ROYAL BERKSHIRE FIRE & RESCUE SERVICE

Final Annual internal audit report for the year ended 31 March 2026

9 July 2026

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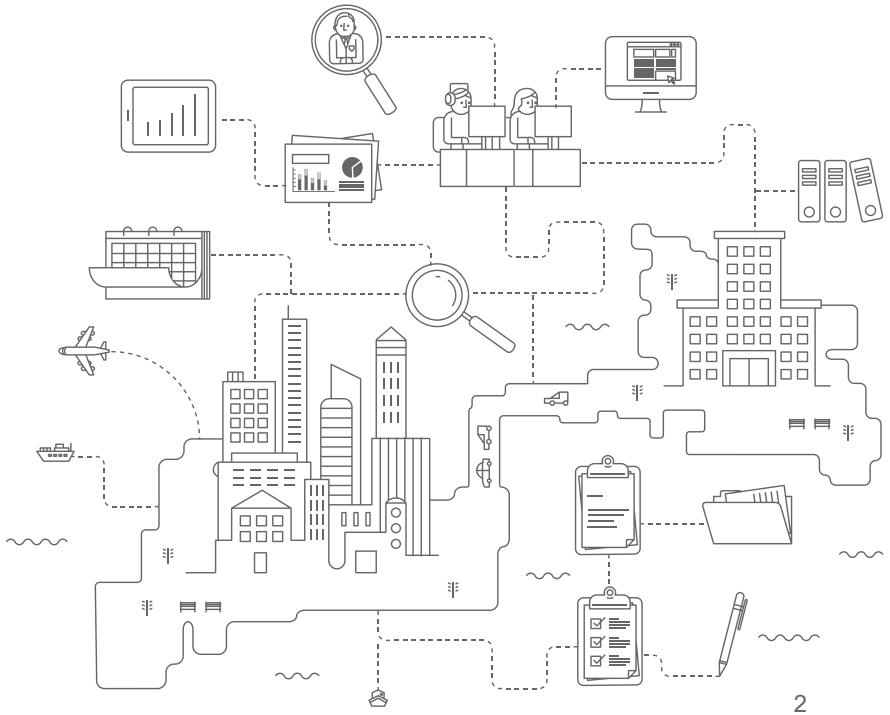

THE ANNUAL INTERNAL AUDIT OPINION

The annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the year ended 31 March 2026 the head of internal audit opinion for Royal Berkshire Fire & Rescue Service is:

Annual opinion

The organisation does not have an adequate framework of governance, risk management or internal control.

There are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective.

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

The organisation has an adequate and effective framework for risk management, governance and internal control.

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Factors influencing our opinion

The factors which are considered when influencing our opinion are:

- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weaknesses identified;
- the level of risk exposure; and
- the response to management actions and timeliness of actions taken.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control, governance and for the prevention and detection of errors, loss or fraud. The work of internal audit is not and should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

