



KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

Meeting of the Audit and Governance Committee

Thursday 23rd April 2026

10:30am

KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

MINUTES of the Meeting of the Audit and Governance Committee held on Thursday 29TH January 2026, at Kent Fire and Rescue Service Headquarters, The Godlands, Tovil, Maidstone, Kent, ME15 6XB.

PRESENT: - Mr V Maple, Mr Mr B Kemp, Mr M Hood, Mr N Wibberley, Mr M Munday, Mr A Brady, Mr D Burns, Mr J Henderson, Mr J Finch, Mrs S Roots.

APOLOGIES:

OFFICERS:- Director of Finance, Mr B Fullbrook; Director, Response and Resilience, Mr M Deadman; Director Prevention, Protection and Customer Engagement, Mrs L McMahon; Assistant Director, Response, Mr N Griffiths; Head of Finance, Treasury and Pensions, Mrs N Walker; Strategy and Risk Manager, Mr P Goodwin; Head of Policy, Dr O Thompson and the Clerk to the Authority, Mrs K Driver.

ALSO IN ATTENDANCE: - Mr R Smith and Ms L Taylor Kent County Council (KCC) Internal Audit; Mr M Dean and Mr G Ellis, External Audit.

UNRESTRICTED ITEMS

1. **Election of Vice-Chair 2025/26** (Item A1)

- (1) Mr Henderson moved, Mrs Roots seconded, that Mr Mr Wibberly be elected Vice-Chair of the Audit & Governance Committee.
 - (2) Mr Brady moved, Mr Munday seconded, that Mr Hood be elected Vice-Chair of the Audit & Governance Committee.
 - (3) A vote was taken to determine the position of Vice-Chair. At the time of the vote there were 9 members in attendance.
 - (4) The results of the vote were:
Mr N Wibberly 5 votes
Mr M Hood 4 votes
- Mr N Wibberly was declared the elected Vice-Chair of the Audit & Governance Committee for the remainder of 2025/26.

2. **Chair's Announcements** (Item A2)

- (1) None.

3. **Membership/Apologies** (Item A3)

- (1) There have been a number of membership changes since the last meeting.
Mr Ford and Mr Bradshaw are no longer on the Committee.
Mr Chapman and Mr Webb are no longer on the Authority

- (2) The Chair welcomed the four new Committee members; Mrs Roots, Mr Burns, Mr Henderson and Mr Finch.

4. Declarations of interest in agenda items

(item A4)

- (1) No declarations made

5. Minutes of the Audit & Governance Committee – 25th September 2025

(Item A5)

- (1) RESOLVED that: -

- (a) The minutes of the Authority meeting held on 25th September 2025 be approved and signed as a true record.

6. External Auditors Audit Findings Report for 2024/25 and Letter of Representation

(Item B1 – Report by External Audit)

- (1) The Committee considered the External Auditors Findings report.
- (2) Mr Hood asked if work to develop the Data Quality Policy is underway. Director of Finance confirmed it is and that the policy went to the Policy Steering Group in January.
- (3) Mr Hood also asked why the Authority doesn't have a liquidity figure as this seems unusual. The Head of Finance confirmed the liquidity figure is £12 million.
- (4) Finally Mr Hood was concerned about the long term financial liabilities on the report. The Head of Finance clarified that these wouldn't have been seen previously and can be seen now due to the change around leases. As an example, the rental of Coldharbour from Kent Police has to be recognised as an asset for our use of it and as a liability which recognises the market value of it.
- (5) Mr Henderson noted the response times and the change to response time standards to recognise the difference between emergency and non-emergency and rural areas. The Director Response and resilience confirmed that the changes to response time standard were agreed by the Authority last year following a public consultation. We are being very upfront and transparent about the fact that crews can't get to all rural areas as quickly as they can non rural areas. We are doing a lot of work on mitigating the risks in rural areas and carrying out an emergency cover review, part of which includes looking at how long it takes to respond to areas. There is an Information Update which goes to every Authority meeting. This includes an update on response times and the types of incidents attended.
- (6) The Chair thanked everyone involved for their hard work and on working together so effectively.
- (7) RESOLVED that: -
- (a) Members considered the matters raised in the Audit Findings Report.
- (b) Members agreed the letter of Representation

7. External Auditors Annual Report.

(Item B2 – Report by External Audit)

- (1) The Committee considered the report.
- (2) RESOLVED that:
 - (a) Members considered and agreed the External Auditors Annual Report for the year ending 31st March 2025
 - (b) The remaining contents of the report were noted

8. Draft Treasury Management and Investment Strategy 2026/27 – 2029/30

(B3 – Report by Head of Finance)

- (1) Mr Wibberly referred to page 116 point 10 which states quarterly reviews are carried out by the Corporate Management Board (CMB) and asked if it would be more prudent to have monthly reviews. It was confirmed by the Director of Response and Resilience that the reviews are provided by the Director of Finance, who also attends the monthly meetings as part of CMB. While the reviews are quarterly, any issues that needed attention in between would be flagged at the time.
- (2) Mr Hood asked if the Authority utilises Inter Authority Lending. The Head of Finance confirmed that within our investment strategy there is the ability to do it and it has been done in the past. We could use it if the conditions met both our requirements and the borrowers needs?
- (3) Mr Brady asked if there were any changes since last year. It was confirmed by the Head of Finance that there weren't.
- (4) Mr Hood stated it would be good to have a mix of long and medium term borrowing. The Head of Finance confirmed that while we are limited with counter parties because of the high limits we've set, we do have a mixture. We also use a ladder to ensure we have things coming back in line with outgoings such as payroll. We also need to be mindful of cashflow and large expenses like Ashford.
- (5) The Chair thanked the teams for their efforts.
- (6) RESOLVED that:
 - (a) Members agreed in principle the Treasury Management and Investment Strategy for 2026/27

9. Corporate and Strategic Risk Register Update

(Item C1)

- (1) Mr Brady stated that it's good to see the see the risks and any changes in ratings, but asked if the Committee could have more information on the controls and mitigations in future. The Director of Response and Resilience confirmed that we can look at that for future meetings.
- (2) Mr Hood made mention of the recent water supply issues faced by people in Kent and concerns that these issues will continue or get worse and how it will affect the Service. The

Chair suggested maybe it would be more prudent to have a specific report on that issue. The Director of Response and Resilience confirmed this has already been arranged with our Head of Resilience for the February Authority meeting.

(3) RESOLVED that:

(a) The contents of the Corporate and Strategic Risk Register Update were noted.

10. Internal Audit Progress Update for 2025/26

(Item C2)

- (1) Mr Hood noted he was pleased to see the comments on diverse recruitment and that it shows the Authority & Service to be an attractive place to work.
- (2) Mr Hood questioned what SLOR means in relation to the Channel Tunnel. The Director of Response and Resilience confirmed it stands for Second Line Of Response.
- (3) Mr Hood noted the comments on training for Channel Tunnel incidents and asked if this is something that requires additional training? The Director of Response and Resilience confirmed we have maintained specially trained Officers who would attend any incidents. There are ongoing training events and training records are currently being reviewed.
- (4) Mr Wibberley raised a query relating to the deferred audits and who makes the decision to defer. The Director of Finance confirmed this is a collective decision between the Chief Executive Officer, the Chair of the Audit & Governance Committee and the Director of Finance. These are being done next year.
- (5) Mr Brady noted there has previously been an underspend in training. Is that going to change with the extra training in Channel Tunnel? Will there now be less of an underspend? The Director of Finance explained that on the February financial update there is a small underspend due to turnover in some teams and that training therefore being delayed. The Director Prevention, Protection and Customer Engagement commented that while some training requires external providers, a lot is carried out internally and therefore doesn't show on the budget. The Director for Response and Resilience further clarified that most Fire Fighter training is done on duty and is not always at an additional cost.
- (6) Mr Brady questioned whether the KPI indicator one figures will be revisited and whether what's missing will be looked at and changed. Mr Smith, Internal Audit responded that they possibly have already changed and that there were further discussion planned for the following day.
- (7) RESOLVED that:
 - (a) The contents of the Internal Audit Progress Update were noted.

12. Anti-Fraud and Corruption Action Plan 2025-27 Update

(Item C3)

- (1) RESOLVED that: -
 - (a) The contents of the Anti-Fraud and Corruption Action Plan were noted.

13. Collaboration and Partnership Update and Presentation

(Item C4)

- (1) Presentation by Director Prevention, Protection and Customer Engagement.

- (2) Mr Henderson asked if we lend or borrow equipment, kit or colleagues between services and do we charge or pay a charge. The Director Prevention, Protection and Customer Engagement replied that there is a mix depending on the scale or nature of an incident. For major incidents, the Wiltshire wildfires are a good example, there are National Resilience processes in place but we would also provide resources. On a smaller scale if we are needed to respond we would, with no charge. Other examples, such as the water issue, we work with partners to arrange access to large tankers on our borders if needed.
- (3) Mr Wibberley asked if Fire Fighters deal with domestic violence incidents. The Director Prevention, Protection and Customer Engagement confirmed the Fire Fighters have Safeguarding training. All colleagues have training but the customer facing roles have an enhanced level. There was a recent incident where crews noticed abuse by a family member and contacted the police.
- (4) The Chair thanked teams who carry out work with partner agencies. He knows it appreciated, especially by Parrish Councils and KALC who are very happy to have these partnerships in place.
- (5) RESOLVED that:
 - (a) The contents of the presentation be noted.

14. Community Investment Update

(Item C5)

- (1) RESOLVED that:
 - (a) The contents of the Community Investment Update were noted.

Meeting adjourned 11:43.

By: Director of Finance and Corporate Services
To: Audit and Governance Committee – 23 April 2026
Subject: ANNUAL REVIEW OF THE LOCAL CODE OF CORPORATE GOVERNANCE
Classification: Unrestricted

FOR DECISION

SUMMARY

This report seeks Members' approval to the Authority's revised Local Code of Good Governance following its planned annual review.

RECOMMENDATION

Members are requested to:

1. Approve the Authority's revised Local Code of Good Governance (paragraphs 5 to 8 and **Appendix 1** refer).
2. Approve the Decision-Making Policy and Framework (paragraph 9 and **Appendix 2** refer).

LEAD/CONTACT OFFICER: Director of Finance and Corporate Services – Barrie Fullbrook
CONTACT DETAILS: T: 01622 692121 | E: kmfracclerk@kent.fire-uk.org
BACKGROUND PAPERS: None

COMMENTS

Background

1. As part of good governance arrangements, CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives and Senior Managers) recommend that local authorities develop their own code of corporate governance, which demonstrates how an authority's governance arrangements meet the seven principles of good governance as set out in the [CIPFA Delivering Good Governance in Local Government Framework](#). These seven principles of good governance are themselves based upon the [Seven Principles of Public Life](#) (also known as the Nolan Principles).
2. Following the publication of this guidance by CIPFA and SOLACE in 2016, the Authority introduced its own code of corporate governance. In 2020, our Code of Corporate Governance was updated to ensure that it incorporated the requirements of new guidance contained within the [CIPFA Financial Management Code \(2019\)](#).
3. Scheduled annual reviews of the Code of Corporate Governance were undertaken to ensure that it remained current and continued to reflect the requirements of CIPFA's governance framework, including the [new guidance published in May 2025 by CIPFA and Solace as an addendum](#) to the 2016 guidance on the annual review of governance and internal controls. This was most recently approved by Members at the meeting of the Audit and Governance committee on 25 September 2025.
4. In October 2025 CIPA then published [Developing Effective Assurance Frameworks \(2025\)](#). This provides practical guidance on designing assurance frameworks that bring together governance, risk, and control evidence to support accountability. It complements the 2016 CIPFA/Solace governance framework and the May 2025 addendum, helping authorities strengthen evidence-based annual governance reviews and statements.

Updated Code of Good Governance

5. In response to this updated CIPFA guidance, the Authority has developed a new Code of Good Governance that builds on its existing Code of Corporate Governance. Rather than replacing previous arrangements, the new code integrates the original principles and structures, while providing a clearer, more comprehensive account of what good governance means in practice across the Authority.
6. The Code explicitly sets out the Authority's governance principles, aligned with the CIPFA/Solace 2016 Framework and the May 2025 addendum, and illustrates how these principles are embedded in decision-making, leadership, and oversight. It maps out a structured assurance framework, identifying how assurance is obtained from management, internal audit, scrutiny, external review, and performance monitoring. This framework links governance processes to corporate objectives and risk

management, ensuring that each principle is supported by evidence of effective operation.

7. The Code also clarifies the key roles and responsibilities across the Authority, demonstrating how accountability, transparency, ethical standards, and control mechanisms are applied day-to-day. By integrating the old Code with these expanded assurance and operational elements, the new Code ensures that the Authority's governance arrangements are transparent, evidence-based, and forward-looking. The new Code supports a robust annual review of governance and informs the preparation of the Annual Governance Statement.
8. The updated Code of Good Governance is attached at **Appendix 1** for Members' approval.
9. We have also developed a Decision-Making Policy and Framework which underlines the good governance arrangement for making decisions in KFRS and this is an important element of the supporting documentation. This is attached at **Appendix 2** for Members' approval.

IMPACT ASSESSMENT

10. There are no financial impacts associated with this report.

RECOMMENDATION

11. Members are requested to:
 - 11.1 Approve the Authority's revised Local Code of Good Governance (paragraphs 5 to 8 and **Appendix 1** refer).
 - 11.2 Approve the Decision-Making Policy and Framework (paragraph 9 and **Appendix 2** refer).

Code of Good Governance 2026/2027

Good Governance supports delivery of Our Vision

A future where no one is killed or seriously injured by a fire or other emergency.



Introduction: Corporate governance is about the systems, policies, processes, and values by which local authorities operate and by which they engage with and are held accountable to their communities and stakeholders. It means carrying out activities in accordance with the law and proper standards, ensuring that public money is used well and properly accounted for to provide an effective fire and rescue service for the people of Kent and Medway.

This is the Kent Fire and Rescue Code of Good Governance. We have adopted this Code to set out our governance arrangements and demonstrate our commitment to good corporate governance in line with the principles set out in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) and the subsequent Addendum issued in May 2025. Our Code should be read in conjunction with our Annual Governance Statement (AGS), which provides an evidence-based review of the effectiveness of our governance arrangements and includes an Action Plan for the year ahead.

Policy Statement on Corporate Governance

The purpose of our Code of Good Governance is to provide clarity regarding Kent Fire and Rescue Service (KFRS) governance structures, decision-making, and transparent flows of communication, in line with our values and the principles of good governance. It underscores our commitment to the economical, effective, and efficient use of public money. This document, and related policies and processes, provides:

- **Assurance:** To provide confidence to Authority Members, colleagues, customers, and stakeholders that KFRS operates within a robust framework to achieve its objectives.
- **Clarity:** To provide transparency on decision-making across KFRS, facilitating effective and timely actions with a clear audit trail.
- **Strategic Alignment:** To ensure that the decisions we make and the resources we allocate are directly aligned to our Community Risk Management Plan (CRMP) priorities.

Our policy is to incorporate the principles of corporate governance into all aspects of our business activities. This ensures that stakeholders can have full confidence in our decision-making and management processes, and in the conduct, integrity, and professionalism of our Authority Members, officers and agents.

To this end, the Service will report annually on its intentions, performance, and financial position (via the Statement of Assurance, Annual Governance Statement and Financial Statements), ensuring that good governance is consistently exercised and maintained.

Responsibility for Ensuring Good Governance

At the heart of the organisation is our KFRS [customer promise](#), which states our vision and aims and contract with our customers.

We have a Constitution which sets out the legal and operational framework for our approach to good governance. The Kent and Medway Fire and Rescue Authority (KMFRA) have overall responsibility for ensuring effective governance arrangements are in place, with the Authority meeting three times a year to conduct its business. The Authority has twenty-five elected councillors appointed by Kent County Council (21) and Medway Council (4), an Independent Member as well as the Kent Police and Crime Commissioner. The inclusion of an Independent Member ensures a non-political, objective perspective on the Authority's financial and ethical conduct.

In October 2021, the Authority established a new Audit and Governance Committee. The purpose of the committee is to provide independent assurance to the Authority of the adequacy of the risk management framework and the internal control environment. Meeting three times per year, it provides an independent review of KMFRA governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It also oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place. It has delegated authority for signing off the Financial Statements and the Annual Governance Statement for the relevant financial year. The lead officer is the Director of Finance and Corporate Services and there are usually ten-to-fifteen elected Members from the Authority (exact numbers dependent on the number of political parties represented) and one Independent Member on the committee.

The Chief Executive holds management responsibility for ensuring effective controls and processes are implemented in compliance with this Code. The Director of Finance and Corporate Services (the Section 151 Officer) is responsible for ensuring robust financial controls, the provision of an independent internal audit function, and reviewing the overall effectiveness of the Governance Framework. Collectively, the Corporate Management Board (CMB) is responsible for setting strategic direction and managing finances, with the Director of Finance and Corporate Services leading a culture of efficiency and value for money. The Monitoring Officer (provided via a service level agreement) is responsible for ensuring the lawfulness and fairness of decision-making, with direct access to the Authority and CMB.

Senior managers (Directors and Assistant Directors) are responsible for setting up, checking, and updating the organisation's internal controls. They must make sure these systems work properly as part of the overall governance plan. When the Authority enters into partnerships or collaborations, it ensures that robust governance arrangements are established to monitor shared risks and ensure partners adhere to compatible standards of integrity and oversight.

