

Royal Berkshire Fire & Rescue Authority

Auditor's Annual Report
Year ending 31 March 2026

01 October 2026



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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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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Royal Berkshire Fire & Rescue Authority during 2025/26 as the appointed external auditor. The core element of the report is the commentary on the Value for Money (VfM) arrangements. The responsibilities of the Fire and Rescue Authority (the Authority) are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

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 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- 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.

Auditor's powers

Under the Local Audit and Accountability Act 2014, auditors of an 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 12 with a commentary on whether any of these powers have been used during this audit period.

In particular, auditors may issue:

- Statutory recommendations to the full Authority which must be considered publicly.
- A Public Interest Report (PIR)

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

During 2024/25, the NAO consulted on and updated the Code to align it with accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. The deadline requirement for 2025/26 AARs is 30 November 2026.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Authority's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 Assessment of arrangements
Financial sustainability	G No significant weaknesses in arrangements identified and no improvement recommendation made.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendation made.
Governance	A No significant weaknesses in arrangements identified; one improvement recommendation re-raised in relation to the review of key policy documents.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified; an improvement recommendation raised in relation to timely implementation of internal audit actions and governance of service plans.
Improving economy, efficiency and effectiveness	A No significant weaknesses in arrangements identified; one improvement recommendation re-raised in relation to data quality.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified; one improvement recommendation re-raised in relation to data quality.

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

Executive Summary

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.



Financial sustainability

The Authority demonstrates sound financial management, with a £165k surplus in 2025/26 (2024/25: £370k) and a balanced £50.61m budget for 2026/27. The four-year MTFP to 2029/30 balances without reliance on general reserves, supported by reasonable assumptions and sensitivity analysis; general reserves remain adequate at £2.47m.

The Efficiency and Productivity Plan targets £1.041m of savings for 2026/27 (c.£4m to 2029/30), with strengthened oversight via the Productivity and Efficiency Board.

Early-year monitoring corroborates this position, with a Q1 forecast surplus of £366k, treasury and capital activity within approved limits, and TVFCS forecast favourable to the Authority. No significant weaknesses were identified in the Authority's arrangements to secure financial sustainability.



Governance

The Authority's governance operates effectively: decisions are made and scrutinised appropriately, risks and internal controls are managed, the budget is set and monitored, standards of conduct are upheld, and counter-fraud and whistleblowing arrangements are overseen by the Audit and Governance Committee.

Over the year it refreshed its key governance documents and adopted a Document Management Policy, discharging our previous recommendation, and internal audit judged the governance, risk and control framework adequate and effective.

We found no significant weaknesses but made one improvement recommendation relating to strengthening the timely implementation of internal audit actions, with overdue items escalated to the Audit and Governance Committee.



Improving economy, efficiency and effectiveness

The Authority uses financial and performance information well to target improvement, through quarterly reporting linked to the Community Risk Management Plan (CRMP) and benchmarking with His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), the National Fire Chiefs Council (NFCC) and internal audit. HMICFRS's April 2025 inspection graded the Service 'Good' in eight of eleven areas and 'Adequate' in three, with no causes of concern. The Authority works effectively in partnership, notably through the Thames Valley Fire Control Service, and has updated its contract arrangements for the Procurement Act 2023, with a Reasonable Assurance procurement audit opinion. We identified no significant weaknesses. We have re-raised one improvement recommendation on data quality: the Data Management Fire Standard remained Amber during 2025/26, and we recommend the Authority builds on the Digital, Data and Technology (DDaT) Strategy 2027–2030 (approved after year end) to embed data quality arrangements.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Authority’s financial statements and sets out whether we have used any of the other powers available to us as the Authority’s auditors.

Auditor’s responsibility	2025/26 outcome	
Opinion on the Financial Statements	Our audit of the Authority's financial statements for the year ended 31 March 2026 is well progressed, but we have not yet issued our audit opinion. We are working with management to perform regaining assurance procedures over the 2021/22 and 2022/23 periods, in December 2026 and January 2027, to assess the impact on our 2025/26 opinion. We aim to report our opinion in January 2027.	
Use of auditor’s powers	We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.	