Scope and Limitations

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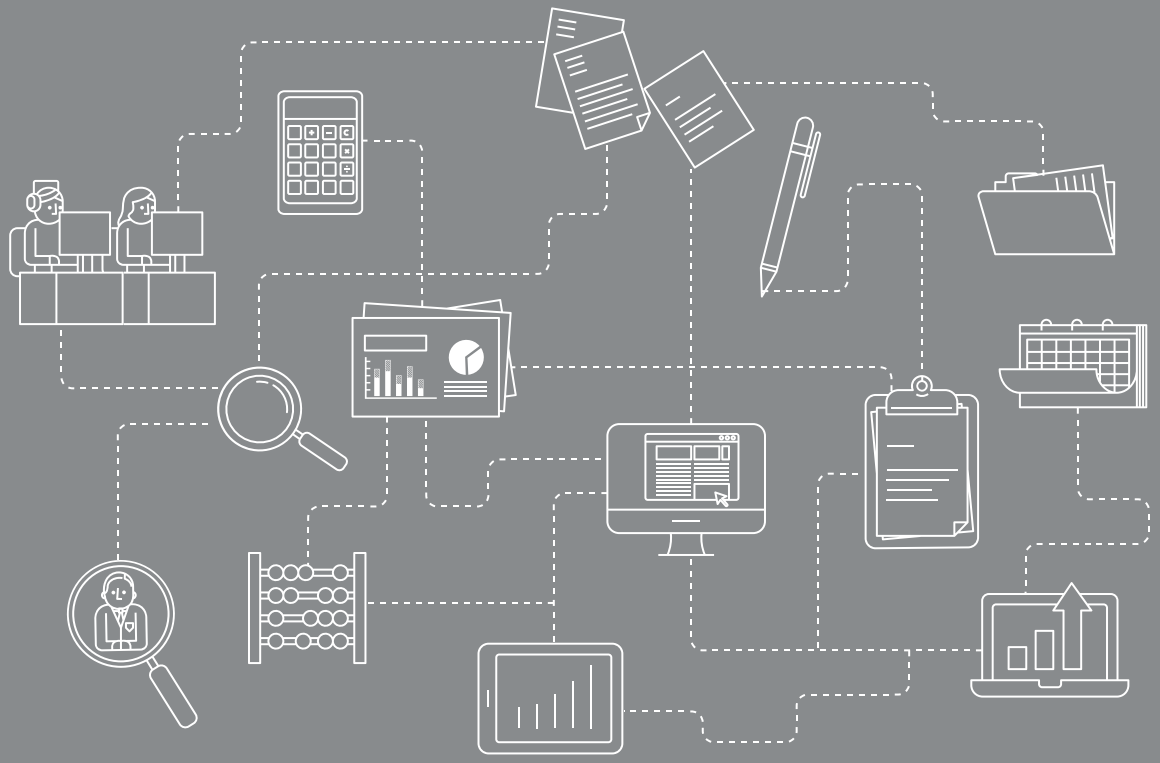

1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Audit and Governance Committee (AGC), our opinion is subject to inherent limitations, as detailed below.

- Internal audit has not reviewed all risks and assurances relating to the organisation.
- The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS).
- The opinion is based on the findings and conclusions of the agreed work which was limited to the area under review and agreed with management / lead individuals.
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the AGC.

Informing Our Opinion

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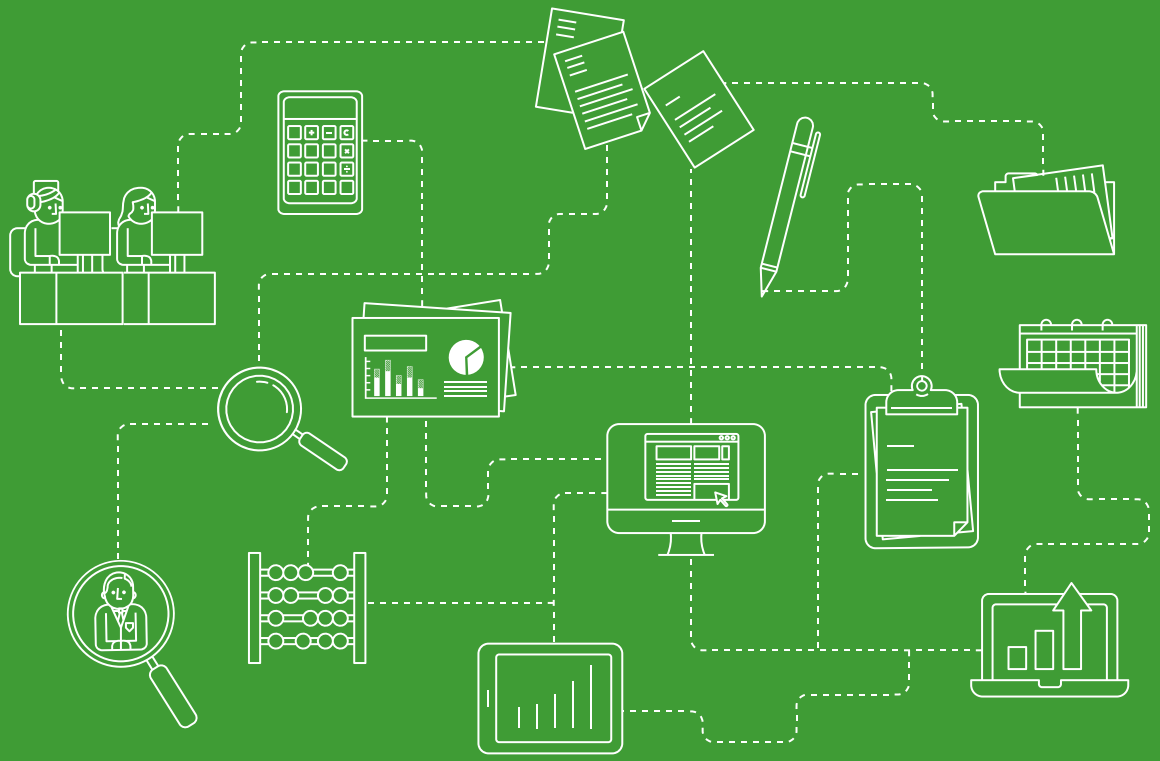

