members to monitor how RBFRS are managing key resources, e.g. People and Finance.
- 3.7 Quadrant three - Priority Programmes (CRMP, RBFRS Development Programme and the Strategic Asset Investment Framework) - This section will allow members to monitor progress of work designed to deliver a defined outcome which is different to or improves on current working practices, policies and procedures in support of delivering against the strategic commitments and Corporate Plan 2023-27.
- 3.8 Quadrant four - Assurance - This section provides an assessment of corporate risks that may impact on service delivery. This section will also include data and information from audit monitoring and an update on the HMICFRS Action Plan.

4. **CONTRIBUTION TO STRATEGIC COMMITMENTS**

- 4.1 **Prevention:** We will reduce the risk to our communities through our partnership duties and prevention education activities, ensuring that our services are accessible to all.
- 4.2 **Protection:** We will support those with responsibility for premises to understand their duties in ensuring the safety of all people using buildings covered by the Building Safety Act 2022 and Regulatory Reform (Fire Safety) Order 2005, whilst ensuring that our services are accessible to all.
- 4.3 **Response:** We will ensure that our people are trained and resources are located to provide the most effective response and to have a positive impact on incidents in our communities.
- 4.4 **Resilience:** We will ensure our resilience and work with our partners to promote and build resilience in the communities we serve.
- 4.5 **Sustainability:** We will ensure that we provide a financially sustainable and environmentally friendly service to our communities.

- 4.6 **People:** We will support our staff by providing a safe and inclusive environment for them to thrive in, building a diverse organisation that is engaged with, and accessible to, our communities.

5. FINANCIAL IMPLICATIONS

- 5.1 This report provides RBFA financial information under the corporate health quadrant.

6. LEGAL IMPLICATIONS

- 6.1 There are no legal implications arising from this report.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 This report provides RBFRS equality and diversity information under the corporate health quadrant.

8. RISK IMPLICATIONS

- 8.1 This report provides RBFRS corporate risk information under the assurance quadrant.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 This report provides information on RBFRS performance measures and targets, as such there are no identified areas for collaboration.

10. PRINCIPAL CONSULTATION

- 10.1 The Chief Fire Officer was consulted during preparation of this report.
- 10.2 The Head of Finance and Procurement was consulted on the content of this report.

11. BACKGROUND PAPERS

- 11.1 Annual Plan 2024-25.

12. APPENDICES

- 12.1 Included with main report.

13. CONTACT DETAILS

- 13.1 Paul Bremble
Head of Corporate Services
07786 145153
- 13.2 Becca Chapman
Data, Performance and Risk Manager
07585 991629

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ITEM	DECISION BODY	NEXT REPORTING DATE	REPORTING FREQUENCY	RECOMMENDED ACTION	LEAD OFFICER	LEAD MEMBER	PART I / II
Budget Monitoring Q2	Management Committee	04.12.24	Annual	Note	HF&P	Budget and Income Generation Lead	Part I
Sustainability Programme Phase 1 Uplift	Management Committee	04.12.24	Ad-hoc	Note	HoA	Strategic Assets and Sustainability Lead	Part I
Sustainability Strategy Programme Overview	Management Committee	04.12.24	Ad-hoc	Note	HoA	Strategic Assets and Sustainability Lead	Part I
Langley Refurbishment	Management Committee	04.12.24	Ad-hoc	Note	HoA	Strategic Assets and Sustainability Lead	Part I
Appliance Availability Q2	Management Committee	04.12.24	quarterly	Note	AM (R&R)	N/A	Part I
Quarterly Performance Report/Budget Monitoring	TVFCS Joint Committee	12.12.24	Bi annual	Note	AM C&P and HF&P	N/A	Part I
Call Handling Contract Tender	TVFCS Joint Committee	12.12.24	Ad-hoc	Note and Recommend	AM C & P	N/A	Part I
TVFCS Proposed Budget	TVFCS Joint Committee	12.12.24	Annual	Note and recommend	HF&P	N/A	Part I
Lease changes	A&GC	30.01.25	Ad-hoc	Note	HF&P	N/A	Part I
Contract Regulations	A&GC	30.01.25	Ad-hoc	Note and recommend	HF&P	N/A	Part I
Statement of Assurance 22/23 and 23/24	A&GC	30.01.25	Quarterly	Note and Recommend	HCS	RBFA Chairman and A&GC Chairman	Part I
Gender, Ethnicity and Equality Pay Gap	A&GC	30.01.25	Annual	Note	HHR&L&D	N/A	Part I
Pay Policy Statement	A&GC	30.01.25	Annual	Note and Recommend	HHR&L&D	N/A	Part I
Internal Audit report	A&GC	30.01.25	Quarterly	Note	HF&P	N/A	Part I

ITEM	DECISION BODY	NEXT REPORTING DATE	REPORTING FREQUENCY	RECOMMENDED ACTION	LEAD OFFICER	LEAD MEMBER	PART I / II
Q2 Performance Report	A&GC	30.01.25	Quarterly	Note	Data, Performance and Risk Manager	N/A	Part I
Scheme of Member Allowances Annual Review	Management Committee	10.02.25	Annual	Note and recommend	MO	N/A	Part I
Budget Monitoring Q3	Management Committee	10.02.25	Annual	Note	HF&P	Budget and Income Generation Lead	Part I
AFA update	Management Committee	10.02.25	Ad-hoc	Note	AM C&P		Part 1
Appliance Availability Q3	Management Committee	10.02.25	Quarterly	Note	AM (R&R)	N/A	Part I
Scheme of Member Allowances Annual Review	Fire Authority	19.02.25	Annual	Approve	MO	N/A	Part I
Contract Regulations	Fire Authority	19.02.25	Ad-hoc	Agree	HF&P	N/A	Part I
CRMP 6 evaluation	Fire Authority	19.02.25	Ad-hoc	Note	ACFO	CRMP Lead	Part I
Annual Budget 24/25, Medium Term Financial Plan & Strategic Asset Investment Framework and TVFCS Budget	Fire Authority	19.02.25	Annual	Agree	HF&P	Budget and Income Generation/ Collaboration and Strategic Assets Lead	Part I
Annual Plan	Fire Authority	19.02.25	Annual	Agree	HCS	N/A	Part I
Pay Policy Statement	Fire Authority	19.02.25	Annual	Agree	HHR&L&D	N/A	Part I
Quarterly Performance Report/Budget Monitoring	TVFCS Joint Committee	17.03.25	Bi annual	Note	AM C&P and HF&P	N/A	Part I
Internal Audit Report	A&GC	24.03.25	quarterly	Note	HF&P	N/A	Part I
External Audit Report	A&GC	24.03.25	quarterly	Note	HF&P	N/A	Part I
Annual Report on Members Development	A&GC	24.03.25	Annual	Note and Recommend	HCS	Member Development Champion	Part I
Annual report on Governance / Members attendance and allowances / Code of Conduct annual consultation results	A&GC	24.03.25	Annual	Note and Recommend	HCS	A&GC Chairman	Part I

ITEM	DECISION BODY	NEXT REPORTING DATE	REPORTING FREQUENCY	RECOMMENDED ACTION	LEAD OFFICER	LEAD MEMBER	PART I / II
Quarter 3 Performance Report	A&GC	24.03.25	Quarterly	Note	Data, Performance and Risk Manager	N/A	Part I
Corporate Calendar 2025/26	Fire Authority	17.04.25	Annual	Agree	HCS	N/A	Part I
Lead Member and Champion Annual Reports	Fire Authority	17.04.25	Annual	Note	Lead Officers	Lead Members	Part I

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