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

Opinion on the financial statements

These pages set out the key findings from our audit of the Authority's financial statements, and whether we have used any of the other powers available to us as the Authority's auditors.

Audit opinion on the financial statements

Our audit of the Authority's financial statements for the year ended 31 March 2026 is well progressed, but we have not yet issued our audit opinion. We are working with management to perform regaining assurance procedures over the 2021/22 and 2022/23 periods, in December 2026 and January 2027, to assess the impact on our 2025/26 opinion. We aim to report our opinion in January 2027.

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 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- 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 NAO Code of Audit Practice (2024), 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 of 30 June 2026.

Draft financial statements were of a reasonable standard and supported by detailed working papers. We are awaiting two items to complete our outstanding procedures on the valuation of the net pension liability: the pension fund auditors' IAS 19 assurance letter, and responses from the Authority's actuary to our queries on movements in balances within the IAS 19 report.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. Our report will be presented to the Authority's Audit and Governance Committee on 8 October 2026. Requests for this Audit Findings Report should be directed to the Authority.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard, except for recommended corrections raised which management accepted and corrected in the final version of the Annual Governance Statement.



Use of auditor's powers

We bring the following matters to your attention:

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

The Authority is the statutory governing authority responsible for overseeing fire and rescue services across Berkshire. The Authority sets the purpose, objectives, priorities and values and are responsible for the provision of an effective and efficient Fire and Rescue Service. Royal Berkshire Fire and Rescue Authority (the Authority) carries out day-to-day operations, whilst the Authority sets the strategic direction for the Service and is responsible for governance and oversight of the Service.

All Fire and 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. Fire and Rescue Authorities report on their arrangements, and the effectiveness of these arrangements, as part of their individual Annual Governance Statements.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether 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 budget management, risk management, and making 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.

Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority demonstrates effective financial management. It delivered a £165k surplus in 2025/26 and set a balanced £50.61m budget for 2026/27, with a Medium-Term Financial Plan to 2029/30 that balances throughout without using general reserves. It delivered £535k of efficiency savings, ahead of its £517k target. Its plans rest on prudent, clearly stated assumptions (a 3% pay award, 0.73% council tax base growth, and a 4.8% funding reduction), tested through sensitivity analysis reported to members. Reserves are adequate, at £2.47m in general reserves at 31 March 2026, with the Section 25 statement confirming their medium-term sufficiency. The latest monitoring reinforces this: the Authority forecasts a £366k surplus for 2026/27 at Quarter 1, with emerging pay-award pressures identified early and offset by vacancy savings. HMICFRS independently found the Authority financially sustainable. We identified no significant weaknesses in these arrangements.	G
plans to bridge its funding gaps and identify achievable savings	The Authority has sound arrangements to plan for its funding gaps and to identify, deliver and monitor savings. It maintains a formally approved Efficiency and Productivity Plan setting out £1.041m of savings for 2026/27 and around £4m over the four years to 2029/30. Delivery is overseen by the Productivity and Efficiency Board, which tracks each project and escalates those rated red or amber to the Senior Leadership Team and Programme Board. The Authority has a consistent delivery record. It delivered £535k of efficiency savings in 2025/26, ahead of its £517k target, and absorbed its in-year pressures to close the year with a £165k surplus. It also consults stakeholders on its budget and precept. Two matters are worth monitoring, though neither is a weakness: the Authority delivered 64.6% of planned savings in 2024/25 (the shortfall has since been resolved and reflected in the base budget), and the 2026/27 savings target is materially higher and includes organisational restructuring, which carries some execution risk. Quarter 1 2026/27 monitoring shows delivery on track, with a forecast year-end surplus of £366k. We identified no significant weaknesses in these arrangements.	G