2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Governance	Risk	Control
We undertook a specific review of Service (non-corporate risks) Risk Management and Governance of Service Plans in 2025/26 where we provided a split opinion. The Governance of Service Plans element was given a Partial Assurance (negative) opinion and found weaknesses in second line assurance and a lack of clear links between tasks and risks/strategic commitments they were intended to address. We have also reviewed elements of the governance arrangements and frameworks in place which has helped inform our governance opinion. For example, our Business Continuity, Equality Impact Assessments, Health and Safety – Contaminants, and Procurement audits have all considered the governance arrangements in place at the Service.	Our review of Service (non-corporate risks) Risk Management and Governance of Service Plans was undertaken in 2025/26 to review the effectiveness or risk management and governance arrangements in place. The Risk Management element was given a Reasonable Assurance (positive) opinion and confirmed that the governance structure for risk management was clearly documented, and risk escalations and de-escalations from the Corporate Risk Register were recorded in the SLT executive summary. Our internal audit plan is risk-based and has included a number of audits designed to allow the Authority to take assurance that controls covering some of the strategic risks are designed and operating effectively. Our risk management opinion has also been informed from our attendance at AGC meetings, where risk management is a standing agenda item and where strategic and operational risks are discussed and constructively challenged. We have also used our cumulative knowledge of the risk management processes in place to inform our opinion.	During the year we completed 10 assignments to date. Six of the reviews concluded with a positive assurance opinion. One additional review had a split positive/negative opinion: • IT Security (**Reasonable** Assurance) • Business Continuity (**Reasonable** Assurance) • Health and Safety – Contaminants (**Reasonable** Assurance) • Equality Impact Assessments (**Reasonable** Assurance) • Procurement (**Reasonable** Assurance) • Payroll Provider – IRIS (**Reasonable** Assurance) • Service (non-corporate risks) Risk Management (split opinion) (**Reasonable** Assurance) The reviews of Firefighter Pension Administration (WYPF) and Governance of Service Plans (split opinion) resulted in **Partial** Assurance opinions. The key findings from these reviews are detailed below. The Follow Up review assessed the progress made to implement previously agreed management actions, which concluded that the organisation had made **little** progress (negative opinion) in implementing previously agreed management actions, and new actions were agreed to cover the control weaknesses identified.

Culture, including Engagement with Internal Audit - During the year there has been a positive level of engagement by management and staff. Prior to and during our reviews, management have been engaged and proactive and we have held regular catch ups. Responses to our audit queries, along with documentation, have mostly been provided in a timely manner. In addition, management have continued to ensure that we have been able to undertake and complete our work through onsite/remote working mechanisms where necessary. Our follow up review indicated little progress had been made to implementing agreed management actions and as such, the Service needs to

ensure a tight grip is maintained over the action tracking process and the timely implementation of management actions. Our observation for the year is that there is also a strong tone from the top, supporting continuous improvement.