Principles for Delivering Good Governance

The CIPFA Delivering Good Governance Framework identifies seven key principles, and our Code maps out how we align to each of them:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rules of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing “KFRS’s” capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

A description of the CRMP cycle to underline our approach to Delivering Good Governance

The first stage in developing the Authority's plans is to consider the long-term aim and objectives. A ten-year horizon scan of emerging issues in Kent, the UK and globally was undertaken to create the [Customer Safety Plan 2021 to 2031](#).

The next stage of the CRMP process was a comprehensive risk analysis and assessment. Undertaken in line with the National Fire Chiefs' Council's “Community Risk Management Planning Strategic Framework”, this risk assessment was presented to, and approved by, Members at the meeting of the Authority held on 19 October 2023.

Between 1 November 2023 and 1 February 2024, the Authority undertook public consultation on the “Creating a Safer Future – Together” document. This also included consultation on the council tax options for 2024/25. There was overwhelming support for

both the risks identified and the areas of focus set out in the CRMP document. This was then approved by Members in the February 2024 meeting of the Fire Authority.

We work in four-year strategy cycles, so following Member approval the [Creating a Safer Future – Together: Our Delivery Plan 2025-29](#) was published. This sets out the future strategic direction, priorities and actions required to address the risks and strategic challenges identified, including ensuring effective integration of actions from our Building Safety, Prevention, and Response and Resilience teams. The risk assessment identified seven strategic areas of focus which dictate our allocation of resources and service delivery:

- Climate Change and Environment;
- Health and Society;
- Rescues;
- Major Industry;
- Buildings and Places;
- Transport;
- Utilities, Fuel and Power.

To ensure clear direction in how we deliver against these strategic challenges, we have developed a Response and Resilience Strategy, and a Protection and Prevention Strategy for the 2025-2029 period. We have also developed two main risk assessments:

- The detailed CRMP risk assessment with current actions, mitigations and actions;
- The Corporate Risk register which is a live document and details risks for the organisation and how to mitigate them so we can effectively deliver the CRMP.

Every year of the four-year period, we draw out actions for delivery which meet our strategic priorities, including areas for further consultation with our customers.

To assist delivery of these two frontline strategies we have developed Strategy Enabling Plans 2025-2029 structured into four

areas: People, Digital & Data, Transformation and Customer. We have a portfolio of programmes and projects which are managed through our Project Management Office (PMO) to deliver new actions to meet our plans.

Supporting this is a detailed Workforce Plan, providing an analysis of the skills, capabilities, and wellbeing support required to deliver our strategies effectively. Every team in KFRS has an Annual Plan which lists their business-as-usual tasks and project involvement, ensuring every colleague understands their role in delivering our priorities. Measurements of progress are detailed in our Organisation Performance Framework, with measures monitored via the Corporate Management Board (CMB), Senior Leadership Board (SLB) and various Steering Groups. This monitoring creates a continuous feedback loop, ensuring that performance data directly informs our future planning and resource allocation.

An update on our Plans is presented to the Members of the Fire Authority along with proposals for, and the outcomes of, public consultations related to CRMP.

In terms of the public consultations we have undertaken since the first consultation in November 2023 on the current CRMP, following Members' approval in October 2024, we undertook consultation on response time definitions, changes to our response time targets, and the council tax options for 2025/26. This ran from 21 October 2024 to 18 January 2025. As with the earlier consultation, there was clear public support for the proposals, which were then approved by Members at the February 2025 meeting of the Fire Authority.

At the July 2025 meeting of the Authority the latest position on the implementation of the CRMP was presented. As part of the next phase of our CRMP programme of work Members approved consulting with the public on moving one of our water rescue assets from Sheppey fire station to Rochester fire station and our new Rural Plan. The consultation ran from 08 July 2025 to 01 October 2025 and continued the trend of active public involvement for our CRMP consultations. A clear majority agreed with the proposal to move our water rescue assets from Sheppey fire station to Rochester fire station, and replace the rigid boat currently located on the dock in Strood with a personal watercraft, and agreed with the contents of our Rural Plan. This support gives us a basis to implement these proposals.

At the meeting of the Authority in October 2025, Members approved the consultation on the proposed options for the Council Tax charge for 2026/27. This consultation ran from 20 October 2025 to 12 January 2026 and there was widespread support for an increase in Council Tax.

We will continue to consult with the public as necessary to ensure there is clarity and transparency in our proposals and decision making processes.

The [Medium Term Financial Plan](#) (MTFP) and [Infrastructure Programme](#) reflect the financial implications arising from the Delivery Plan 2025-29, ensuring that our financial resources are optimised to deliver community outcomes. We also produce a Productivity and Efficiency statement each year, which serves as a transparent account of how we achieve value for money in the pursuit of our strategic aims. Finally, we publish an [Annual Governance Statement](#) which outlines any improvements or adjustments to this framework, in line with the requirements of the Accounts and Audit Regulations 2015. In addition, we undertake and publish the [Statement of Assurance](#), providing a statutory assessment of the Authority's position against the Fire and Rescue National Framework 2018. We commit to engage with our colleagues and customers to add to our knowledge and gain consent to our interpretation of risk and the consequent actions we need to take to help us respond to these challenges. We identify what we will focus on to reduce or mitigate risk and improve services.

Financial Governance and Sustainability

The Authority recognises that robust financial management is a cornerstone of good governance. We ensure that our financial processes are transparent, sustainable, and aligned with our strategic priorities.

Statutory Duties and Compliance

In accordance with Section 32 of the Local Government Finance Act 1992, the Authority is required to set a balanced budget. To ensure financial stability:

- **Section 114 Oversight:** The Chief Finance Officer (s151 Officer) has a statutory duty under the Local Government Finance Act 1988 to report to all Members if it appears that expenditure is likely to exceed available resources. This report is produced in consultation with the Monitoring Officer to ensure immediate corrective action.

- **The Financial Management (FM) Code:** The Authority complies with the CIPFA Financial Management Code, which embeds financial management into our organisational culture through six core principles:
 - **Organisational Leadership:** Financial management is embedded in our strategic vision.
 - **Accountability:** Driven by medium-term planning and effective risk management.
 - **Transparency:** Using meaningful, understandable, and frequently reported data.
 - **Professional Standards:** Promoted and evidenced by the leadership team.
 - **Assurance:** Recognising internal/external audit and inspection as vital tools.
 - **Sustainability:** Ensuring the long-term delivery of local services.

Value for Money

Our governance framework ensures that all resources are managed through the four key pillars of Value for Money:

- **Economy:** Spending less (minimising the cost of resources used while maintaining quality).
- **Efficiency:** Spending well (maximising the relationship between outputs and the resources used).
- **Effectiveness:** Spending wisely (achieving intended outcomes and social value).
- **Equity:** Spending fairly (ensuring resources are allocated based on community risk and that services are accessible to all protected and vulnerable groups).

Strategic Financial Leadership

The Section 151 Officer is a core member of the Corporate Management Board, reporting directly to the Chief Executive. This ensures that financial professional standards and "the Golden Triangle" of governance (Chief Executive, Monitoring Officer, and

Section 151 Officer) provide the necessary 'check and balance' on all major strategic decision. The Corporate Management Board is collectively responsible for fostering a culture of efficiency, ensuring that financial integrity is embedded from the 'top-down' and publicly evidenced through the Audit and Governance Committee.

The Medium-Term Financial Plan (MTFP)

The MTFP is our primary governance tool for aligning financial resources with the Community Risk Management Plan (CRMP). It ensures:

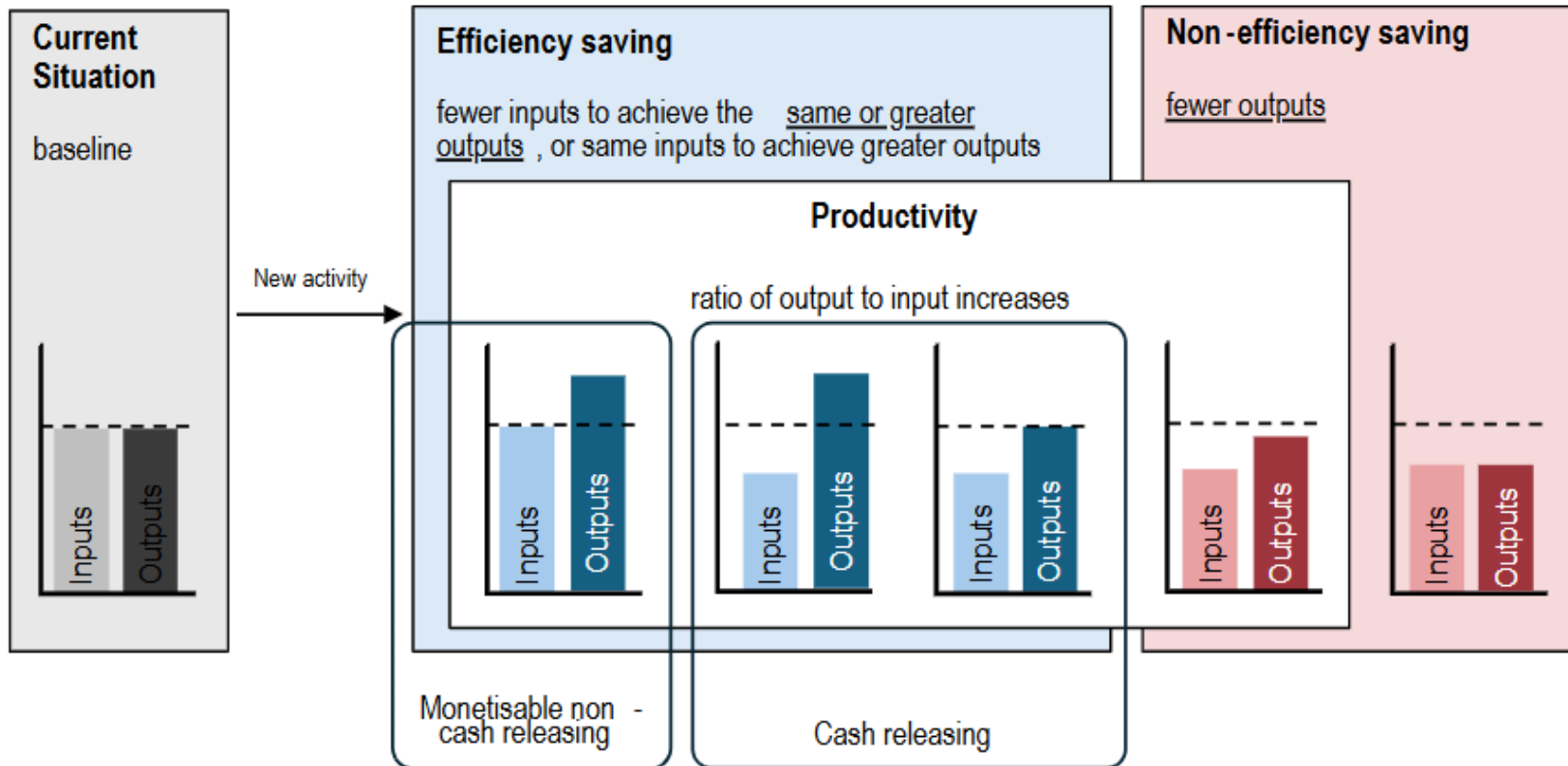
- **Resource Allocation:** Funding is distributed optimally across personnel, equipment, and infrastructure to meet our four-year strategies.
- **Financial Resilience:** We maintain a clear Reserves Strategy to provide flexibility against unexpected cost pressures and to pump-prime efficiency improvements.
- **Strategic Risk Management:** Provisions are made for inflationary pressures and fluctuating funding sources to ensure service continuity.
- **Performance Monitoring:** Regular financial reporting allows the Authority to monitor financial health and make informed, data-driven decisions.

The Financial Framework

The Authority has implemented a range of policies and procedures designed to ensure good financial management of public funds and compliance with the CIPFA Financial Management Code. The Financial Framework brings these components together into a single document for ease of reference and to provide a systematic and cohesive approach. It contains details of the responsibilities of Officers and Members and the rules they must adhere to, to ensure that public funds are spent wisely, efficiently and effectively and that they are accountable for their actions.

Monitoring Efficiency and Measuring Benefits

Since 2024 we have been using the Government Efficiency Framework (GEF) to monitor both efficiency and customer benefits. We use data-driven insights to categorise these gains, as summarised below:



National Audit Office - Code of Audit Practice 2024: The Code of Audit Practice sets out what local auditors of Fire Authorities are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014: [NAO Code of Audit Practice 2024](#)

Legal Compliance and Governance

Kent and Medway Fire and Rescue Authority is a legally constituted body, and we are committed to meeting all the legislative requirements. We maintain a full compliance register against all relevant legislation.

Key Pieces of Legislation and Guidance

These are the key pieces of legislation relating to the Authority's governance arrangements and operations as a fire authority are as follows:

[Accounts and Audit \(England\) Regulations 2015](#) – This legislation is what requires the Authority to undertake a review of its systems of governance and internal control. The Annual Governance Statement is the report of this review. Amendments to the regulations were published in [2022](#) and [2024](#).

[Kent Fire Services \(Combination Scheme\) Order](#) – This is the Order made by Parliament which first established the Authority. It contains the Constitution of the Authority and prescribes the arrangements for the Authority to take over responsibility for Kent Fire Brigade from Kent County Council on 1 April 1998.

[County of Kent Act](#) – This covers access for the fire service to new and extended buildings.

[Fire and Rescue Services Act 2004](#) – This outlines the duties and powers of fire authorities to promote fire safety; fight fires; protect people and property from fires; rescue people from road traffic collisions; deal with other specific emergencies, such as flooding or terrorist attack and other activities in response to the particular needs of their communities and the risks they face.

[The Building Safety Act 2022](#) – this provides a new framework for the design, construction and occupation of “higher risk” buildings

(defined as those having at least 18 metres or 7 storeys or more that comprise of at least 2 domestic premises). The Act introduces a strengthened regulatory regime improving accountability, risk management and assurance by ensuring the 'golden thread' of safety information regarding how the building has been designed, built and managed is stored and shared throughout the entire life of the building. The Act has 6 Parts, and contains provisions intended to secure the safety of people in or about buildings and to improve the standard of buildings by putting residents at the heart of cultural change in the built environment that will be enforced by the Building Safety Regulator. Amendments to the Building Safety Act were enacted through the [Leasehold and Freehold Reform Act 2024](#).

[Regulatory Reform Fire Safety Order 2005](#) – This covers fire safety in public, commercial and industrial buildings along the common parts of blocks of flats. This is the legislation that gives KFRS powers to undertake fire safety inspections and prosecute breaches of the order. Section 156 of the Buildings Safety Act 2022 makes several amendments to the Regulatory Reform (Fire Safety) Order 2005 (FSO) to improve safety in all buildings regulated by the FSO. These improvements form phase 3 of the Home Office fire safety reform programme.

[Civil Contingencies Act 2004](#) – This sets out the framework for civil protection in the United Kingdom. It imposes a clear set of roles and responsibilities on those organisations with a role to play in preparing for and responding to emergencies. KFRS is one of those organisations.

[Fire and Rescue National Framework for England 2018](#)– [Section 21 of the Fire and Rescue Services Act 2004](#) requires the Secretary of State to prepare a [Fire and Rescue National Framework](#) which sets priorities and objectives for fire and rescue authorities (FRAs) in England. Published by the Home Office, this presents the government's priorities and objectives for fire and rescue authorities. FRAs have a statutory duty to have regard to the National Framework and undertake an annual assessment of their compliance with the requirements of the framework. The Statement of Assurance is the assessment of the position of this Authority against the National Framework. This goes to the Fire Authority each October for approval.

[Local Government Act 1972](#) – This makes provision with respect to local government and the functions of local authorities in England and Wales. This legislation sets out the role of the Section 151 Officer (Director of Finance) and the financial regulations under which we operate. The Kent Fire Services (Combination Scheme) Order references the fact that KFRS will abide by the

Local Government Act 1972.

[Financial Management Code 2019](#) – provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that authorities are managing resources effectively, regardless of their current level of financial risk.

Monitoring and review: Our Code will be monitored and reviewed annually by the Head of Policy, alongside the preparation of the Annual Governance Statement. The Code will be reported to the Audit and Governance Committee. **Date of review:** April 2026

Applying the CIPFA Principles of Good Governance

Principle A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.		
Sub principles	To achieve this, Kent Fire and Rescue will:	This is evidenced by:
<ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation. • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles). • Leading by example and using these standard operating principles or values as a framework for decision making and other actions. • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. 	<p>Our Ethical North Star is defined by the Seven Principles of Public Life (The Nolan Principles).</p> <ul style="list-style-type: none"> • Every decision must be defensible under the Nolan Principles. These are the "rules of the game" for all our colleagues. These are all enshrined in Code of Good Governance and our Code of Ethical conduct for all Colleagues and our Code of Ethical Conduct for Senior Managers, supplier terms and conditions and Member standards. • Ensure that systems and processes for financial administration, financial control and protection of the Services resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice. This includes compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2015). • Ensure adherence to laws and regulations and make proportionate use of the legal powers available to us to deliver our services. Monitored through our legal compliance register. We identify and consider the impact of current and new legislation and regulation affecting our work through monitoring of the legal compliance register. 	<ul style="list-style-type: none"> • Our Code of Ethical Conduct for All Colleagues, Code of Conduct for Members, Code of Ethical Conduct for Senior Managers, and our Suppliers' Code of Conduct. • Our contract register listing our current suppliers, value and duration of contracts. • A modern slavery and transparency in supply chains statement. • Our Speak Up Policy (whistleblowing). • Members Code of Conduct. • Annual report from the independent member on adherence to standard of conduct for members. • Legal compliance register. • Equality of Access policy and equality cases.

<ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation's ethical standards and performance. • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation. • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation. • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. • Creating the conditions to ensure that the statutory officers, other key post holders and members can fulfil their responsibilities in accordance with legislative and regulatory requirements. • Striving to optimise the use of the full powers available for the benefit 	<ul style="list-style-type: none"> • All policies are amended considering new legislation and go through agreed policy changes process. • We have processes in place for reporting and investigating allegations of inappropriate behaviour. • We have processes in place for dealing with breaches of the Members' and colleagues' code of conduct. • We monitor our suppliers and partners carefully and ensure they are aware of and comply with the behaviour and standards we expect when working with us. • Have arrangements in place for deterring, detecting and investigating fraud, corruption, bribery and unethical practices, and for addressing cases where unacceptable practices are found. 	<ul style="list-style-type: none"> • Continuous performance review including continuous colleague review process. • Declarations of interest/gifts and hospitality registers. • Governance Policies (anti-fraud, whistleblowing, complaints etc.). • Oversight through Internal Audit, Audit and Governance Cttee and External Assurance providers. • Embedded colleague and member complaints procedures and processes. • Financial and Procurement procedures. • Strong Internal Audit recommendation record. • Use of the One Team Update and other communication and engagement methods to regularly message about different aspects of ethical behaviour and to consult on issues.
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<p>of citizens, communities and other stakeholders.</p> <ul style="list-style-type: none"> • Dealing with breaches of legal and regulatory provisions effectively. • Ensuring corruption and misuse of power are dealt with effectively. 		<ul style="list-style-type: none"> • The Code of Ethical Conduct is a feature of our Induction process and formal probation. • Local terms and conditions for all suppliers with clarity on our ethical approach, cyber and data ownership.
<p>Principle B. Ensuring openness and comprehensive stakeholder engagement</p>		
<p>Sub principles</p>	<p>To achieve this, Kent Fire and Rescue will:</p>	<p>This is evidenced by:</p>
<ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness. • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • Using formal and informal consultation and engagement to determine the most appropriate and 	<p>The Fire and Rescue National Framework 2018 set the priorities and objectives for fire and rescue authorities in England. These are as follows:</p> <ul style="list-style-type: none"> ➤ Make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents. ➤ Identify and assess the full range of foreseeable fire and rescue related risks their areas face. ➤ Collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of the service they provide. ➤ Be accountable to communities for the service they provide. ➤ Develop and maintain a workforce that is professional, resilient, skilled, flexible and diverse. <p>We meet these objectives by:</p>	<ul style="list-style-type: none"> • Strategy enabling plans. • Details of how customers can engage with us about the development of services and comment on our plans and policies. • Information frequently requested under the Freedom of Information Act 2000. • Information required by the Local Government Transparency Code 2015 and Trade Union (Facility Time Publication Requirements) Regulations 2017. • Guidance on how to make a freedom of information request or subject access request and how long it will take to process.

<p>effective interventions/ courses of action.</p> <ul style="list-style-type: none"> • Engaging comprehensively with institutional stakeholders. • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. • Ensuring that partnerships are based on: <ul style="list-style-type: none"> ○ trust ○ a shared commitment to change ○ a culture that promotes and accepts challenge among partners ○ and that the added value of partnership working is explicit • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. 	<ul style="list-style-type: none"> • Clearly identify stakeholders, to ensure that relationships with these groups continue to be effective. • Maintain effective channels of communication which reach all groups within the community and other stakeholders, offering a range of consultation methods. • We tailor our communications, so they are a simple and accessible for engaging with, and seeking information from us about our decisions, services and plans. • We ensure decisions are made following our decision-making framework. Providing evidence and justification for our decisions and policies and make this information available. • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided. • Engaging and consulting with communities and customers (internal and external) to ensure significant proposals for change are communicated and customers' views considered and actioned where possible. • Established collaborative working arrangements for service delivery where a good business case exists. 	<ul style="list-style-type: none"> • A suite of privacy notices setting out the personal data we to provide our services, the lawful bases for collecting it, and how long we retain it for. • Information and data to support our plans proposals and decisions. • Our Customer Promise, which sets out what customers are entitled to expect from us. • Decision making policy and framework. • Statement of Accounts. • Equality, Diversity and Inclusion Policy. • Access to Services Policy • KFRS CRMP Engagement Plan. • Equalities/People impact assessments. • Everyone Together - Equalities Delivery Group. • Partnership working (internal and external).
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<ul style="list-style-type: none"> • Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement. • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account. • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. • Taking account of the interests of future generations of taxpayers and service users. 	<ul style="list-style-type: none"> • Consider the impact on community risk when taking decisions on delivery of services. • Developed equality of access statements which seek to define the complexity of issues for different customer needs, • Provide easily accessible means for contacting us via a range of methods including electronic and non-electronic methods. • Comply with freedom of information legislation and publish frequently requested and statutory information on our website. • Publish a Medium-Term Financial Strategy and consulting each year on the Annual Revenue Budget and its impact on Council Tax. • Publish information and data to support and validate our plans and objectives. • Endeavour to ensure that our decisions are deliverable and sustainable for the medium to long term. • Maintain a Freedom of Information Act Publication Scheme and arrangements to respond to requests for information from the public. • Ensure the lawful and correct treatment of personal information through a Data Protection policy framework that follows the principles set out in the Data Protection Act 2018 and the UK General Data Protection Regulation. 	<ul style="list-style-type: none"> • Policy portfolio is regulated by the Policy Steering Group, and all policies are regularly updated, and consultation takes place through various mechanisms. • Clear social media policy and approach to minimise reputational harm and to guide the communications we deliver to our community. • Feedback reports on CRMP consultations from our customers to the Fire Authority.
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	<ul style="list-style-type: none"> • Conformance with the requirements of the Local Government Transparency Code and the Equality, Diversity, and Inclusion Policy Statement. 	
Principle C. Defining outcomes in terms of sustainable economic, social and environmental benefits		
Sub principles	To achieve this, Kent Fire and Rescue will:	This is evidenced by:
<ul style="list-style-type: none"> • Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. • Delivering defined outcomes on a sustainable basis within the resources that will be available. • Identifying and managing risks to the achievement of outcomes. • Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when 	<ul style="list-style-type: none"> • Publish our vision and aim for the Service, along with our plan and strategies through the CRMP strategy. • Keep our strategies, objectives and priorities under constant review, to ensure that they remain relevant to the needs and aspirations of the community. • Provide updates in our annual CRMP consultation on our progress in delivering our vision and aim. • Identify and manage, as far as practicable, the key risks and threats to the achievement of our objectives. • Monitor the cost effectiveness and efficiency of service delivery. Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the Authority meets its policy and service objectives and provides effective stewardship of public money in its use. • Ensure that the Service maintains a prudent financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary. 	<ul style="list-style-type: none"> • Details of our proposed plans and strategies and how you can feedback comments and suggestions on these. • Responses to consultations that we run. • Our vision and aim, and what we want to achieve across the areas of operational excellence, inclusion, wellbeing, and efficiency and value for money. • Information and campaigns to help customers stay safe in the home and protect yourself from fire and other risks. • Our CRMP and two front line strategies • Our Equality, Diversity and Inclusion Plan. • Access to services policy

<p>taking decisions about service provision.</p> <ul style="list-style-type: none"> • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints. • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, to ensure appropriate trade-offs. • Ensuring fair access to services. 	<ul style="list-style-type: none"> • Ensure that our objectives are deliverable and sustainable with the resources available. • Balance social, economic and environmental impacts in our decision making. • Develop a Climate Change Strategy and Action Plan. • Seek to address any concerns or failings in service delivery by adhering to and promoting its Corporate Complaints Procedure. • Comply with the Public Services (Social Value) Act 2012 ensuring that economic, social, and environmental impact of policies are included in everything it does, linking economic and social growth with maximising the value obtained from money spent. • Aim to design our services so they are tailored to meet all our customers' needs and are accessible to everyone. • Act transparently in presenting our decisions related to our vision and aim. • Identify and manage the key strategic risks to the delivery of our strategies. • Identify the risks from fires and other emergencies and have appropriate plans to manage these risks. 	<ul style="list-style-type: none"> • Information about how we profile risk and the customer risk profile for Kent and Medway. • Our external auditor's assessment of our accounts and the value for money we provide. • Annual efficiency and productivity statement. • Annual Service plans with linked Annual Budget. • Related strategies and plans such as Capital Programme, Strategic asset management plans and capital strategy. • Clear financial reporting and ongoing budget monitoring. • Strategic Programme Board. • Assets Boards – Property Steering Group, VERP (Vehicle and Equipment Replacement) Steering Group; Digital, Data, Systems and Processes Steering Group. • People Steering Group
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	<ul style="list-style-type: none"> • Set out our approach and strategy to equality, diversity and inclusion and apply this to our dealings with our customers. • Manage our resources effectively to deliver optimum value and benefit for our customers. 	<ul style="list-style-type: none"> • Anti-fraud policy and training
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Sub principles	To achieve this, Kent Fire and Rescue will:	This is evidenced by:
<ul style="list-style-type: none"> • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided. • Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts. • Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. • Engaging with internal and external stakeholders in determining how 	<ul style="list-style-type: none"> • Open our performance and decisions to scrutiny by the democratically elected Members of the Fire Authority. KMFRA meets three times a year (normally February, June, October) and comprises 25 elected councillors appointed by Kent County Council (21 councillors) and Medway Council (4 councillors) as well as the Kent Police and Crime Commissioner and an Independent Person for Standards. • We have a formal Constitution which details the decision-making processes and the procedures required to support the transparency and accountability of decisions made. • The Authority also has an Audit and Governance Committee. Usually, 10-15 elected councillors from the Authority (exact number dependent on the number of political parties represented) and one independent member who serve as committee members. It provides independent assurance to the Authority of the adequacy of the risk management framework and the internal control environment. It is also chaired by an opposition Member, which demonstrates good 	<ul style="list-style-type: none"> • Our Safety and Wellbeing Plan, Response and Resilience Strategy, Prevention and Protection and Engagement Strategy and Strategy Enabling plans. • Updates on the progress in achieving the aims of our strategies and plans. • How you can get involved in any consultation exercises we run about the development of our plans. • Our full responses to consultations we run. • Our Budget Book, Medium Term Financial Plan, and financial strategies (Treasury Strategy, Capital Strategy, Reserves Strategy).

<p>services and other courses of action should be planned and delivered.</p> <ul style="list-style-type: none"> • Considering and monitoring risks facing each partner when working collaboratively including shared risks. • Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances. • Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. • Ensuring capacity exists to generate the information required to review service quality regularly. • Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan. • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy. • Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints. • Ensuring the budgeting process is all-inclusive, taking into account the 	<p>governance around scrutiny. Meeting three times per year it provides an independent review of the Authority's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.</p> <ul style="list-style-type: none"> • We ensure the Fire Authority Chair and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the Service in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority. • Consider any feedback from customers in assessing options for service change. • Established and implemented a robust planning and control cycles that cover strategic and operational plans, priorities and targets. • Put in place a robust planning process that considers aims, resources and capacity and takes all other relevant factors into account. • Produce a sustainable budget and financial plan to support our plans and objectives over the medium term. • Consider the use of collaborative working as a means of delivering services where appropriate service improvements can be realised. • We provide the KMFRA meeting with the organisation's Efficiency Statement. We include a 	<ul style="list-style-type: none"> • Colleague surveys. • Talent Management Framework. • Good communication and regular Officer and Member liaison • Consultation and engagement feedback translated into actions. • Benefits register. • Organisational performance measures – KPI's for all key areas. • Productivity and efficiency statement. • Procurement policies and guidance
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<p>full cost of operations over the medium and longer term.</p> <ul style="list-style-type: none"> • Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. • Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes". 	<p>section on value for money and financial resilience, which will support and demonstrate our strategic approach to these key aspects.</p> <ul style="list-style-type: none"> • Established appropriate key performance indicators (KPIs) to identify how the performance of services and projects is to be measured. • Have an effective performance management system to ensure colleagues are managed to be productive and enjoy working for KFRS. 	
<p>Principle E: Developing "KFRS's" capacity, including the capability of its leadership and the individuals within it</p>		
<p>Sub principles</p>	<p>To achieve this, Kent Fire and Rescue will:</p>	<p>This is evidenced by:</p>
<ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. • Improving resource use through appropriate application of techniques such as benchmarking and other options to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. • Recognising the benefits of partnerships and collaborative 	<ul style="list-style-type: none"> • Regularly review the Authority's activities and processes, to ensure they remain effective and fit for purpose. • Engage with external partners where appropriate and beneficial to do so. • The Service recognises that the people who direct and control the organisation must have the right skills. Therefore, it will: 	<ul style="list-style-type: none"> • Our People Enabling Plan which includes Wellbeing and EDI actions. • Our vision and aim, and what we want to achieve across the areas of operational excellence, inclusion, wellbeing, and efficiency and value for money.

<p>working where added value can be achieved.</p> <ul style="list-style-type: none"> • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources. • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority. • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: 	<ul style="list-style-type: none"> ○ Develop the capacity and capability of the Service and its Members and Officers through training and development. ○ Recruit senior officers with the appropriate balance of knowledge and experience <ul style="list-style-type: none"> • Develop a workforce plan that ensures sufficient colleagues with the necessary skills and knowledge are in place when needed. • Put in place arrangements for managing the relationship between Members and officers, including clear written delegations to officers. • Ensure Members and officers have the skills, knowledge, resources and support to fulfil their roles and responsibilities. • Monitor and manage the performance of Members and officers in their roles. • Support officers in managing their health and wellbeing. • Set out in our plans, the risks, issues and factors we face and our plans to address them. • Develop and actively iterate a Workforce Plan that addresses issues such as recruitment, succession planning, flexible working and other people management issues including an online recruitment and induction process, and online learning on leading and managing remote teams. 	<ul style="list-style-type: none"> • Our strategy enabling plans for the development of our services. • Our Equality, Diversity and Inclusion Policy. • Our constitutional documents, comprising: The Kent Fire Services Order, the Standing Orders, the Committee Terms of Reference, Scheme of Delegation of powers of the Chief Executive, Convention on Member and Officer Relations, our Code of Corporate Governance. • Workforce Plan with Workforce reporting and monitoring via HR and continual performance review. • Training and development plans linked to objectives • Reward and recognition and colleague benefits – agile working, wellbeing and employee assistance programme (EAP). • Wellbeing and Health and Safety meeting.
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<ul style="list-style-type: none"> ○ ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. ○ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. ● Ensuring that there are structures in place to encourage public participation. ● Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. ● Holding staff to account through regular performance reviews which take account of training or development needs. 	<ul style="list-style-type: none"> ● Develop processes for working in collaboration with key partners and suppliers to deliver more effective services. ● Set out the constitution of the Authority including arrangements for managing the relationship between Members and officers and the powers delegated to the Chief Executive. ● Provide all colleagues with constructive feedback on performance and opportunities for development and training needs. Carry out regular appraisals which incorporate service improvement and personal development plans. ● Provide career structures to encourage colleague development. ● Regularly review job descriptions and person specifications and use these as the basis for recruitment. These are standardised and kept in the job hub. ● Provide access to effective training and development opportunities to help colleagues maintain and increase relevant role-related knowledge and skills. ● Put in place arrangements to assist colleagues manage their own health and wellbeing effectively and provide access to support and assistance when problems are experienced ● Transparency of Financial Reports - A standardised statement of service information and cost be prepared by each authority and be compared with the budget 	<ul style="list-style-type: none"> ● Ongoing consideration to guidance around statutory roles and assessment against FM Code. ● Behaviour Framework for all colleagues. ● 12 areas of cultural focus for this strategy period which has been through wide consultation and agreement from all. ● Use of Strengthscope 360 feedback tool and development centres at appropriate levels. ● Talent management policy and guidance. ● Rigorous feedback to all leaders. ● Employee Relations team monitor all sickness and actively ensure people are supported but with clear ethical standards. ● Conferences, workshops and updates through response magazine, weekly Ladder article, One Team Update
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<ul style="list-style-type: none"> • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. 	<p>agreed to support the council/tax precept/levy and presented alongside the statutory accounts.</p> <ul style="list-style-type: none"> • We have a Scheme of Delegation of Powers to the Chief Executive. This sets out the scope of decision making accorded to the Chief Executive and then those decisions which can only be taken by the Authority or the Audit and Governance committee. 	<p>with many opportunities to feedback.</p> <ul style="list-style-type: none"> • Organisational learning tracker
<p>Principle F: Managing risks and performance through robust internal control and strong public financial management</p>		
<p>Sub principles</p>	<p>To achieve this, Kent Fire and Rescue will:</p>	<p>This is evidenced by:</p>
<ul style="list-style-type: none"> • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. • Ensuring that responsibilities for managing individual risks are clearly allocated. • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review. • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook. • Ensuring an effective scrutiny or oversight function is in place which 	<ul style="list-style-type: none"> • Maintain a Risk Management Policy and procedures. Maintain a reporting and monitoring framework for communicating risks. • Support decision-making through risk registers at Corporate and Service levels as well as one off major projects. • Risk Registers with clear risk owners include consideration of objectives and contribute to service plans and performance. • Schedule of reports which come to Corporate Management Board and Strategic Leadership Board on performance and progress in delivering our objectives. • Encourage robust challenge and engagement in developing our plans and objectives. • All internal KFRS meetings are categorised as boards, steering groups or delivery groups and formal 'Terms of Reference' have been created for each. This ensures that the purpose of the meeting is clear and 	<ul style="list-style-type: none"> • Key strategic risks and our plans to manage these. • Information about how we profile risk and the customer risk profile for Kent and Medway. • Details of our proposed plans and strategies and how you can feedback comments and suggestions on these. • Responses to consultations that we run. • Our vision and aim, and what we want to achieve across the areas of operational excellence, inclusion, wellbeing, and efficiency and value for money.