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Authority's financial planning is aligned with its Community Risk Management Plan 2023–2027 (CRMP) and Corporate Plan, and with its supporting strategies, including the 10-year Strategic Asset Investment Framework (SAIF) and the Efficiency and Productivity Plan. The Corporate Plan sets six strategic commitments, and the Medium-Term Financial Plan (MTFP) and capital plan map specific investment to those commitments, directing resources to priorities such as training, occupational health, and prevention and protection efficiency. The Authority does not rely on reserves to bridge structural funding gaps. As a fire and rescue service, it has limited discretionary spend given its statutory duties under the Fire and Rescue Services Act 2004, and it has reviewed and costed the non-core incident types that fall outside those duties to better understand their resource implications. HMICFRS independently confirmed the coherence of the financial plan with the CRMP priorities. Quarter 1 2026/27 monitoring reinforces this, showing revenue and capital plans operating as an integrated whole, with capital delivery within the approved programme and the revenue implications of capital schemes factored into the MTFP. We identified no significant weaknesses in these arrangements.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Authority's financial planning is integrated with, and consistent across, its workforce, capital, investment and operational strategies. Workforce implications are considered through the People Committee and reflected in the MTFP. Capital investment is guided by the 10-year Strategic Asset Investment Framework (SAIF), with individual projects approved by the Management Committee. Environmental sustainability is embedded within capital projects, and the associated revenue impacts are built into the MTFP. The Authority collaborates with other public bodies through the Thames Valley Fire Control Service (TVFCS), a joint operation with Oxfordshire and Buckinghamshire & Milton Keynes Fire and Rescue Services. Financial contributions and performance are monitored and reported quarterly. As an area to keep in view (not a weakness), total reserves are projected to fall by around 19% over the MTFP period, from £8.514m at 31 March 2026 to £6.886m by 2030. This reflects the planned use of earmarked reserves in line with the Authority's Reserves Policy: the Development Fund and Capital Receipts Reserve fund capital expenditure, and the Transformation Fund supports invest-to-save projects. The General Reserve (5%) and Budget Contingency Reserve (3%) are maintained throughout. We identified no significant weaknesses in these arrangements.	G

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Authority identifies risks to its financial resilience through quarterly budget monitoring reported to the Management Committee, which highlights significant variances from the approved budget and sets out mitigating actions. Its Medium-Term Financial Plan (MTFP) challenges the key assumptions through quantified sensitivity analysis: for example, a 0.25% increase in the pay award would add around £93k to annual costs. Planning assumptions are reviewed annually and adjusted for emerging risks, including macroeconomic uncertainty and reductions in government funding. To manage unforeseen pressures, the Authority maintains a risk-based Reserves Policy, holding the General Reserve at 5% and the Budget Contingency Reserve at 3% of the net revenue budget. The Head of Finance and Procurement, as the Authority's Chief Finance Officer, provides the statutory Section 25 assurance on the robustness of the estimates and the adequacy of reserves, and HMICFRS independently found the Authority has a sensible and sustainable approach to reserves. Quarter 1 2026/27 monitoring confirms these arrangements are working. The principal in-year risk – a pay award settled above the 3% assumption – is being absorbed through staff turnover and vacancy savings, leaving a forecast year-end surplus of £366k, with the position kept under review through the in-year monitoring cycle.	G

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

Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Authority maintains established arrangements to identify, assess and manage risk. Risks are scored under the Organisational Risk Management Policy, which sets out its approach to risk appetite and escalation. The Corporate Risk Register records inherent, current and treated scores and links risks to the CRMP priorities, as we previously recommended; the Senior Leadership Team reviews it monthly, with a summary reported quarterly to the Audit and Governance Committee (AGC). The Authority obtains independent assurance over its control framework through Internal Audit (RSM), which completed a risk-based plan of assignments with mostly positive assurance. The Head of Internal Audit's annual opinion concluded that the Authority has an adequate and effective framework for risk management, governance and internal control. Fraud prevention is supported by the Anti-Fraud, Bribery and Corruption and Whistleblowing policies, with counter-fraud activity and complaints overseen by the AGC. We identified one improvement recommendation relating to Internal Audit's Partial Assurance opinions on the governance of service plans and on WYPF pension administration, where follow-up review found limited progress against some agreed actions. We recommend that the Authority strengthen the tracking and timely implementation of internal audit actions, with clear escalation to the Audit and Governance Committee (AGC) where progress stalls. Subject to this recommendation, we identified no significant weaknesses in the Authority's arrangements in this area.	A