Partial Assurance reviews

Firefighter Pension Administration (WYPF)

We found several weaknesses in the consistent application of controls. Segregation of duties was not always maintained in key processes such as retirement quotes and actual checklists, which increases the risk of errors in pension calculations. Record retention was poor, with missing evidence for critical documents including contribution mandates and amendment forms, creating compliance risks and the potential for disputes. Service Level Agreement requirements for pension estimates were not met, with delays of up to 157 days, representing a breach of contractual obligations and reputational risk. In addition, active employees contributing to pensions were not always recorded on the UPM system, which could lead to inaccurate benefit calculations. We also observed undated Pension Savings Statements and exception reports lacking reviewer sign-off, reducing accountability and oversight. We were also unable to review the process for uploading tax changes from HMRC to member records as we could not speak with anyone who had the necessary user access rights to demonstrate the procedure. We were instead shown an example of a tax code change that had occurred this year.

Despite these issues, we noted that documented policies exist, payroll processing controls are generally well-designed, and segregation of duties was maintained for monthly payment runs. Death cases were administered in line with Fire Authority processes, and annual allowance breaches were identified and partially addressed.

Governance of Service Plans (Split opinion)

We identified gaps in control for risk management processes within service planning including not consistently demonstrating how tasks mitigated identified risks, and a lack of periodic oversight of plan delivery between Heads of Service and directors. In addition, several work programs were not formally assigned to governance forums. Service Plans did not consistently align with strategic commitments, with instances of inconsistent or blank fields, and one task within the Response Service Plan was missing the required prioritisation as per the MoSCoW criteria (Must have, Should have, Could have, Won't have).

As well as the headline findings discussed above, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix A.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2025/26.

Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the AGC, with the validation of the action status confirmed by internal audit on specific follow up.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **little** progress in implementing the agreed actions.

Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

Topics judged relevant for consideration as part of the annual governance statement

We issued two partial (negative) assurance opinions (Firefighter Pension Administration (WYFP) and Governance of Service Plans (Split opinion)) in 2025/26 with some weaknesses. Royal Berkshire Fire and Rescue Service should therefore consider this review when completing the Annual Governance Statements (AGS), together with any actions already taken and action planned by management to address the actions agreed.

Management should also continue to pay particular attention to the action tracking process in place and ensure that the actions from the negative assurance reviews are tracked, to ensure these weaknesses identified are addressed in a timely manner.

Our Performance

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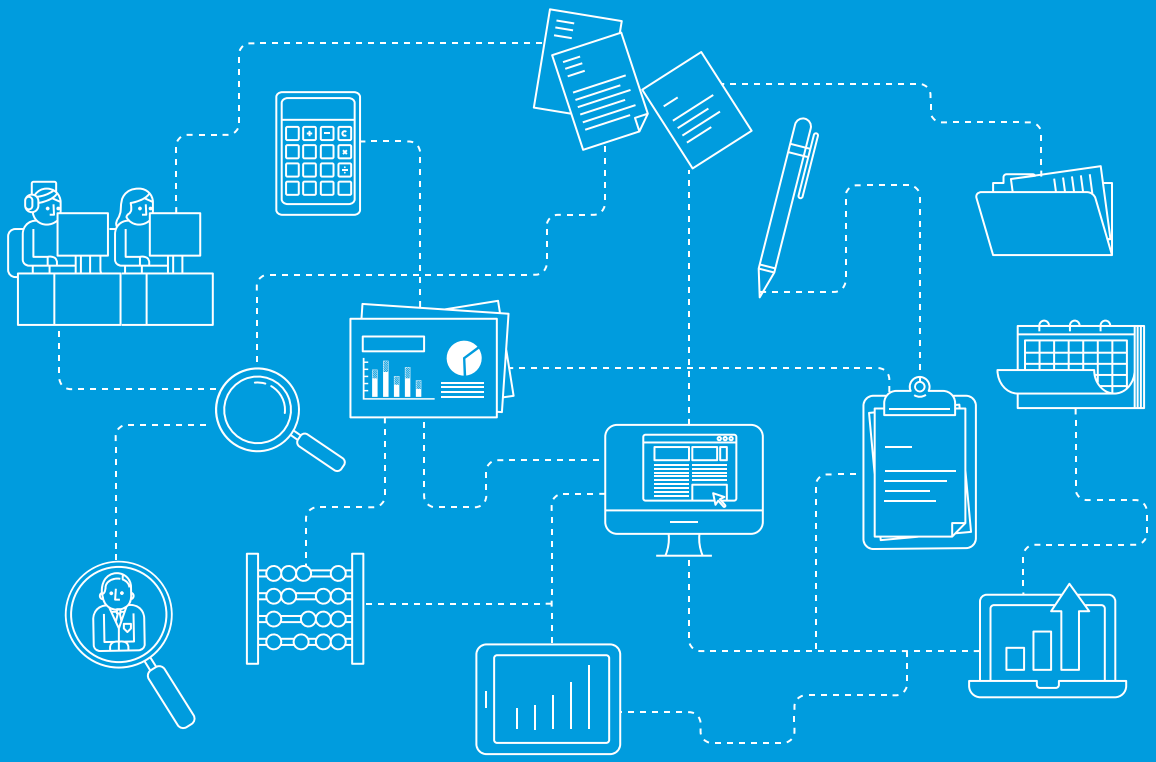