<p>provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible.</p> <ul style="list-style-type: none"> • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements). • Aligning the risk management strategy and policies on internal control with achieving objectives. • Evaluating and monitoring risk management and internal control on a regular basis. • Ensuring effective counter fraud and anti-corruption arrangements are in place. • Ensuring additional assurance on the overall adequacy and 	<p>maximises productivity and efficiency. Performance updates for each meeting group are regularly reported to the Corporate Management Board. These along with the accompanying structure and set of terms of reference for each meeting are set out in a dedicated Meetings Policy.</p> <ul style="list-style-type: none"> • Ensure comprehensive recording of all decisions taken and the reasons for those decisions using our Central Record of Decisions and Actions (croda). • Objectively assess the outcomes of plans and policies and address any deficiencies. • Implement and monitor strong governance arrangements that ensure our objectives and policies are delivered and threats and losses are minimised. • Ensure data, including personal data held, is secured, used and shared in accordance with the law and good practice. • Ensure that financial resources are protected and used effectively including arrangements to prevent fraud and corruption. • Put in place, arrangements for identifying, assessing and managing the risks to the delivery of services and the achievement of objectives. • Structured gap analysis against relevant public inquiry recommendations (Grenfell, Manchester). • Where appropriate to do so, consult with customers and partners on our intended plans and projects. 	<ul style="list-style-type: none"> • An annual assessment of the systems and controls that ensure strong governance arrangements are in place across the Authority (the Annual Governance Statement). • Regular financial reports on the performance in delivering of our budget. • Our arrangements for safeguarding vulnerable people with who we meet when delivering our services. • A modern slavery and transparency in supply chains statement. • A live action tracker for HMICFRS AFIs with clear ownership, milestones and RAG status. • The services action tracker demonstrating activity against inquiry recommendations. • Cyber plan. • Information relating to fraud transparency.
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<p>effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</p> <ul style="list-style-type: none"> • Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon. • Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies. • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring. • Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance. • Ensuring well-developed financial management is integrated at all levels of planning and control, 	<ul style="list-style-type: none"> • Monitor and review the success of our plans and strategies to ensure delivery of planned outcomes. • Maintain effective controls and systems to ensure the effective use of resources, the achievement of our plans and projects, and strong stewardship of the Authority including measures to prevent and detect fraud, crime, corruption, bribery and modern slavery. • Maintain effective arrangements for the secure storage, use and sharing of personal data we hold in connection with the delivery of services. • Ensure compliance with the relevant codes and highest standards of financial management to protect resources, ensure value for money and prevent losses and errors in accounting. • Maintain our Local Code of Good Governance as well as an Annual Governance Statement. • Comply with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014) through a Counter Fraud Policy and Strategy including a Fraud Prosecution Policy, and an Anti-Money Laundering Policy and Procedures. The Counter Fraud Strategy is aligned with the national Fighting Fraud and Corruption Strategy. • Include independent co-opted members on the Audit Committee. • We have an annual internal audit schedule aligned to our risk register. 	<ul style="list-style-type: none"> • Meetings Policy and agreed Terms for all meetings with clarity on purpose and risk management. • Business Continuity Framework. • Data Governance Steering Group. • Policy Steering Group. • Asset Management plans and Asset Steering groups. • Data policy and board. • Information architecture project in flight to manage data and information.
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<p>including management of financial risks and controls.</p>	<ul style="list-style-type: none"> • Ensure the Service governance arrangements allow the CFO/Director of Finance to bring influence to bear on all material decisions. • Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance. • KFRS arrangements for financial and internal control and for managing risk are addressed in annual governance reports by Directors to the Audit and Governance Committee. 	
<p>Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>		
<p>Sub principles</p>	<p>To achieve the Kent Fire and Rescue will:</p>	<p>This is evidenced by:</p>
<ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way. 	<ul style="list-style-type: none"> • Operate an effective audit and review function that provides assurance on the effectiveness of controls and ensure that recommendations are implemented promptly. • Ensure we have in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes. • Ensure the arrangements for financial and internal control and for managing risk are addressed in annual governance reports by Corporate Directors to the Audit Committee. 	<ul style="list-style-type: none"> • Annual reports from our internal and external auditors. • Mid-year internal audit updates and forthcoming internal audit plans. • Reports from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). • Information required by the Local Government Transparency Code 2015 and Trade Union (Facility Time Publication Requirements) Regulations 2017. • Guidance on how to make a freedom of information

<ul style="list-style-type: none"> • Ensuring members and senior management own the results reported. • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the Annual Governance Statement). • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate. • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations. • Ensuring that recommendations for corrective action made by external audit are acted upon. • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon. • Welcoming peer challenge, reviews and inspections from regulatory 	<ul style="list-style-type: none"> • Maintain a KFRS website that provides access to information and services and opportunities for public engagement. Publish statutory and commonly requested information on our website and put in place arrangements to enable easy access to other information requested. • Meet the requirements of the Local Government Transparency Code • Make meetings of the Authority and its Committees open to the public. • Encourage partners to adopt high standards of governance and transparency in their dealings with us. • Publish an annual assessment of our governance arrangements and compliance with the Fire and Rescue National Framework. • Ensure that statutory officers and the Head of Internal Audit have unfettered access to Members and are free to comment on policies and plans objectively. • Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the Service. • Maintain an effective internal and external audit process and ensure auditors have free access to decision makers, including elected Fire Authority Members. 	<p>request or subject access request and how long it will take to process it.</p> <ul style="list-style-type: none"> • An annual assessment of the systems and controls that ensure strong governance of the Authority (Annual Governance Statement). • An annual assessment of our operational performance against the requirements of the Fire and Rescue National Framework (Statement of Assurance). • Counter Fraud policy.
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<p>bodies and implementing recommendations.</p> <ul style="list-style-type: none"> • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement. • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> • Comply with the requirements to publish information on our website and include other commonly requested information and data. • Establish a simple way of contacting us to request further information, data or assistance including receiving and responding to freedom of information requests and subject access requests. • Support and encourage our partners to establish strong governance and control processes and support us in providing access to information and data in a timely manner. • Regularly review our governance arrangements, considering external and internal assessments, and publish our results of these reviews. • Maintain an effective counter fraud and corruption policy framework and an adequately resourced counter fraud function. • Enable the Section 151 officer, Monitoring Officer and Head of Audit to undertake their statutory and regulatory roles unhindered and report direct to members when necessary. 	
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Decision Making in KFRS Policy



Policy owned by:	Corporate Management Board
Tier 2:	Policy and Framework
Version 1:	1
Does policy apply to any of the following groups in addition to colleagues	This policy applies to everyone as it describes how decisions are made in KFRS

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Introduction

This policy outlines the framework for robust, ethical, and transparent decision-making within Kent Fire and Rescue Service (KFRS). Our goal is to ensure that every action taken, from the incident ground to the boardroom, is accountable to the public and delivers the highest value.

The Service is committed to a risk-based, accountable decision-making process. We recognise that decisions in an FRS context range from split-second operational choices to multi-million-pound asset investments. All decisions must adhere to the Nolan Principles of Public Life (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership).

In exercising this policy the Kent & Medway Fire & Rescue Authority and KFRS have had regard to the Fire and Rescue National Framework for England, including requirements to identify and assess foreseeable risks through a Community Risk Management Plan (CRMP); to consult appropriately; to collaborate with other emergency services; and to be accountable to communities for value for money.

KFRS Decision-Making Principles

Effective governance ensures that we are doing the right things, in the right way, for the right people. All decisions must align with our Code of Ethical Conduct and Senior Code of Ethics.

Core values and decision making

Every decision is filtered through these core values:

- Putting Communities First: Does this improve public safety?
- Dignity and Respect: Does this decision treat all individuals fairly?
- Equality, Diversity, and Inclusion (EDI): Have we considered the impact on underrepresented or vulnerable groups?
- Is it legally compliant?
- The "Front Page" Test: If this decision and the reasoning behind it were published on the front page of tomorrow's newspaper, would it uphold the reputation of the Service?

Ensuring Value for Money

As a publicly funded body, we have a duty of trust to our customers when it comes to using resources efficiently. Decision-makers must demonstrate:

- **Economy:** Minimising the cost of resources used while maintaining quality.
- **Efficiency:** Maximising the output for the given input.
- **Effectiveness:** Ensuring the decision really achieves the intended outcome, and assessing whether the desired output is critical or elective
- **Sustainability:** Assessing the long-term financial and environmental impact of the choice.
- **Accountability:** Individuals and boards must take ownership of their decisions and the resulting outcomes.
- **Decision-making** is at the first (lowest) appropriate level within the agreed delegated authority structure – this encourages empowerment and development of problem solving – decision making skills.

Decision making controls

In addition to our values and financial principles, we also ensure we have controls in place to help us develop decisions, check them, and learn from them:

1. Balance between the Executive and Political Decision Making:

In a Fire and Rescue Authority (FRA), the governance structure is designed to separate strategic oversight from emergency operations, ensuring that public accountability and professional expertise work in tandem.

The Strategic-Operational Balance

The relationship between elected officials and the executive leadership is built on a "check and balance" system that ensures the service remains both democratically accountable and operationally effective.

- **The Authority (Politicians):** Comprised of elected members (local councillors), the Authority is responsible for setting the strategic direction. They approve the budget, set the council tax precept, and define the high-level priorities through the Community Risk Management Plan (CRMP). Their primary role is scrutiny—holding the executive to account for performance and ensuring public money is spent effectively.
- **The Executive (Chief Officer/CEO):** The Chief Fire Officer (CFO) or CEO serves as the professional lead to the Authority. While they advise the Authority on strategy, their primary domain is the delivery of services.

Operational Independence of the CEO

A critical pillar of this structure is that the CEO maintains operational independence. This means that while politicians decide *what* the service should achieve (e.g., "reduce response times in rural areas"), the CEO decides *how* to achieve it on the ground.

Key aspects of this independence include:

- **Incident Command:** Politicians have no role in command decisions during emergency incidents. The CEO has the sole authority to deploy resources, equipment, and personnel based on life-safety risks.
- **People Management:** The CEO is typically responsible for the appointment, discipline, and management of colleagues, ensuring that the service remains a professional, non-partisan organisation.
- **Professional Advice:** The CEO acts as the principal advisor to the Authority, ensuring that political decisions are informed by technical data and fire safety expertise.

2. Robust Governance and Integrity

Effective corporate decisions must be "legally, financially, and ethically sound." For KFRS, this means:

- **The Three Lines of Defence:** Implementing a structure where management control (1st line), oversight/compliance (2nd line), and independent audit (3rd line) validate the integrity of every major board decision.
- **Duty of trust:** Ensuring that the Fire Authority or Corporate Management Board acts in the best interest of the community, prioritising long-term sustainability over short-term political or financial expediency.
- **Financial Stewardship and Safeguards:** The Chief Finance Officer (s151 Officer) is a key member of the leadership team and must be involved in all material business decisions. Decision-makers may approve routine, within-budget and de minimis decisions, where there is no ongoing financial commitment and no impact on the MTFP, without prior CFO advice. In an emergency, decisions may proceed with prompt CFO notification and post-decision review.

3. Evidence-Led Risk Management

Organisational decisions in an FRS are often "wicked problems" (e.g., station closures vs. response times). As such, we need to ensure that our decisions are based on sound intelligence derived from accurate data.

- **Combining data sets to develop intelligence for risk management:** Taking multiple data sets such as demographic shifts and climate change projections to understand how risk is changing, and how it might develop in the future, to drive resource allocation.

- The Precautionary Principle: Balancing innovation with the high-reliability nature of the service. For example, we don't change a procurement strategy or a training standard unless the evidence proves it maintains or improves existing arrangements.

4. Diversity of Thought and Stakeholder Inclusivity

"Groupthink" is the enemy of effective leadership boards. In our context:

- Engagement: Consulting with representative bodies (unions), colleague networks, and the diverse communities the service protects before finalising strategic shifts.
- Cognitive Diversity: Actively seeking dissenting views within the leadership team and beyond to stress-test financial plans or cultural change programs.
- Transparency: Decisions and their justifications should be open to scrutiny, except where restricted by data protection or national security.

5. The "Just Culture" in decision making

While often discussed in safety, a "Just Culture" is also vital for organisational growth.

- Psychological Safety: Leaders must be able to admit when a project is failing (e.g., a flawed IT rollout) without fear of "blame culture," allowing for an agile pivot rather than "sunk cost" fallacies. In KFRS we have embraced the principles of 'Black box thinking' and are driving mechanisms to remove blame whilst gaining high accountability.
- Organisational learning: We have an organisational learning process that not only debriefs operational incidents but also seeks to understand how other organisational activities could have been improved. Debrief facilitators take a neutral role and create safe spaces.
- Learning from projects: When we complete projects and programmes, we undertake a review of how the project went, as part of the project closure process. When new projects start, we provide managers and sponsors with these outcomes to help improve decision making.

The table below outlines the broad governance which underpins our decision making. This is further developed in our Code of Good Governance 2026/2027.

KFRS Governance

Overarching aims - Save Life and Reduce Harm

Delivered in accordance with our values

<p>Pillar 1</p> <p>Division of Responsibility and Decision-making</p> <p>Membership</p> <p>Voting rights</p> <p>Delegations of authority inc financial limits and segregation of duty</p> <p>Record keeping of meetings/decisions</p> <p>Role of Corporate Management Board - matters reserved to the Board</p> <p>Role of KFRS Chair</p> <p>Role of Committees - Terms of Reference</p> <p>Annual evaluation of board and members</p> <p>Training</p>	<p>Pillar 2</p> <p>Leadership</p> <p>Ethical principles</p> <p>Senior Code of Ethical Conduct</p> <p>Succession Plan</p> <p>Diversity - gender, social, ethnic, skills, experience & knowledge</p> <p>Regular review of CRMP strategy and regard to sustainability & environmental issues</p> <p>Fair and Ethical Selection, Appointment & induction</p> <p>Corporate Risk Register</p>	<p>Pillar 3</p> <p>Audit, risk and internal controls</p> <p>Internal financial/audit controls</p> <p>Annual Governance Statement</p> <p>Records Retention Schedule</p> <p>Audit & Governance Committee</p> <p>External auditors</p> <p>Annual returns</p> <p>Fraud/money laundering policy</p> <p>Contract register/management</p> <p>Asset Register & Intellectual Property</p> <p>Risk Management (must inc fraud for Home Office)</p> <p>Risk Register</p> <p>Contingency & business continuity planning</p> <p>Conflicts of interest & Register of interests</p> <p>Hospitality & Gift Policy</p> <p>Serious Incident Reporting to HMICFRS</p>	<p>Pillar 4</p> <p>Transparency and stakeholders</p> <p>Stakeholder analysis</p> <p>Regular communication inc feedback from stakeholders</p> <p>Complaint handling & investigations</p> <p>Whistleblowing policy</p> <p>Remuneration policy for colleagues</p> <p>Defined workforce policies, to include: safeguarding, diversity & equality, bullying & harassment</p> <p>Data Protection & information security</p> <p>Suppliers Code of Conduct</p> <p>SLAs for provision of services</p> <p>MOUs with external organisations</p>
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Corporate Governance in Decision Making

- i) Delegation of authority (Scheme of Delegations) – we have a systematic approach towards delegation of authority formalised in writing. A schedule of matters reserved for the Corporate Management Board (CMB), Strategic Leadership Board, (SLB) and the Workforce Planning Board (WPB) is established, setting out the parameters of the delegated authority (with attention for any financial thresholds regarding decision-making powers). These are expressed through the Terms of Reference (TORs) for each meeting in KFRS.
- ii) Checks and balances – no one individual has unfettered power over decision-making; this includes the Chief Fire Officer/Chief Executive. We have established governance procedures that subject all decision-making to third-party scrutiny. In effect all matters which require spending or use of resource are discussed at CMB or SLB and the Kent and Medway Fire and Rescue Authority.
- iii) Professional decision-making – it is the CEO's responsibility to build an effective board team, encouraging an atmosphere of open discussion, viewpoints documented in minutes and central record of actions. Due care is taken over choice of board members who have the necessary skills and competences and performance is expected at a high level.
- iv) Accountability – we have a hierarchy of accountability with defined responsibilities and powers.
- v) Transparency – in addition to that mandated by law and regulation, we choose to voluntarily disclose more information to gain confidence and commitment of external stakeholders and colleagues on appropriate occasions and are signatories to the Charter for Bereaved Families. To provide scrutiny, we undertake an annual review of our compliance with the Local Government Transparency Code 2015 and the Trade Union (Facility Time Publication Requirements) Regulations 2017. This is taken to the Fire Authority each year for approval.
- vi) Conflicts of interest – we have defined credible mechanisms by which potential conflict of interest issues can be managed or resolved.
- vii) Our pay policy is fully declarative of our remuneration and clean pay approach.

The Decision-Making Framework

Kent Fire and Rescue Service (KFRS) utilise a tiered governance approach to ensure the right decisions are made by the right people at the right time. This framework balances immediate operational needs with long-term strategic and financial planning.

A. The Joint Decision Model (JDM)

For all operational decisions, the Service adopts the national Joint Decision Model (JDM) and Incident Command tactics and principles. This ensures that every action is grounded in situational awareness, manages risk effectively, and maintains legal justification. All policies and procedures regarding incident-based decision-making are aligned with this model.

B. Strategic Governance and Financial Stewardship

Every decision within KFRS—from initiating individual performance management to commissioning a new fire station—carries a financial implication. As stewards of public money, we ensure that our governance structures reflect this responsibility.