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

Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
approaches and carries out its annual budget setting process	The Authority operates an established annual budget-setting process, overseen by the Budget and Efficiency Working Party and the Management Committee. The process scrutinises growth bids, savings plans and strategic investment proposals, which are built into a base budget derived from the prior year's net revenue expenditure. Capital investment is set out in the 10-year Strategic Asset Investment Framework (SAIF), with funding for individual projects released following Management Committee approval of the relevant business case. The process allows time for consultation with budget holders, Authority members and the public, including a formal consultation on the proposed precept. The 2026/27 budget report includes the Section 25 statement of the Head of Finance and Procurement (the Authority's Chief Finance Officer) on the robustness of the estimates and the adequacy of reserves. On this basis, the Fire Authority approved a balanced 2026/27 budget, without recourse to reserves, on 23 February 2026. We identified no significant weaknesses in these arrangements.	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 covering revenue, capital, treasury and reserves. Each report sets out the year-to-date position and forecast year-end outturn against budget, with analysis of projected under- and overspends and a summary of the key variances. The minutes show discussion focused on the areas of greatest variance, demonstrating a clear understanding of the issues requiring attention. Capital spending is reported alongside revenue. The Authority has strengthened its capital reporting through project-level forecasts of annual spend, compared against the indicative values in the 10-year Strategic Asset Investment Framework (SAIF), together with total forecast project spend, approved project budgets and commentary on delivery. The reports also include the revenue budget position for the Thames Valley Fire Control Service (TVFCS) and a Treasury Management update covering investment performance, the debt position and compliance with the prudential indicators. Budgetary-control responsibilities are set out in the Financial Regulations, the Contract Standing Orders and the Scheme of Delegation within the Constitution, and treasury management is reported to the Fire Authority in line with the CIPFA Code, with full compliance confirmed at the year end. We identified no significant weaknesses in these arrangements.	G

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

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Authority has arrangements to support informed, transparent and appropriately scrutinised decision-making. The structure and remit of the Fire Authority and its committees are set out in the Constitution and committee Terms of Reference, which provide for decisions to be evidence-based, transparent and subject to scrutiny and risk management. Papers presented to the Fire Authority, the Management Committee and the Audit and Governance Committee are substantive and published, and the minutes evidence active member challenge and debate on the matters before them. The Audit and Governance Committee provides effective non-executive oversight of the Authority's governance, risk and control arrangements. Decisions are informed by officer advice, including the statutory advice of the Head of Finance and Procurement (Chief Finance Officer) and the Monitoring Officer. The Thames Valley Fire Control Service is governed by a Joint Committee, on which the Authority is represented by two members, which oversees the collaboration's budget and performance and the command-and-control system replacement. We identified no evidence of inappropriate decision-making, and we identified no significant weaknesses in these arrangements.	G

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

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The Authority's governance framework comprises its Constitution (incorporating the Standing Orders, Terms of Reference and Scheme of Delegation), Financial Regulations, Contract Standing Orders, and the Codes of Conduct for members and officers, which set out expected standards of behaviour. Declarations of interest are a standing item at every meeting, the Members' Register of Interests is maintained and published, and the latest HMICFRS inspection reported a positive, inclusive culture in which staff feel able to challenge poor behaviour. The Authority reviewed and formally re-approved its key governance documents during 2025/26: the Constitution and Standing Orders (June 2025), the Financial Regulations and Contract Standing Orders (February 2025), and the Code of Conduct and Gifts and Hospitality form (October 2025). The Contract Standing Orders reflect the Procurement Act 2023, with waivers above £100,000 requiring Management Committee approval and reported to the Audit and Governance Committee. Together with the Authority's Document Management Policy, which sets a procedure for reviewing controlled documents with named owners, this addresses the prior-year improvement recommendation, which is now closed. Compliance is supported by the Anti-Fraud, Bribery and Corruption, Whistleblowing, and Grievance policies, and procurement received a Reasonable Assurance internal audit opinion. The 2025/26 Annual Governance Statement discloses no significant non-compliance with, or breaches of, relevant legislation; the significant governance issues it reports relate to cyber security and to information, data and digital arrangements, not to statutory breaches. We identified no significant weaknesses in these arrangements.	G