3.1 Wider value adding delivery

Area of work	How has this added value?
Emergency Services News Briefings	In our regular Emergency Services News Briefings, we drew attention to key developments and publications impacting fire and rescue services, including the Annual Assessment of Fire and Rescue Services in England, inspection findings and reform priorities, workforce capacity and culture challenges, developments in fire and building safety following Grenfell, funding and governance changes, and increasing operational pressures arising from rising incident demand, non-fire activity and climate-related risks.
Emergency Services Benchmarking of Internal Audit Actions	This paper provided a benchmark for our individual clients, allowing for self-assessment against all of our emergency services clients. At the assignment level, benchmarking provided: • A comparison against the numbers of actions agreed. • The assurance opinions provided across the sector in our client base. • A summary of the key areas where high internal audit management actions were agreed. • A comparison of Head of Internal Audit (HOIA) opinions.
Best Practice	Shared best practice across the sector through our work.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs designed specifically for our NED community.
Use of Specialists	We have utilised specialists to support the delivery of the Internal Audit plan throughout 2025/26. Such as the use of specialist consultants in the IT Security review.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.
RSM's Emerging Risk Radar	We provided our latest Emerging Risk Radar, which analyses the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively.

3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2025/26 that would lead us to declare any conflict of interest. Internal audit remains independent and there have been no threats to our independence when delivering the audit plan during 2025/26.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Global Internal Audit Standards in the UK Public Sector. Our next external quality assessment (EQA) will take place in 2026.

Under the Standards, internal audit services are required to have an EQA every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

The external review concluded that RSM 'generally conforms* to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

3.4 Quality assurance and continual improvement

To ensure that RSM remains compliant with the Global Internal Audit Standards in the UK Public Sector 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.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2025/26. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

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.

3.5 Performance indicators

Delivery				Quality			
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with the Global Internal Audit Standards in the UK Public Sector	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 days	8 / 10 (80%)	Payroll Provider took 11 days. Service Risk Management and Governance with Service Plans 13 days.	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	2 / 10 (20%)		Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	10 / 10 (100%)		Response for emergencies and potential fraud	1 working day	1 day	