All formal KFRS meetings operate under specific Terms of Reference (ToR), which define the scope and authority of the decisions made therein. To ensure continued efficiency, these are regularly reviewed for performance and relevance.

Our governance structure consists of five functional levels:

- Board Meetings: Authorised to approve expenditure and formalise strategic actions.
- Steering Groups: Responsible for analysing complex issues and developing the approaches that are subsequently signed off by the Boards.
- Delivery Groups: Tasked with monitoring the execution and progress of approved actions.
- Project and Programme Boards: Provide dedicated oversight for significant change initiatives.
- Project Meetings: Manage the granular, day-to-day tasks of specific projects.

The Decision-Making Hierarchy

We distinguish between three levels of decision-making to avoid bottlenecks:

Decision Type	Responsibility	Focus
Strategic	Corporate Management Board / CEO Strategic Leadership Board Workforce Planning Board	Strategic direction. The "What" and "Why": Long-term policy, planning and alignment with the CRMP. High-level policy, budget setting, and organisational risk. Portfolio Oversight
Programme & Project	Programme / Project Boards/Project sponsors	Management of transformational change and large-scale procurement.

Decision Type	Responsibility	Focus
Tactical	Steering Groups / Heads of Section	The "How": Ensuring delivery across the medium-term through implementation of agreed plans and coordinating resources.
Operational	Delivery groups - Service Managers	The "When": Day-to-day execution of policy, procedures and service delivery. Functional Management. Day-to-day operational and budgetary decisions within defined limits.

Alignment of Governance and Expenditure

To ensure transparency, our meeting structures are aligned with the four primary categories of Service expenditure:

1. Workforce (84% of total spend): All people-related decisions are managed through the Workforce Planning Board. This board meets every six weeks to monitor the annual workforce plan and review formal proposals for organisational change.
2. Infrastructure and Assets: This covers Property, Fleet, and IT requirements. Spending is categorised as either Business as Usual (BAU) (e.g., fuel costs) or Project-based (e.g., replacing a fuel bunker).
3. Innovation and CRMP: Dedicated projects designed to mitigate risks identified in the Community Risk Management Plan (CRMP).
4. Operational Running Costs: Day-to-day essentials, including utilities and business rates.

Programmed vs Non-programmed Decisions

We want to use our productive energy to respond to new and emerging challenges – not to constantly rehearse actions for issues which are repeated. We use the terms programmed and non-programmed to create a deliberate planning approach. This ensures we develop policies and procedures, information architecture and data management which creates standard actions to routine, standardised issues and scenarios. For example, when someone tells us they are pregnant we would not expect to consider ‘what do we now’? We have a clear policy which is legally up to date and meets needs of our colleagues and can be repeated in process each time.

Programmed Decisions mean we can be prepared in advance through training, checklists, or standard operating procedures (SOPs). This minimises errors and speeds up response times.

Programmed decisions – these are decisions which have been made and have been turned into established policy, rules, procedures or starting a project – individuals/meeting forums can then make decisions within the agreed framework, but the origin of the decision must be traced back to policy, rules or procedures agreed at CMB, SLT or Establishment group.

Non-Programmed Decisions: In effect these are issues which don't have an answer yet or an agreed policy. Issues can come from different sources e.g. new legislation or awareness of an opportunity to improve or things not going well. These come to our decision-making bodies for discussion and agreement. These decisions form the basis of new policy, guidance, or recorded project decisions.

How Infrastructure Decisions are made

Infrastructure and asset decisions require a balancing act between public and colleague safety requirements, legislative mandates, budgets, workforce skills and capabilities and our delivering our CRMP.

To assist delivery of the two front line strategies (Response and Resilience; Protection and Prevention) we have developed Strategy Enabling Plans 2025-2029 structured into four areas – People, Digital & Data, Transformation and Customer.

Asset Management Decision-Making

Assets (Fleet, Property, and Equipment) represent the Service’s largest capital investment. Decisions here are governed by Life-Cycle Costing.

The Asset Decision Matrix

Decision Type	Criteria	Approval Authority
New Fleet and Equipment Acquisition	10-year acquisition and replacement projection based on operational need and CRMP. SLB approve a high-level Vehicle and Equipment Replacement Programme (VERP) reviewed annually. Assistant Director Response oversees the programme. Head of Fleet and Equipment Services delivers the programme.	Strategic Leadership Team
Property Major Works	Safety compliance + Energy efficiency (Net Zero targets)	Asset Board / CFO

Here is how the decision-making works:

The Strategic Foundation: The CRMP

Most decisions begin with the CRMP. To develop the CRMP:

- We use ‘live’ data to analyse risks within our communities and identify higher risk areas (e.g. deprivation).
- We overlay historical incident data to understand demand patterns and resource requirements.
- We use data sets, such as Local Authority planning data, to identify future risks and likely areas of demand.
- We establish the wider risk context using data such as the National Risk Register.

Once we have understood the risk, we then assess any changes we need to make to our capability to mitigate those risks. This may be moving the location of fire appliances or specialist assets or undertaking new prevention campaigns or targeted protection activity.

Asset Management Categories

Decisions are usually split into three distinct asset plans:

Fleet and Equipment

This covers fire engines (appliances), specialist vehicles, light fleet, and operational equipment.

- Life Cycle Costing: Decisions are made based on the "optimum replacement point"—the moment when the cost of maintaining aging assets exceeds the cost of financing new ones. This is analysed and monitored through our Vehicle and Equipment Programme steering group (VERP).
- Standardisation: Where possible we collaborate with other FRSs to buy the same type of vehicles or equipment to save money and enable future interoperability.

Estates (Buildings)

Buildings are our most significant fixed assets. This is governed by the Property Steering Group.

- Strategic investment: decisions on when to build new fire stations or critical buildings such as training facilities, are based on an evidence-based assessment of how the investment reduces risk to our customers or colleagues.
- Collaboration: We collaborate where we can share space with others.
- There are two types of spend – day to day replacements and upkeep of our buildings and then new spend for refurbishment or new builds. There is a property steering group and new spend is an SLB decision.

ICT and Communications

The digital infrastructure (e.g. command and control systems, radios, and MDTs in vehicles). This is governed by the Digital, Data, Process and System Steering Group.

- Reliability vs. Innovation: Decisions here are driven by the need for 100% "up-time." Transitioning to new tech (like the Emergency Services Network) is often a multi-year national-level decision.
- There is a Digital, Data, Systems and Processes steering group and delivery groups assigned to the main IT systems such as our HR system or Control. Colleagues from the app support team and clients meet to agree decisions on new areas for development in those systems based on needs expressed in the strategy enabling plans and in customer feedback.

The Governance Process

Decisions don't happen in a vacuum; they follow a strict hierarchical path:

1. Projects begin with a commissioning form and project brief to define the problem, scope and strategic alignment. Once approved move to the Business Case: case outlining the "Five Case Model": Strategic, Economic, Commercial, Financial, and Management.

2. Strategic Leadership Board (SLB): The CEO, directors and SLB colleagues vet the proposal for operational viability, affordability and prioritisation.
3. The Fire Authority provide the final democratic oversight and approval for major capital expenditure.
4. Procurement and Social Value. Once a decision is made to acquire an asset, the service must follow public procurement regulations.
 - Tendering: Large assets (like a fire engine) must be put out to tender to ensure transparency and value for money.
 - Environmental Impact: Modern decisions heavily weigh the "green" factor—such as transitioning to alternatively fuelled vehicles or installing solar panels on station roofs.

How Policy Decisions are made

Policy development in KFRS is a structured, risk-based process. Because these policies often dictate life-safety procedures and legal compliance, the agreement process is far more rigorous than a standard corporate handbook update. Further detail is in our Policy Governance Policy.

Here is the journey of a policy from conception to implementation:

1. Identification and Research

The need for a new policy or a revision usually stems from:

- National Operational Guidance (NOG): New best practices issued at a national level.
- Coroners' Regulation 28 Reports: Lessons learned from fatal incidents.
- Legislative Changes: Changes in the HR legislation, Fire Safety Order or Health and Safety law.
- Internal Reviews: Feedback from colleagues or crews at post-incident debriefs.

2. Drafting and Technical Assessment

A Subject Matter Expert (SME) drafts the initial document. They must ensure the policy aligns with the Community Risk Management Plan (CRMP) and strategy enabling plans.

During this stage, the appropriate steering group reviews the draft to ensure it meets the following criteria:

- it must move beyond legal jargon and be practically applicable.
- Evidence-Based and Risk-Focused. Every instruction should be rooted in data and validated information.
- Legally compliant.
- Pass a rigorous People Impact Assessment (PIA) to ensure it doesn't create barriers for diverse colleague members.
- The "Why": It must clearly state the risk it aims to mitigate.
- Alignment: It should align with other policies and procedures.
- Language: Uses active voice, be suitable for neurodiverse colleagues and avoids "corporate speak."
- The "So What": Colleagues should be able to easily identify exactly what actions they need to take.

3. The Consultation Phase

This is where the actual "agreeing" happens. A policy cannot move forward without formal consultation with key stakeholders:

- Representative Bodies: Fire Brigades Union (FBU), FOA, FRSA and Unison review the policy. They look at how it affects working conditions, safety, and colleague contracts (the "Grey/Green Books").
- People Impact Assessment (PIA): the relevant steering group reviews the policy to ensure it doesn't unfairly disadvantage any specific group (e.g., ensuring personal protective equipment fits all body types).
- We also carry focus groups with colleagues and through the Community Insights team we work with external groups in the community.
- Legal/Insurance Teams: To ensure the service isn't opening itself up to litigation.
- We also consult through the One Team update on every policy.

4. Governance and Final Sign-off

Once the consultation feedback is integrated, the policy moves to the Policy Steering group which is part of the formal governance process. This group serves as our scrutiny and advisory body for new or significant amendments to policies. Depending on the impact, policies will be signed off by:

1. The Corporate Management Board (CMB): Led by the CEO, focusing on alignment to strategy, priorities, and legal compliance.
2. The Fire Authority. Political oversight to ensure the policy provides value for money and meets public expectations.

5. Implementation and Communication

Agreement doesn't end with a signature. A policy is only considered "active" once it has been:

- Published on the service's intranet.
- Communicated via internal communications and team meetings across KFRS
- Verified, where appropriate, through "confirmation of understanding" sign off.

Note on Urgency: In rare cases of immediate safety risks an Operational Bulletin can be issued. This acts as an interim "agreed" policy until the full formal process can be completed.

How Strategic Investment and Portfolio Decisions Are Made

When the CRMP is developed after significant risk assessment and public consultation we ask ourselves five questions:

1. Do we have the capability and capacity to deliver against the CRMP? You might think this question comes first but that would be inappropriate – we need to know the risks and issues which face our customers and not cut off our thinking to 'fit the budget'.
2. What are the investment choices we need to make, and in what order, to ensure we mitigate the highest CRMP risks to our customers?
3. What enabling capabilities, infrastructure changes and organisational changes are required to enhance our capability to affect positive change?
4. What workforce capacity, skills and competencies needed over the strategy period and beyond?
5. How does this align with the medium-term financial plan and what trade-offs are required to ensure affordability?

These questions are addressed through agreement on what useful Business as Usual activity is – (where possible converting non-programmed into programmed decisions) and what need to be addressed as projects.

Best practice project management (PM) is the disciplined application of standardised processes, tools, and skills to deliver a specific outcome within defined constraints. When applied to the public sector, the "client" is the taxpayer, and the "profit" is public value.

To manage public money effectively, project management shifts from simple task-tracking to a rigorous framework of accountability, transparency, and value for money (VfM).

Core Pillars of Best Practice PM in KFRS

1. The Business Case (The "Why")

Before a single penny of public money is spent, a formal Business Case must justify the investment. It evaluates whether the project is:

- Strategic: Does it align with CRMP, strategy enabling plans, policy?
- Economic: Does it provide the best value to society?
- Achievable: Can we actually deliver it?

2. Robust Governance & Oversight

We use a Tiering System with clear criteria to describe the low (level 1) to high (level 4) investment projects. The higher the project the more oversight is required including:

- Portfolio Board: Senior leadership oversight of the organisational change portfolio. Ensures initiatives align with strategic priorities, manages prioritisation and sequencing, and monitors overall delivery performance, risk and resource capacity.

- Programme Boards: Provide oversight of major programmes that coordinate multiple related projects. Ensure delivery remains aligned with intended outcomes, manage dependencies and risks, and support the Sponsor
- Project Boards: Provide governance for individual projects, ensuring delivery against scope, time, cost and quality, and resolving key issues or escalations.
- Senior Sponsors: Senior leaders who take accountability for the delivery and benefits of significant initiatives and provide strategic direction.

Gate Reviews: "Go / No-Go" decision points where programmes or projects must demonstrate continued viability before progressing to the next stage or receiving further funding.

3. Risk Management

Public money is often spent on "high-stakes" infrastructure or improvement projects. These are often complicated to deliver. That complexity bring risk. Best practice involves identifying, assessing and managing risks early throughout the lifecycle of a programme or a project. Significant risks are escalated through programme and portfolio governance structures to ensure appropriate oversight and decision-making.

We anticipate how risks may result in additional financial costs (for example, delay or price increases). We assign contingency funds so that unexpected obstacles don't result in immediate budget deficits.

How it Safeguards Public Money

Managing public funds requires a higher level of scrutiny than the private sector because:

- Public sector spending is often aimed at serving the public interest, which necessitates a higher level of scrutiny to ensure that funds are used effectively and efficiently.
- Public sector spending is subject to strict legislative oversight.
- Public sector bodies are held accountable for their spending and performance.

Transparency and Audit Trails

Every decision, from vendor selection to change orders, is documented. This creates an audit trail that ensures funds are used for their intended purpose and protects against fraud or nepotism.

Procurement Compliance

All procurements will comply with the Procurement Act 2023 and associated regulations, including the use of standard notices on the central digital platform (enhanced Find a Tender and Supplier Information Service), robust conflict-of-interest management, and publication of Payments Compliance Notices.

Value for Money (VfM)

PM best practices focus on the "Three Es":

- Economy: Buying inputs (staff, materials) at the best price.
- Efficiency: Converting those inputs into outputs (roads, software) with minimal waste.
- Effectiveness: Ensuring the outputs actually solve the public problem.

KFRS discharges its Best Value duty (Local Government Act 1999) and has regard to the 2024 statutory guidance when making and reviewing decisions.

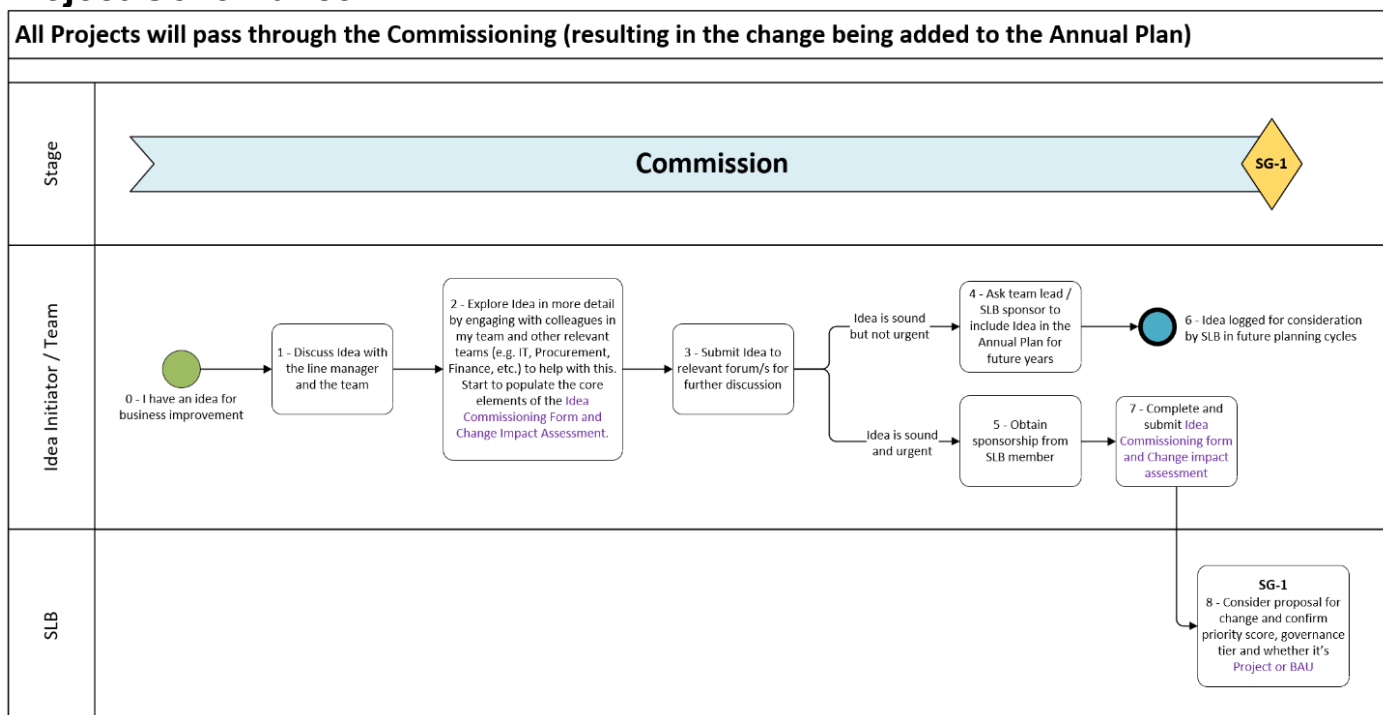
Benefits Realisation

A project isn't "done" when the money is spent; it's done when the public sees the intended benefits. Intended benefits are defined in the business case and monitored throughout delivery with e post-implementation reviews to measure whether benefits have been delivered.