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

Governance (continued)

Area for Improvement identified: timely implementation of internal audit actions

Key Finding: The Authority has an established internal audit function (RSM) and a documented risk management framework. However, internal audit issued two Partial Assurance opinions in 2025/26 — on the Governance of Service Plans and on West Yorkshire Pension Fund (WYPF) firefighter pension administration — and its dedicated follow-up review returned a negative ("Little Progress") opinion, concluding that limited progress had been made in implementing previously agreed management actions.

Evidence: RSM's Annual Internal Audit Report 2025/26 records the two Partial Assurance opinions and the status of previously agreed actions, and the internal audit progress report to the Audit and Governance Committee on 16 March 2026 confirmed the position on outstanding actions. The WYPF pension administration review identified service-level breaches with pension-estimate delays of up to 157 days, poor retention of critical records, and gaps in segregation of duties.

Impact: The lack of timely implementation of agreed audit actions, combined with the negative follow-up opinion, reduces the assurance available to members over the effectiveness of internal control and creates a risk that known control weaknesses persist. In the case of WYPF pension administration specifically, this carries compliance, pension-calculation-error and reputational risks.

Improvement Recommendation 1

We recommend the Authority strengthen its tracking and timely implementation of agreed internal audit actions, with clear reporting of overdue actions and escalation to the Audit and Governance Committee and remediate the specific findings from the Governance of Service Plans and WYPF pension administration reviews.



Grant Thornton insight

Closing the Loop on Internal Audit Assurance

Partial Assurance opinions are not unusual, most internal audit functions issue them periodically. What distinguishes organisations that convert these into genuine improvement is discipline after the opinion: a live action tracker with named owners and target dates, reviewed by the AGC until independently verified as implemented.

The "Little Progress" opinion suggests the tracking mechanism, not the original audit work, is the gap, particularly significant for WYPF pension administration, given the compliance and member-impact consequences involved.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Authority has arrangements to use financial and performance information to assess its performance and identify areas for improvement. It produces quarterly performance reports structured across four quadrants – Service Provision, Corporate Health, Priority Programmes and Assurance – which track delivery against the strategic objectives in the Community Risk Management Plan (CRMP), service and corporate KPIs, progress against the Fire Standards, and delivery of the HMICFRS action plan. The reports also cover financial performance, capital projects and progress against the People Strategy, and are presented to the Audit and Governance Committee, where the minutes evidence active member challenge. Performance is also monitored internally by the Senior Leadership Team. The Authority benchmarks its performance against other services through HMICFRS inspection, the National Fire Chiefs Council, and independent internal audit comparison, providing external reference points to inform improvement. We identified one improvement opportunity, re-raised from the prior year. The Data Management Fire Standard remained rated Amber at Q4 2025/26, and during the year the Authority had not finalised a formally approved approach to data quality. The Authority's draft 2025/26 Annual Governance Statement identifies this among the governance issues to be addressed in 2026/27. Subsequent to the year end, the Authority made positive progress, with its Data, Digital and Technology (DDaT) Strategy 2027–2030 approved by the Management Committee in October 2026. As this addresses the substance of the recommendation but falls after the year under audit, and the Fire Standard remained Amber during 2025/26, we recommend the Authority builds on the Strategy to embed its data quality arrangements and move the Data Management Fire Standard from Amber. This is an improvement recommendation and does not represent a significant weakness. Subject to this improvement recommendation, we identified no significant weaknesses in these arrangements.	A