Notes

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

Appendices

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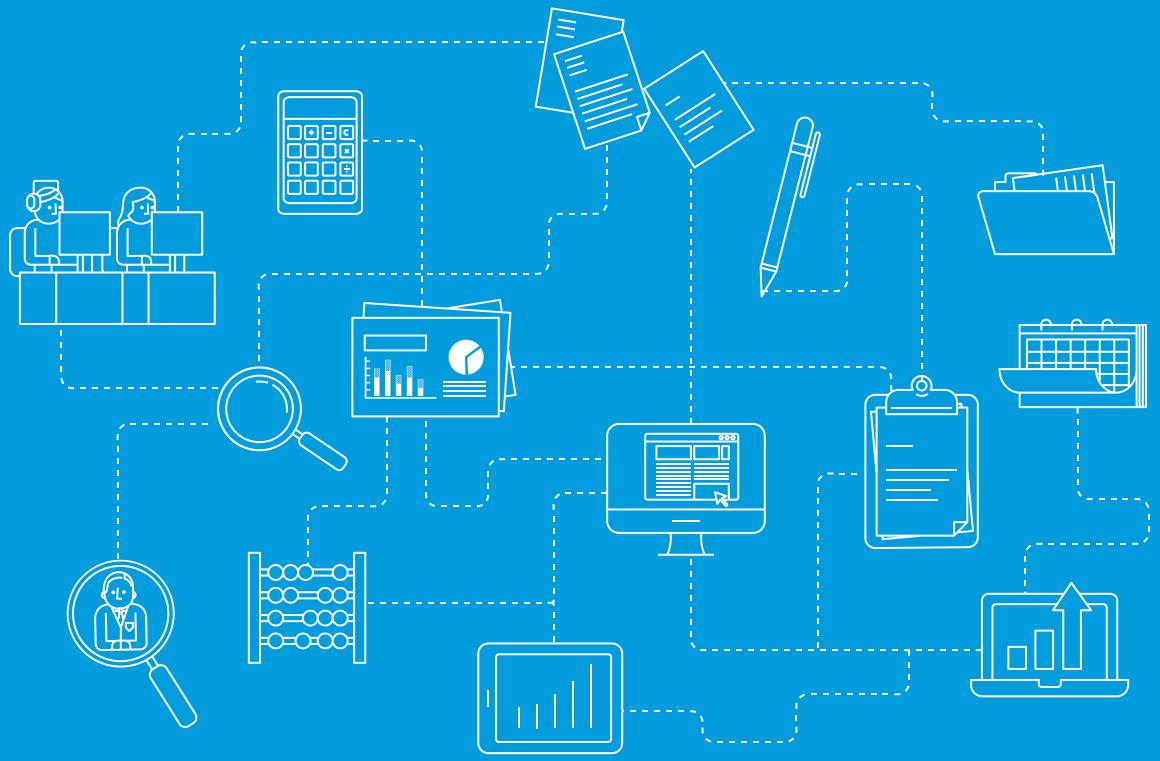

APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

All of the assurance levels and outcomes provided below should be considered in the context of the scope, and limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Status / Opinion issued	Actions agreed		
			L	M	H
IT Security	Head of Business Information and Systems	Reasonable Assurance	5	4	0
Business Continuity	Area Manager, Policy and Assurance	Reasonable Assurance	5	2	0
Health and Safety - Contaminants	Health, Safety and Wellbeing Manager	Reasonable Assurance	2	3	0
Equality Impact Assessments	Head of Human Resources and Learning and Development	Reasonable Assurance	3	4	0
Procurement	Head of Finance and Procurement	Reasonable Assurance	0	2	0
Payroll Provider - IRIS	Head of Human Resources and Learning and Development	Reasonable Assurance	4	3	0
Firefighter Pension Administration (WYPF)	Head of Human Resources and Learning and Development	Partial Assurance	8	3	2
Service (non-corporate risks) Risk Management and Governance of Service Plans	Head of Corporate Services	Partial Assurance (Governance of Service Plans)	1	3	0
		Reasonable Assurance (Service (non-corporate risks) Risk Management)	4	2	0
Key Financial Controls	Head of Finance and Procurement	Substantial Assurance	0	0	0
Follow Up	Assurance and Evaluation Officer	Little Progress	0	2	1

APPENDIX B: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:

Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).

Reasonable Assurance

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

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

Partial Assurance

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

Action is needed to strengthen the control framework to manage the identified risk(s).

Substantial Assurance

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

FOR FURTHER INFORMATION CONTACT

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