The Public Sector Project Lifecycle

- Feasibility (Assess feasibility)
- Appraisal (Appraise and select)
- Definition (Define)
- Delivery (Deliver)
- Operation (Operate, embed and close)

Project Governance

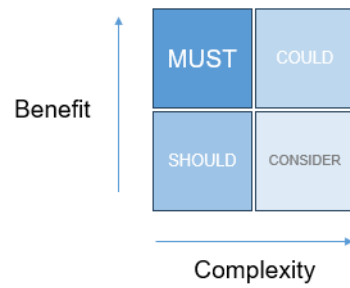


This is a strategic framework used to categorise initiatives based on their scale, risk, and resource requirements. By assigning a "Tier" to a project, we can ensure that the level of oversight and investment matches the project's potential impact.

In this model, Level 4 represents the "North Star" initiatives—those that demand the most significant capital, talent, and executive attention.

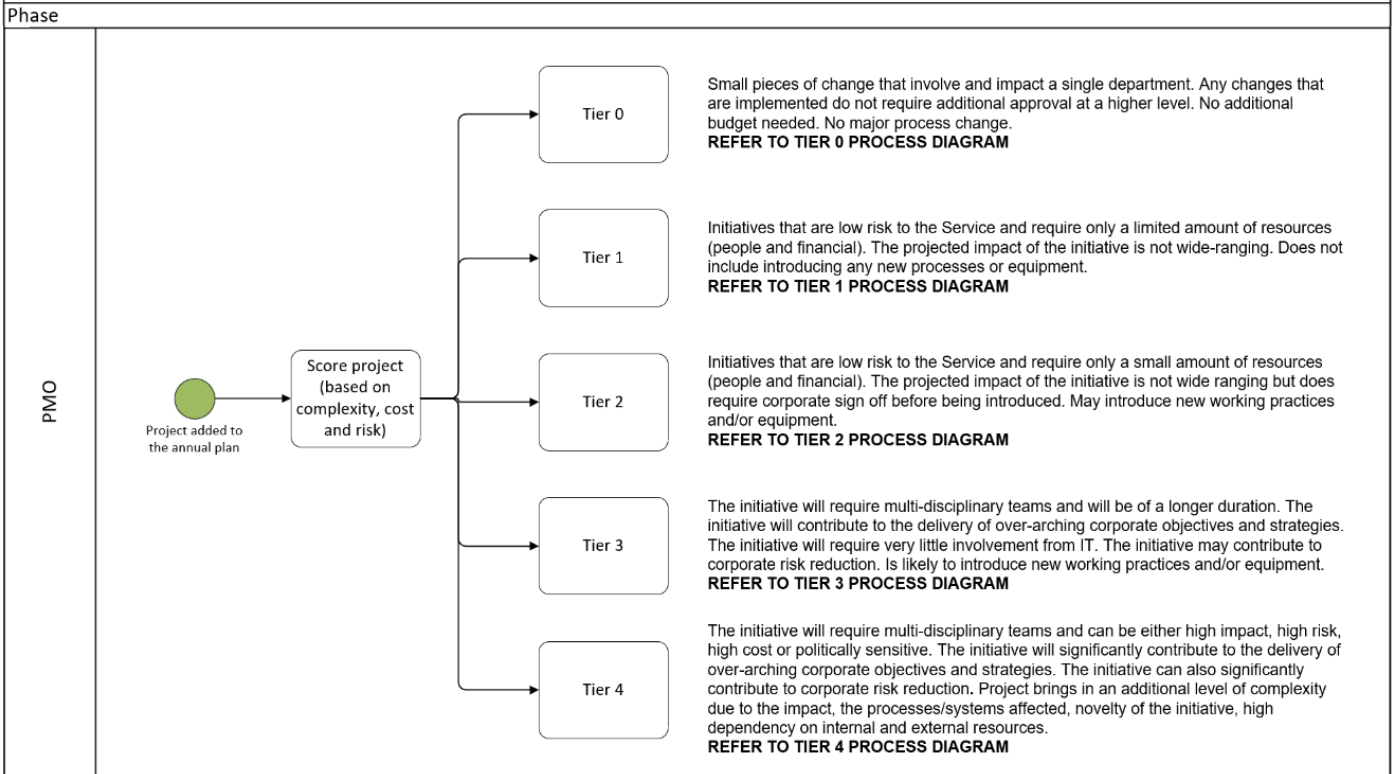
Prioritisation

At SG -1 the Commissioning form is scored by PMO and the initial Governance level is provided. Tier 0 to Tier 4
The governance level is calculated from the perceived complexity of the change. Scoring also includes the benefits, risk removal and regulatory considerations. By dividing the benefit by the complexity a score is achieved which means the is scoring also produces a Priority score.



Governance

P0015 – Business Change Lifecycle and Tiering Process



The Project Tiering Hierarchy

Tier 1: Tactical & Maintenance

These are low-risk, “simple” projects. They require minimal investment and are typically managed within a single team.

- Focus: Incremental improvements or routine updates.
- Governance: Light oversight; managed by immediate managers.

Tier 2: Operational Projects

Tier 2 projects involve minimal investment and often bridge two different teams. They require a formal project plan but don't usually move the needle on a global corporate strategy.

- Focus: Process optimisation and team integration.
- Governance: Periodic reviews by middle management.

Tier 3: Strategic Initiatives

These projects require substantial investment and carry a higher risk profile. They often involve cross-functional teams and have a direct impact on the organisation's annual goals.

- Focus: New system launches or significant software implementations.
- Governance: Dedicated project lead, monthly reporting and project board. If required steering committee meetings.

Tier 4: Transformational (Highest Investment)

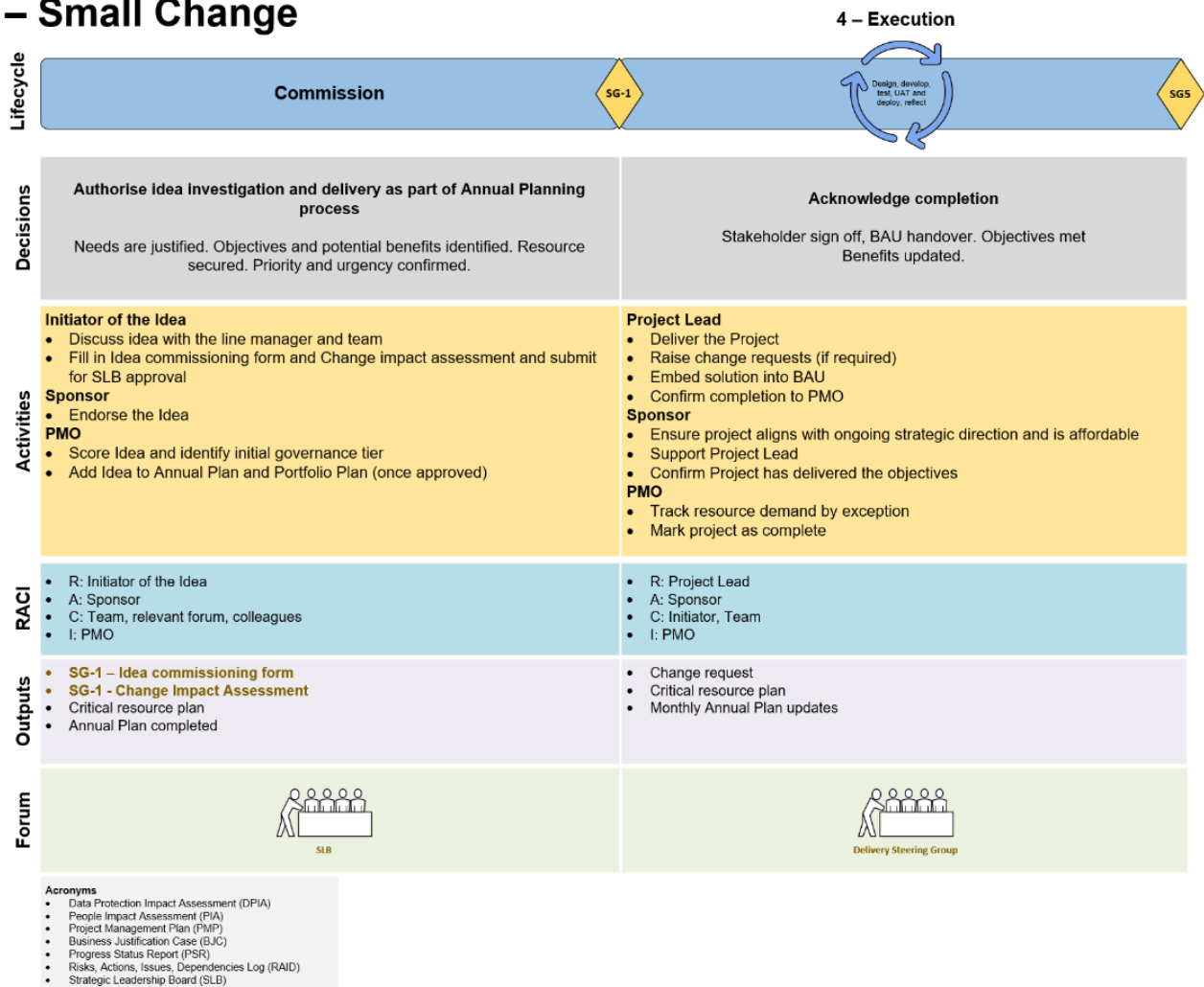
Level 4 is reserved for the highest level of investment—both financially and in terms of human capital. Failure at this level could result in significant institutional damage, while success defines the company’s future.

- Focus: Fundamental business model shifts.
- Investment: Highest budget allocation and the need for extensive resourcing from multiple teams over an extended period.
- Governance: Professional Project Manager, Monthly reporting and project board.

To ensure capital and resources are used effectively, all projects must follow a gated lifecycle with an agreed SLB level sponsor and project manager.

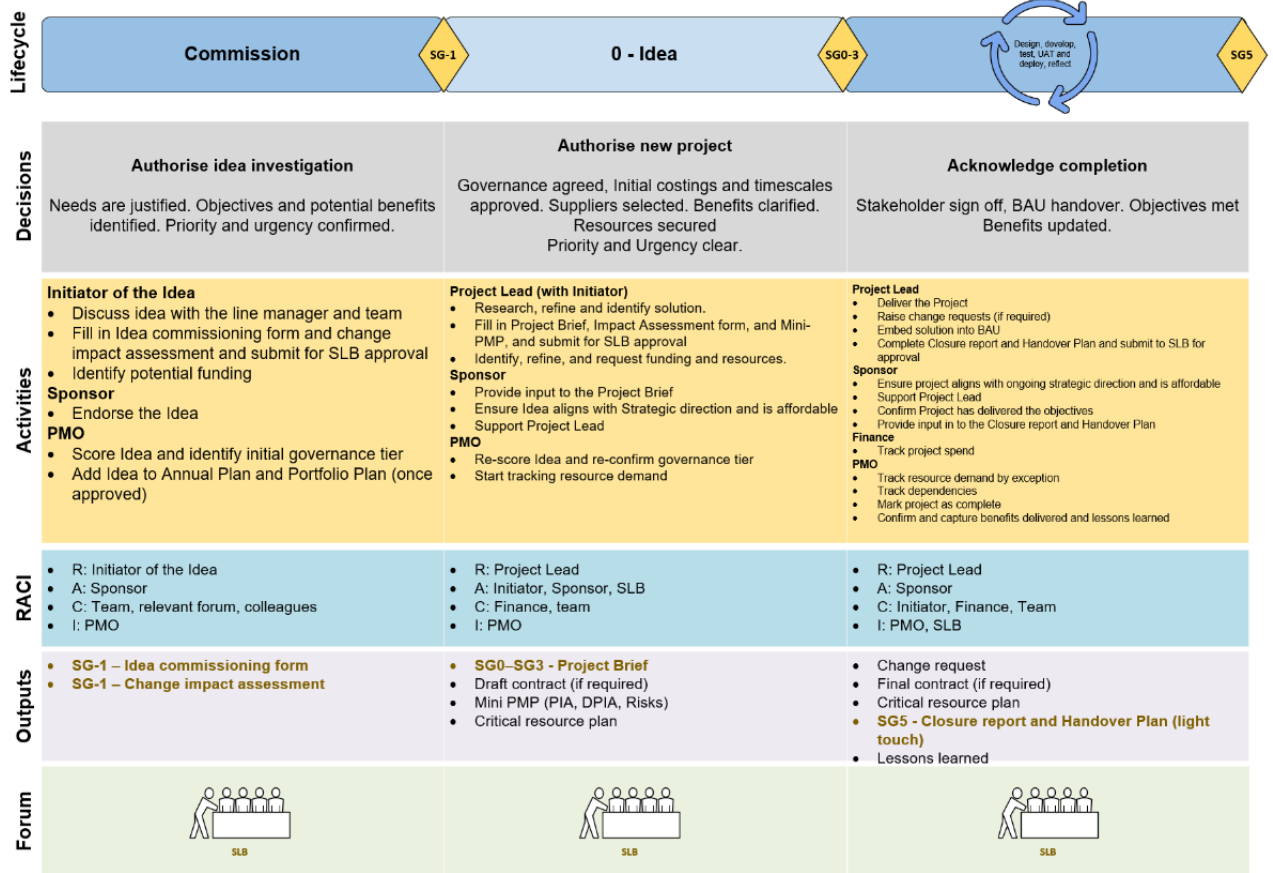
Key Rule: No project shall move to the procurement phase without a signed-off Full Business Case (FBC) by the SLB.