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

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
evaluates the services it provides to assess performance and identify areas for improvement	The Authority has arrangements to respond to external inspection and to act on the findings. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspected the Service under its 2023–25 round, with the report published in April 2025. The inspection assessed eleven areas and returned a broadly positive result: the Service was graded 'Good' in eight areas and 'Adequate' in three (making best use of resources; responding to major and multi-agency incidents; and managing performance and developing leaders), with no causes of concern identified. The Authority prepared a formal action plan addressing each area for improvement, including the need to set out a clearer rationale for the allocation of resources across prevention, protection and response, and presented it to the Fire Authority in November 2025. At the Authority's request, the HMICFRS grading table has been incorporated into its Annual Report, supporting transparency to members and the public. HMICFRS has since confirmed that it will undertake a fourth inspection in September 2026 – almost a year earlier than originally planned – with a greater focus on leadership and governance, including new interviews with the Chairs of the Fire Authority and the Audit and Governance Committee. The Authority also acts on external audit findings. Our October 2025 update to the Audit and Governance Committee confirmed that four of our prior-year value for money recommendations had been fully implemented – including the incorporation of sensitivity analysis into the Medium-Term Financial Plan, enhanced capital reporting, and alignment of the Corporate Risk Register to the CRMP priorities. Of the remaining recommendations, the governance document review has since been addressed and closed, and the data quality recommendation has been re-raised for 2025/26. We identified no significant weaknesses in these arrangements.	G

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

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives	The Authority's Community Risk Management Plan (CRMP) 2023–2027, developed following consultation with the public, staff and stakeholders, identifies collaboration and partnership working as a core theme. The Authority's significant partnerships support the delivery of the CRMP priorities and are reflected in its governance and reporting arrangements. The Authority's most significant partnership is the Thames Valley Fire Control Service (TVFCS), a joint operation with Oxfordshire and Buckinghamshire & Milton Keynes Fire and Rescue Services. TVFCS is governed by a Joint Committee, on which the Authority is represented by two members. Its performance is reported to the Fire Authority through the Joint Committee's annual report, the Management Committee approves and monitors the TVFCS budget, and TVFCS performance is included in the Authority's quarterly performance reporting. The Authority also participates in the Thames Valley Emergency Services Collaboration and shares estate and fleet-maintenance arrangements with other emergency services. The Authority consults the public annually on its precept and, during 2025/26, consulted on four proposed equality objectives. The HMICFRS assessment found that the Service works well with others and comprehensively monitors, reviews and evaluates the benefits of its collaborations, citing estimated savings of around £25,000 from the shared use of breathing apparatus across the three Thames Valley services. We identified no significant weaknesses in these arrangements.	G

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
commissions or procures services, assessing whether it is realising the expected benefits	The Authority's Contract Standing Orders were updated in February 2025 to reflect the Procurement Act 2023, supported by a Contract Management Framework that classifies contracts by value and risk so that management attention is focused on the higher-value, higher-risk arrangements. Procurement is led by the Head of Finance and Procurement, the Authority participates in the NFCC Procurement Hub for access to fire-specific national frameworks, and the Efficiency and Productivity Plan identifies reduced contractual expenditure as a source of savings. RSM's 2025/26 Procurement internal audit provided Reasonable Assurance, concluding that procurement controls are well designed and aligned to the Procurement Act 2023, with consistent tendering and good evidence of value for money across the contracts sampled. Two medium-priority matters were identified: the contract register was not fully up to date, and awareness of Procurement Act responsibilities was inconsistent among staff. Management has agreed actions for both, tracked through the internal audit action process. Neither represents a significant weakness, although the currency of the contract register warrants monitoring to completion given its relevance to effective contract management. The Authority does not undertake significant commercial ventures, major outsourcing or commercial property investment for financial return. Its principal joint arrangement, the Thames Valley Fire Control Service, is treated in the accounts as a joint operation, with the Authority recognising its share of the related assets, liabilities, income and expenditure; there are no subsidiaries, associates or joint ventures requiring group accounts. The Authority holds three legacy investment properties, valued at £995,000 at 31 March 2026, which generate modest rental income and do not form part of a commercial investment strategy. We identified no significant weaknesses in these arrangements.	G

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

Improving economy, efficiency and effectiveness

Area for Improvement: data quality

Key Finding: The Authority's performance and decision-making rely on data drawn from multiple systems and departments, governed by varying data quality standards. During 2025/26 the Authority did not have a finalised, formally approved approach to data quality, and the Data Management Fire Standard remained rated Amber at the fourth quarter.

Evidence: The prior-year recommendation — to finalise and approve the Data, Digital and Technology (DDaT) Strategy, align it to the Fire Standard for Data Management, set a review schedule and provide training — was outstanding throughout 2025/26, and the draft Annual Governance Statement identified it among the issues to be addressed in 2026/27. Subsequent to the year end, the Management Committee approved the DDaT Strategy 2027–2030 on 1 October 2026; the Strategy addresses data quality, governance and management and commits to an annual review of priorities.

Impact: Without a fully embedded data quality approach, and while the Data Management Fire Standard remains Amber, there is a risk that the data used for performance monitoring and decision-making is not consistently accurate and reliable, which could weaken the assurance available to members.

Improvement Recommendation 2

The DDaT Strategy was approved by the Management Committee on 1 October 2026, after the year end, addressing the substance of the prior-year recommendation. We recommend the Authority ensures its implementation is overseen by the relevant governance committee, with progress reported to members. The recommendation is re-raised for 2025/26 and treated as substantially implemented, pending this oversight.



Embedding Data Quality Governance

Effective data quality arrangements require more than an approved policy, they depend on clear ownership, with a named senior officer accountable for standards across all systems and departments.

Alignment to sector-specific standards, such as the Fire Standard for Data Management, should be reviewed regularly rather than assessed only at year-end, and supported by training so that data quality becomes an operational discipline embedded across the organisation, not a compliance exercise confined to a single strategy document.

05 Summary of Value for Money Recommendations raised in 2025/26

Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	We recommend the Authority strengthen its tracking and timely implementation of agreed internal audit actions, with clear reporting of overdue actions and escalation to the Audit and Governance Committee and remediate the specific findings from the Governance of Service Plans and WYPF pension administration reviews.	Governance (page 22)	Actions: A Power BI tracking system with automated reminders to audit action owners has been implemented and feeds a real-time dashboard with drilldown functionality. Responsible Officer: Head of Finance and Procurement Due Date: Completed (external audit to follow-up in 2026/27)
IR2	The DDaT Strategy was approved by the Management Committee on 1 October 2026, after the year end, addressing the substance of the prior-year recommendation. We recommend the Authority ensures its implementation is overseen by the relevant governance committee, with progress reported to members. The recommendation is re-raised for 2025/26 and treated as substantially implemented, pending this oversight.	Improving economy, efficiency and effectiveness (page 27)	Actions: Provide an action plan for delivery of the DDaT strategy to Management Committee in December 2026 Responsible Officer: Head of Business Information and Systems Due Date: 10/12/2026

06 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 Finance 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 Finance 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 Finance 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 their 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

Our work is risk-based and focused on providing a commentary assessment of the Authority’s Value for Money arrangements

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.

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 auditors as follows:**

Statutory recommendations – recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Authority where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Authority’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to Senior Officers and the Authority
Interviews and discussions with key stakeholders	External review such as by CIPFA
Progress with implementing recommendations	Regulatory inspections such as from HMICFRS
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	Governance documents that are overdue for review should be prioritised to ensure they remain current and fit for purpose. Following review, all governance documents – regardless of whether any changes are made – should be formally approved by the appropriate governance body (e.g. the Fire Authority, a Committee, or a designated Officer) to confirm their continued relevance and appropriateness.	2023/24 and re-raised in 2024/25	The individual key governance documents (Constitution, Standing Orders, Financial Regulations, Contract Standing Orders, Gifts and Hospitality form) have been reviewed and formally re-approved in 2025/26.	Resolved and closed	No further action required
IR2	The Authority should finalise and formally approve the draft Data, Digital & Technology Strategy, ensuring it aligns with the Fire Standard for Data Management. A review schedule should be established, and training provided to members and officers where necessary to support effective implementation.	2023/24 and re-raised in 2024/25	The DDaT Strategy was approved by the Management Committee on 1 October 2026, after the year end, addressing the substance of the prior-year recommendation. We recommend the Authority ensures its implementation is overseen by the relevant governance committee, with progress reported to members.	Not implemented for 2025/26	The recommendation is re-raised for 2025/26 and treated as substantially implemented – Refer to page 27 of this report.



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