Tier 0 – Small Change

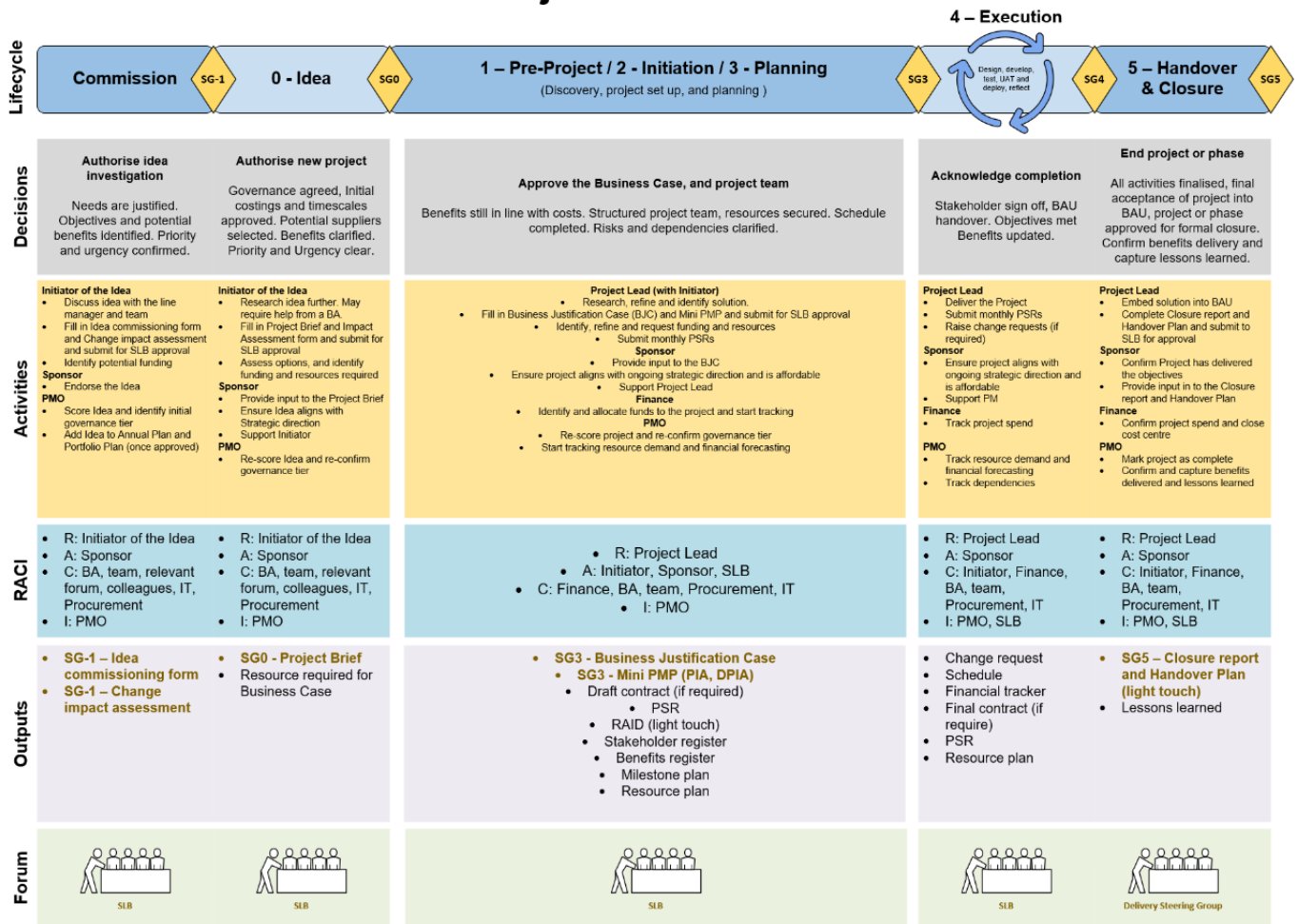


Tier 1 – Simple Projects

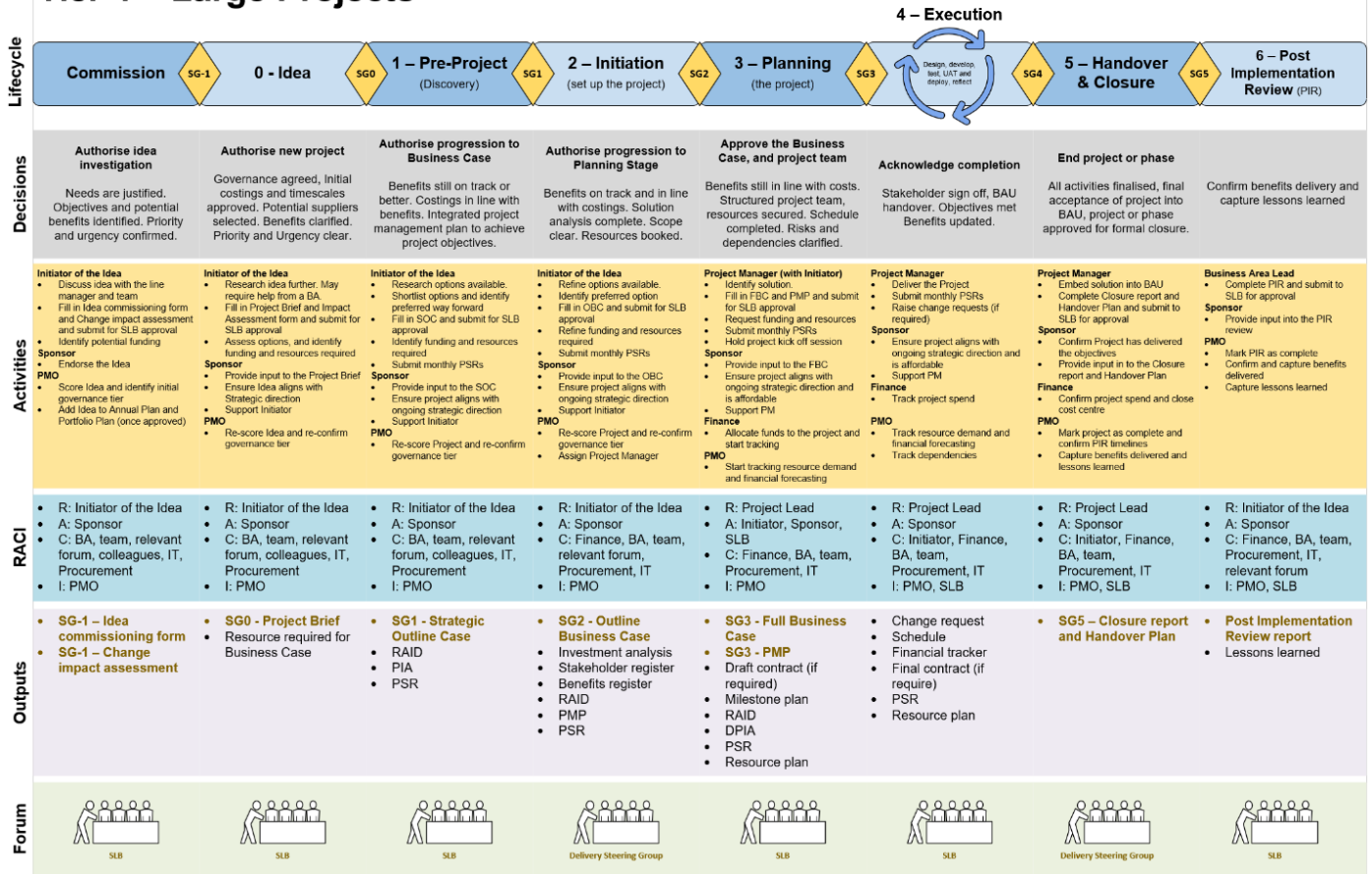
4 – Execution



Tier 2 & 3 – Small & Medium Projects



Tier 4 – Large Projects



Accountability and Audit

- The Decision Log: All strategic and project decisions must be recorded in a central Decision Log, noting the options considered and the rationale for the chosen path.
- People Impact Assessment (PIA): No policy or major asset change can be approved without a PIA to ensure the decision does not adversely affect any specific demographic or community group.
- Collective Responsibility: Once the board or committee decides, managers must present a "united front," even if there was heated debate during the process.
- The "Comply or Explain" Mechanism: If a manager deviates from standard governance codes, they must formally document the justification.
- Stakeholder Engagement. Decisions should be "co-produced." This means involving the people who will be affected by the decision early in the design phase, rather than just consulting them at the end.
- Data-Driven Impartiality: Managers must ensure that data used for decisions is audited for bias to maintain political impartiality.

- Decision-making is subject to levels of delegated authority, agreed terms of reference for decision-making bodies and to some form of third-party scrutiny. The aim of such checks and balances is to be helpful and supportive, not condemnatory or critical.
- The terms of reference and roles and responsibilities (pillar two) for boards, committees and groups provide the criteria for checks and balances.
- The KFRS policies and the associated logs and registers (pillars three and four) provide the framework for checks and balances in day-to-day operations, with reporting schedules

Relevant Legislation and Codes of Practice

- [Civil Contingencies Act 2004](#)
- [Core Code Of Ethics - NFCC](#)
- [Data Protection Act 2018](#)
- [Equality Act 2010](#)
- [Financial Management Code | CIPFA](#)
- [Fire and rescue national framework for England - GOV.UK](#)
- [Fire and Rescue Services Act 2004](#)
- [Freedom of Information Act 2000](#)
- [Health and Safety at Work etc. Act 1974](#)
- [His Majesty's Inspectorate of Constabulary and Fire & Rescue Services](#)
- [Local Government Act 1999](#)
- [Localism Act 2011](#)
- [National Joint Council for Local Authority Fire and Rescue Services | Local Government Association](#)
- [The Regulatory Reform \(Fire Safety\) Order 2005](#)
- [UK General Data Protection Regulation](#)

Underlying Tier 3 Procedure

N/A

Data Inputs and Controls

KMFRA and A&G reports
Project documentation
Scheme of Delegation

Security Marking

Not protectively marked

Policy Audit Information

Policy version	Original approval and revision dates	Author	Changes made (unless new document) Significant or Non-significant amendment
V1	23/04/2025	Steve Evans, Assistant Director Transformation	New policy developed and introduced to collate and formalise the different strands of decision-making policy.

Approval Process (latest version)

When new approval process takes place for a significant amendment, the table below will be moved into the 'Procedure Audit Information' table above, by being cut and pasted into the 'Changes made column' in the row that corresponds to the relevant version number.

The table below will then be cleared and completed for the new approval process for the latest version

Key dates and information	
Approved by (including date)	Audit and Governance Committee (23/04/2026)
First approval (implementation) date	23/04/2026
Latest approval (implementation) date	23/04/2026
Review by (3 years from implementation, exception, e.g. 1 year for the Flag Flying Policy)	230/04/2029
Date came to Policy Steering Group	08/04/2026
Reviewers (including date)	CMB and PSG
Changes required to any related Tier 2 Policy resulting from changes to this Tier 2 Policy?	No
Changes required to any underlying Tier 3 Procedure/Guidance resulting from changes to this Tier 2 Policy?	No
Senior responsible colleague	Barrie Fulbrook, Director of Finance and Corporate Services
Direct enquiries to	Steve Evans, Assistant Director Transformation
People Impact Assessment (PIA)	No PIA required – the policy encompasses the need to do a PIA for decisions.

Consultation History of Latest Version

T2 policy and its underlying T3 procedure will be consulted on as a package.

Formal consultation as part of development	Date of consultation
Joint Secretaries (Fire Brigades Union)	Not required
FRSA (Fire and Rescue Services Association and FOA (Fire Officers' Association) consulted	Not required
Colleagues via feedback in One Team Update as part of policy development	May One Team Update 2026, this covered all colleagues

Internal services meeting as part of policy development	Covered in May One Team update
Informal consultation post-implementation	Date of consultation
Colleagues via feedback in One Team Update as part of periodic checks	Through 2026/27
Internal services meeting as part of periodic checks	Through 2026/27

By: Director of Finance and Corporate Services
To: Audit and Governance Committee - 23 April 2026
Subject: EXTERNAL AUDITORS' AUDIT PLAN FOR 2025/26
Classification: Unrestricted

FOR DECISION

SUMMARY

In preparation for the external audit of the Authority's Financial Statements for 2025/26, this report presents to Members the External Auditors' Audit Plan for the year ending 31 March 2026 and provides a summary of the key areas that the Auditors are required to assess to ensure compliance with auditing standards.

The scope of the audit is set in accordance with the Code of Audit Practice and the International Standards on Auditing (ISAs) (UK). At the end of their review, the Auditors will provide an opinion on the Financial Statements for 2025/26 in their Audit Findings Report and will also comment on the Value for Money arrangements that are in place in their Annual Report. A representative of Grant Thornton will be attending this meeting to present their Plan for the audit.

RECOMMENDATION

Members are requested to:

1. Consider and approve the External Auditors' Audit Plan for the year ending 31 March 2026 (paragraphs 2 to 3 and **Appendix 1** refer).

LEAD/CONTACT OFFICER: Director of Finance and Corporate Services – Barrie Fullbrook

CONTACT DETAILS: T: 01622 692121 | E: kmfracclerk@kent.fire-uk.org

BACKGROUND PAPERS: None

COMMENTS

Background

1. Members will be aware that, at this time of the year, the External Auditors present those charged with governance, their Plan to review the Authority's Financial Statements for the financial year just ended. As such, details of the areas covered in the External Auditors' Indicative Audit Plan for the year ending 31 March 2026 are set out in the paragraphs that follow.

Audit Plan for 2025/26

2. Attached as **Appendix 1**, for Members' consideration and approval, is the External Auditors' Audit Plan for the year ending 31 March 2026. The Plan reflects recommended audit practice and outlines the Auditors' strategy in delivering the audit. The Plan therefore covers the following areas:-
 - (a) **Introduction and Headlines** - Sets out the risk-based audit approach from an understanding of the Authority's business and identifies the auditing standards under which the audit will take place and the information that Grant Thornton will be expressing an opinion on.
 - (b) **Identified Risks** - Considers the significant potential risks with some areas of focus being prescribed. The Auditors will examine areas that may be significant in nature and those that have a potential to be misstated in the Authority's Financial Statements.
 - (c) **Approach to Materiality Levels** - Details the monetary threshold that the Auditors consider to be material for misstatement purposes and for disclosure requirements, as well as the monetary threshold for differences that are considered trivial in nature, for the purposes of the audit.
 - (d) **Information Technology Audit Strategy** - The Auditors are required to obtain an understanding of the information systems relevant to financial reporting to identify and assess the risks of material misstatement.
 - (e) **Interim Audit Work** - The date at which the audit needs to be completed by has been brought forward this year as part of the backstop changes, and so to ensure that all work can be completed by this date the Audit team have undertaken an interim visit as part of the audit approach. This sets out the work that they hope to cover during that visit.

- (f) **Value for Money (VfM) arrangements** - The Auditors explain the approach on which they will assess their Value for Money work for 2025/26, as defined by the National Audit Office Code.
 - (g) **Audit Fee Estimate** - This section sets out the proposed fee for the work the Auditors intend to undertake in reviewing the Financial Statements for 2025/26 and their Value for Money assessment.
3. Once the External Auditors have finished their review of the Financial Statements for 2025/26 and discussed this with Officers, they will present their Audit Findings Report to the Audit and Governance Committee. This report will detail any issues arising from the audit and provide their anticipated opinion on the Financial Statements for 2025/26. The Audit Findings Report will be reported to the Audit and Governance Committee at its September meeting, along with the External Auditors' Annual Report which will include their Value for Money conclusion. It is anticipated that the Annual Report will then be presented to the full Authority meeting in October 2026 for information.

IMPACT ASSESSMENT

4. This paper provides further assurance to Members that the Authority is complying with all the necessary statutory reporting requirements. The external assessment of the Financial Statements and the Value for Money conclusion will involve scrutiny of processes and documented evidence.

RECOMMENDATION

5. Members are requested to:
- 5.1 Consider and approve the External Auditors' Audit Plan for the year ending 31 March 2026 (paragraphs 2 to 3 and **Appendix 1** refer).

The Audit Plan for Kent and Medway Fire and Rescue Authority

Year ending 31 March 2026

23rd April 2026



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Introduction and headlines



Purpose

This document provides an overview of the planned scope and timing of the statutory audit of the Kent and Medway Fire and Rescue Authority ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Kent and Medway Fire and Rescue Authority. We draw your attention to these documents.

Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Authority's financial statements that have been prepared

by management with the oversight of those charged with governance (the Audit and Governance Committee); and we consider whether there are sufficient arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority and is risk based.

Introduction and headlines (continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- Valuation of Land and Buildings
- Valuation of the net pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be **£2.6 million** (PY £2.3 million) for the Authority, which equates to 2.5% of your prior year gross operating costs for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at **£130,000** (PY £115,000).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any significant weakness areas or related risks, requiring separate attention. We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

Audit logistics

Our interim visit will take place in March and April and our final visit will take place between June and September. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £117,608 (PY: £121,905) for the Authority, subject to the Authority delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) 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.

Significant risks identified

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.

Significant risk	Audit team's assessment	Planned audit procedures
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p>	<p>We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design and implementation effectiveness of management controls over journals; • analyse the journals listing using data analytics tools and determine the criteria for selecting high risk unusual journals; • test unusual journals made during the year and at year end for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Valuation of Land and Buildings	The valuation of land and buildings represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.	<p>We will:</p> <ul style="list-style-type: none"> • document our understanding management's process and controls for the calculation of the estimate • evaluate the competence, capabilities and objectivity of management's expert • evaluate the consistency of the disclosure with the valuation report • review accounting estimates, judgements and decisions made by management with respect to the code changes as detailed in page 26 • evaluate the basis on which the valuations have been carried out • evaluate the information and assumptions used by the valuer • evaluate the accounting entries for the valuation • evaluate the reasonableness of the assumptions used to form the estimate



Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
Valuation of the net pension liability	<p>The valuation of the pension fund net liability, comprising the Local Government Pension Scheme (LGPS) and Firefighter's Pension Scheme (FFPF) represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.</p>	<p>For both the LGPS and FFPF we will:</p> <ul style="list-style-type: none"> • document our understanding management's process and controls • evaluate the competence, capabilities and objectivity of management's expert • evaluate the consistency of the disclosure with the actuarial report • evaluate the reasonableness of the assumptions used to form the estimate <p>For the LGPS Scheme we will:</p> <ul style="list-style-type: none"> • obtain assurances from the pension fund auditor on the underlying data shared by the fund to the actuary which has been used in the calculation of this estimate • where IFRIC 14 is applicable we will review the IFRIC 14 assessment carried out by the actuary and evaluate the reasonableness of the assumptions used as part of the assessment. <p>For the FFPF scheme we will:</p> <ul style="list-style-type: none"> • Sample test the underlying data which has been provided to the expert and used in the calculation of this estimate to ensure accuracy (Contributions, benefits and lump sum)

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue</p> <p>Rebutted for all streams</p>	<p>We have identified and completed a risk assessment of all revenue streams for the Authority. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams.</p> <p>We have rebutted the risk of fraud due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the revenue streams both individually and collectively.</p>	<p>We therefore recognise the risk but do not consider this to be a significant risk for the Kent and Medway Fire and Rescue Authority.</p> <p>To gain assurance over the Authority's revenue we will:</p> <ul style="list-style-type: none"> • evaluate the Authority's accounting policy for recognition of income for appropriateness and compliance with the Code • agree on a sample basis relevant income and year end debtors/income accruals to invoices and cash payment or other supporting evidence • test on sample basis, invoices issued prior to and following 31 March 2026 to determine whether income is recognised in the correct accounting period
<p>The expenditure cycle includes fraudulent transactions</p> <p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p> <p>Rebutted for all streams</p>	<p>We have considered the risk of material misstatement due to the fraudulent recognition of expenditure. We have considered each material expenditure area, and the control environment for accounting recognition. We were satisfied that this does not present a significant risk of material misstatement as:</p> <p>The control environment around expenditure recognition (understood through our documented risk assessment understanding of your business processes) is considered to be appropriate;</p> <p>We have not found significant issues, errors or fraud in expenditure recognition in the prior years audits;</p>	<p>We therefore recognise the risk but do not consider this to be a significant risk for the Kent and Medway Fire and Rescue Authority.</p> <p>To address this risk, we will:</p> <ul style="list-style-type: none"> • inspect transactions incurred around the end of the financial year to assess whether they had been included in the correct accounting period; • inspect a sample of accruals made at year end for expenditure but not yet invoiced to assess whether the estimation of the accrual was consistent with the value billed after the year • investigate manual journals posted as part of the year end accounts preparation that reduces expenditure to assess whether there is appropriate supporting evidence for the reduction in expenditure

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements
 - issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act)

- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
- issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

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.

Description

Determination

We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Authority, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements

Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements

An item may be considered to be material by nature when it relates to instances where greater precision is required.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Our approach to materiality (continued)

Description	Amount (£)	Qualitative factors considered
Materiality for the financial statements	2,600,000	We considered materiality from the perspective of the users of the financial statements. The Authority prepares an expenditure-based budget for the financial year with the primary objective to provide services to the local community, therefore 2.5% of the final 24/25 gross expenditure was deemed the most appropriate benchmark. This benchmark is consistent with our prior year approach.
Performance Materiality	1,950,000	Performance Materiality is based on a percentage of the overall materiality. We have determined to apply 75% of overall materiality considering the requirements of ISA 320.
Specific materiality for senior officer remuneration	100,000 (per officer)	Senior officer remuneration is an area of interest to readers of financial statements. A lower level of materiality in these areas is appropriate due to the nature of these disclosure notes.
Reporting threshold	130,000	This is based on a % of overall materiality, where we have applied a 5% benchmark.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the Authority's financial statements, which resulted in 2 recommendations being reported in our 2024/25 Audit Findings Report. We have followed up on the implementation of our recommendations as below.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p>Completeness of Expenditure - In our review of the completeness of expenditure, our testing identified an invoice that had been incorrectly removed from the closing Goods Received Not Invoiced (GRNI) accrual assessment and thus was accounted for within the wrong financial year. We therefore reviewed the full breakdown of items excluded from the year-end accrual and note this totalled £37,000, including the failed sample. We were therefore content this is isolated to this breakdown and note from our testing of the recognised GRNI within our work on Creditors we did not identify further issues.</p> <p>We recommend that: Management should review and strengthen controls in relation to the preparation of the GRNI accrual and ensure all exclusions are appropriately documented to ensure goods delivered before year-end are appropriately accrued.</p>	<p>Ahead of the financial year end 2025/26 closedown, accruals processes were reviewed the following changes have been made:</p> <ul style="list-style-type: none"> - Extended the deadline for manual accruals to be entered into the finance system by an additional two weeks. - Encouraged colleagues who have responsibility for reviewing purchase orders to attend a drop-in training session with a colleague from Finance to review their Goods Received Not Invoiced Report in detail. Drop-in sessions were arranged for the first week of April.
In progress	<p>Nil Net Book Value (NBV) Assets - In our review of the Fixed Asset Register (FAR), we have identified assets with a historic cost of £8.688 million being held at nil net book value. Nil net book value assets may misrepresent the true value of the Authority's assets, leading to an understatement of total assets and potentially affecting the overall financial position of the entity if the assets are still in use. If the Assets are no longer in use, then the Authority may be overstating their assets within the PPE disclosure on a gross book value basis.</p> <p>We recommend that: The Authority undertake a review of the nil NBV assets to understand if these assets are still in use and to then reconsider the appropriateness of the UEL's of these assets. Alternatively, if they are not in use, they should be disposed of within the FAR</p>	<p>A review of nil value assets for 2025/26 has been undertaken and controls in the closedown process has been enhanced by ensuring that for our Vehicles, Plant and Equipment that two years prior to the end of the existing useful life of these assets we undertake a review as to whether their existing useful life is still a fair reflection of their anticipated use.</p>

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach. We will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Business World	Financial reporting	<ul style="list-style-type: none"> ITGC assessment (design and implementation effectiveness only)
iTrent	Payroll and Pension Contributions	<ul style="list-style-type: none"> ITGC assessment (design and implementation effectiveness only)

Interim Audit Work

Details of work to be conducted at interim:

The backstop date is moving earlier in the year, and thus to ensure that all work can be completed by this date, we will be using an interim visit as a key part of the audit approach. Interim visits should be treated with the same importance as final accounts and will include regular catch-ups between management and the audit team to facilitate this work. An indicative plan of the areas that we would cover at interim is set out below.

Description	Work commentary
Payroll	We will: <ul style="list-style-type: none"> • Select & test a sample of starters, leavers and change of circumstances • review monthly payroll reports up to month 10.
Advance testing areas (month 10)	We will select samples and perform advance testing on: <ul style="list-style-type: none"> • grant income • other operating expenditure • capital additions

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. 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. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

Financial sustainability

How the Authority plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the Authority ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness

How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.



We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

Risks of significant weakness in VFM arrangements

Initial Risk assessment of the Authority’s VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor's work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025/26. We will continue to evaluate risks of significant weakness and if further risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Financial sustainability	Amber No significant weaknesses in arrangements identified, one improvement recommendation in relation to reporting against savings plans.	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2024/25.

- Green** No significant weaknesses or improvement recommendations.
- Amber** No significant weaknesses, improvement recommendation(s) made.
- Red** Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant weakness in VFM arrangements

(continued)

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Governance	Green No risks of significant weakness reported, and no improvement recommendations made.	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.
Improving economy, efficiency and effectiveness	Amber No significant weaknesses in arrangements identified; one improvement recommendation raised in relation to the development of a data quality policy and framework.	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2024/25.

- Green** No significant weaknesses or improvement recommendations.
- Amber** No significant weaknesses, improvement recommendation(s) made.
- Red** Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant VFM weaknesses

As part of our initial planning 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 where we needed to perform additional procedures. The risks we have identified are detailed on the table overleaf along with the further work we will perform. We will continue to review the Authority's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the table below.

Potential types of recommendations



Statutory recommendation

Written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority 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 Authority. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

Logistics

The audit timeline

Key Dates

Audit phases:

Audit and Governance Committee (issue Audit Plan)
23 April

Completion
Following Committee on 24 September

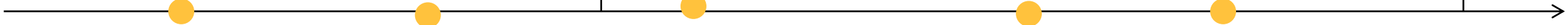
Planning – 3 weeks
From 16 February

Interim – 2 weeks
From 16 March

Initial sampling – 4 weeks
From 15 June

Fieldwork - 9 weeks
From 13 July

Concluding – 1 week
From 14 September



Key elements (Planning)

- Planning meeting with management to set audit scope
- Agree timetable and deliverables with management
- Planning meeting with Audit and Governance Committee to discuss the Audit Plan
- Document key inquiries and risk assessment documents

Key elements (Interim)

- Document design effectiveness of systems and processes
- Review any significant events or transactions
- Complete planned interim testing (see page 14)

Key elements (Initial sampling)

- Select samples for Balance sheet and Income and Expenditure items
- Complete agreement of Trial Balance to accounts

Key elements (Fieldwork)

- Audit team to complete fieldwork and detailed testing on samples selected in initial sampling window
- Audit of the financial statements
- Weekly update meetings with management

Key elements (Concluding)

- Draft Audit Findings Report issued to management and discussed
- Audit Findings Report presentation to Audit and Governance Committee
- Auditor’s Annual Report
- Finalise and sign financial statements and audit report

Our team and communications

Grant Thornton core team

Matt Dean
Engagement Lead

- Key contact for senior management and Audit and Governance Committee
- Overall quality assurance

George Ellis
Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Ronojit Dasgupta
In-charge

- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none"> • Annual client service review 	<ul style="list-style-type: none"> • The Audit Plan • The Audit Findings Report • Auditor’s Annual Report 	<ul style="list-style-type: none"> • Audit planning meetings • Audit clearance meetings • Communication of issues log 	<ul style="list-style-type: none"> • Technical updates
Informal communications	<ul style="list-style-type: none"> • Open channel for discussion 		<ul style="list-style-type: none"> • Communication of audit issues as they arise 	<ul style="list-style-type: none"> • Notification of up-coming issues

Our fee estimate

Our fee estimate

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Authority will:

- prepare good quality sets of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant estimates made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Previous year

In 2024/25 the scale fee set by PSAA was £114,405. The actual fee charged for the audit, including the IFRS16 implementation work was £121,905.

Company	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
Kent and Medway Fire and Rescue Authority	114,405	117,608
IFRS16 implementation	7,500	0
Total (Exc. VAT)	121,905	117,608

Our fee estimate (continued)

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Authority Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the Authority to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £117,608.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year or opinion issued (but not before 1 December 2025)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

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 confirm there are no matters that we are required to report.

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

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority 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.
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.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning 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 and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings Report
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 and Key Audit Matters	●	
Planned use of internal audit	●	
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 matters in relation to going concern	●	●

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 Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Communication of audit matters with those charged with governance (Continued)

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.

Our communication plan	Audit Plan	Audit Findings Report
Views about the qualitative aspects of the Authority's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
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		●

Financial reporting changes

Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for **2026/27**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for **2026/27**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal
- disclosure of management defined performance measures
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from **2027/28**.



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By: Director of Finance and Corporate Services

To: Audit and Governance Committee - 23 April 2026

Subject: EXTERNAL AUDITORS' AUDIT RISK ASSESSMENT, AND ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES TO BE APPLIED BY MANAGEMENT FOR 2025/26

Classification: Unrestricted

FOR DECISION

SUMMARY

Under International Standards on Auditing (UK) Auditors have specific responsibilities to communicate with "Those Charged with Governance," which for this Authority is the Audit and Governance Committee. The External Auditor is required to gain an understanding of the management processes and the Fire and Rescue Authority's oversight of key areas that support the production of the Financial Statements. The document provided at **Appendix 1** sets out the management responses to the questions raised by the External Auditors. Members are asked to review and consider the draft responses and if consistent with their understanding are requested to agree the responses.

Following HM Treasury's thematic review, the 2025/26 CIPFA Accounting Code has updated the requirements for non-investment asset valuations. Consequently, this paper presents a revised accounting policy for property valuations for Members' consideration and formal approval to ensure compliance in the 2025/26 Financial Statements.

RECOMMENDATIONS

Members are requested to:

1. Consider and approve the External Auditors' Audit Risk Assessment (paragraphs 3 to 4 and **Appendix 1** refer).
2. Consider and approve the proposed accounting estimation policy in relation to non - investment asset valuations (paragraphs 5 to 12 refer).

LEAD/CONTACT OFFICER: Director of Finance and Corporate Services – Barrie Fullbrook

CONTACT DETAILS: T: 01622 692121 | E: kmfraclerk@kent.fire-uk.org

BACKGROUND PAPERS: None

COMMENTS

Background

1. Expectations placed on External Auditors, by the Financial Reporting Council (FRC) are increasing each year. There is an increased focus on the accounting estimates applied by management in the accounts as well as the risk of misstatement arising from fraud. Therefore, the External Auditors ask the Authority to provide detailed explanations of the approach taken and the controls in place in these areas. Attached at **Appendix 1** are the Authority's draft responses to the questions asked by the External Auditor. The responses provided aid the Auditors in their risk assessment, and it is the responsibility of the Members of the Audit and Governance Committee to ensure that the responses set out to the questions asked are consistent with their understanding. As such, Members are requested to review and agree the proposed responses and consider whether there is anything additional that needs to be added.

Informing the Audit Risk Assessment 2025/26

2. The International Standards on Auditing (UK) sets out the Auditors responsibilities in assessing the risk of misstatement in the Financial Statements arising from fraud, error, and the risk of misstatement due to the accounting estimates applied by management.
3. These areas require the Auditors to obtain an understanding of management processes and to gain a view on the Authority's oversight of these areas. A summary of the key areas set out in **Appendix 1** is provided below: -
 - (a) **General Inquiries of Management** - Ascertains that management have considered events during the year that may impact on the Financial Statements.
 - (b) **Fraud Inquiries** - Seeks assurance that management and the Authority understand key areas at risk of fraud and have adequate controls in place to detect and reduce the risk of fraud.
 - (c) **Laws and Regulations** - Seeks assurance that the Authority has operated in accordance with the law and regulations.
 - (d) **Related Parties** - Ascertains the procedures in place to identify related party transactions.
 - (e) **Going Concern** - Seeks assurance on the continuation of provision of the services provided by Kent Fire and Rescue Service and that funding of statutory services will continue.

- (f) **Accounting Estimates** - Revised International Standards on Auditing (ISA) 540 require Auditors to understand and assess the Authority's internal controls over accounting estimates and these have been set out in the latter part of **Appendix 1**.

4. Members of the Audit and Governance Committee are requested to review and consider the proposed draft responses to the questions raised by the External Auditors and to highlight any further comments they may wish to add.

New Accounting Policy for 2025/26 – Non-investment Asset Valuations

5. From 1 April 2025, the CIPFA Code of Practice on Local Authority Accounting introduces a significant change to the valuation of non-investment assets. Previously, the Code required such assets to be valued at least every five years, with more frequent "interim" valuations allowed for material properties to ensure the accounts were not materially misstated. The 2025/26 Code moves away from this high-frequency professional valuation model.
6. The updated Code introduces a more proportionate approach, utilising indexation to update values in the years between formal professional valuations. Paragraph 4.1.2.39 of the Code clarifies that "absolute precision" is not required for such asset valuations. Consequently, the previous practice of frequent interim professional valuations for material assets is replaced by a reliance on robust indices.
7. Officers have consulted with the Authority's external valuation experts to identify suitable indices. It has been noted that some indices suffer from significant reporting lags (e.g. March 2026 valuations may only have data available up to December 2025). Furthermore, for specific asset classes like offices, suitable indices may not exist. In such circumstances, the Code mandates a quinquennial (five-year) revaluation cycle, supplemented by a professional "desktop" valuation in Year 3 to ensure the value remains reasonable.
8. Officers also consulted the CIPFA technical team regarding the material fire stations. Given the limitations of current index data, Officers explored continuing with more frequent professional valuations. However, CIPFA confirmed that to remain Code-compliant, the Authority must adopt the new indexation-based framework rather than reverting to the previous bespoke valuation frequency.
9. In determining the accounting treatment, we have tried to take a pragmatic view and consulted with our valuation experts. The Authority has some key considerations, with the recommended approach and we have set out the current policy applied in 2024/25 and the proposed policy for 2025/26.
10. **Valuations Policy for 2024/25**

- The **highest value fire stations** and **service headquarters** are physically inspected and valued every year.
- 25% of the **rest of the estate** is physically inspected and valued each year. Each asset is physically inspected and valued on a four-year rolling cycle.
 - Assets are valued on a desktop basis in the years where a physical inspection and full valuation is not undertaken.

11. **Proposed Valuations Policy for 2025/26**

- **Every fire station** is physically inspected and valued on a five-year rolling cycle:
 - 20% of fire stations will be physically inspected and valued every year.
 - Fire station valuations are subject to an annual indexation adjustment in the years where a physical inspection and full valuation is not undertaken.
- The **rest of the estate** will be physically inspected and valued every five years:
 - A physical inspection and valuation was undertaken in 2024/25.
 - Valuations are subject to an annual indexation adjustment in the years where a physical inspection and full valuation is not undertaken.
 - Where an index is not available the valuer will conduct a desktop revaluation in year three.
 - There is currently no available index for land. Following discussions with CIPFA, our Valuers plan to review whether the land is suitable for residential use or restricted to commercial use. The Valuer will then seek to identify an appropriate index that aligns with the principles of the Code.

12. Members are asked to agree the recommended approach for 2025/26 as set out in paragraph 11. The change in accounting policy is required to ensure ongoing compliance with the CIPFA Code of Practice on Local Authority Accounting.

IMPACT ASSESSMENT

13. This paper provides further assurance to Members that the Authority is complying with all the necessary statutory reporting and accounting requirements.

RECOMMENDATION

14. Members are requested to:

14.1 Consider and approve the External Auditors' Audit Risk Assessment (paragraphs 2 to 4 and **Appendix 1** refer).

- 14.2 Consider and approve the proposed valuations policy for 2025/26 in relation to non-investment asset valuations (paragraphs 5 to 12 refer).

External Auditors' Audit Risk Assessment

Inquiries of management and others

ISA 315 (Revised 2019). 14 requires risk assessment procedures to include inquiries of management and other within the entity. The purpose of this is to support an appropriate basis for the identification and assessment of risks, and design of further audit procedures. Inquiries of management and those responsible for financial reporting and of other appropriate individuals within the entity and other employees with different levels of authority may offer the auditor varying perspectives when identifying and assessing risks of material misstatement. [ISA 315 (Revised 2019). 14 A22-A24].

General Inquiries	Management responses 25/26
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2025/26?</p>	<p>Government grant funding provided to cover pension costs in relation to the Matthews pension case has resulted in additional surplus cash balances being available for investment where the associated costs had already been accounted for in 2024/25 – contributing to the underspend on the Revenue Budget.</p> <p>Pay awards for all pay groups were higher than budgeted for 2025/26 but these costs have been contained within the overall pay budget where some posts were held vacant during the year.</p> <p>The building of the Ashford live fire training facility is well underway and is significant asset under construction.</p> <p>The change in valuation methodology as set out in the CIPFA accounting code changes valuations to indexation and advises that absolute precision is not expected, nor is it achievable.</p>
<p>2. Have you considered the appropriateness of the accounting policies adopted by KMFRA?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>A review of accounting policies is undertaken each year to ensure they are still relevant.</p> <p>We have been reviewing our accounting policy for valuations ready for the revised code changes during 2025/26 to indexation valuations As such, a new accounting policy for the 2025/26 Financial Statements is recommended to the Audit and Governance committee for consideration and approval.</p>
<p>3. Is there any use of financial instruments, including derivatives? If so, please explain</p>	<p>In line with the approved Treasury Management and Investment Strategy the Authority makes use of Treasury Bills and has placed funds in the Government's Debt Management Office account, bank and building society deposit accounts and bank call and notice accounts, Money Market Funds and Local Authority lending.</p>

4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	We are not aware of any significant transactions outside the normal course of business.
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	Ground contamination was identified as part of the preparation for groundworks at the Ashford site. After this finding, a report was commissioned to review several sites for potential land contamination. The impact of the review resulted in asking our Valuers to reassess land values, based on the risk analysis review, which has resulted in a downward revaluation of land values to the accounts. Grant Thornton are aware of the impact of this issue.
6. Are you aware of any guarantee contracts? If so, please provide further details	<p>As far as we are aware the Authority is not party to any guarantee contracts. However, you may wish to note that when a public sector body (e.g. KMTFA) creates framework agreement(s) against which it and other FRSs can enter into contracts, there is a law that could mean in the event of a failure or legal challenge the named Authority could be liable.</p> <p>Kent is named as lead authority on the following national framework agreements:</p> <ul style="list-style-type: none"> - Training - Workwear - Specialist PPE - Ladders Framework - WAN Network Provision for the NFSP Control – via CCS/G-Cloud
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	<p>The Authority continues to be a member of the Fire and Rescue Indemnity Company (FRIC), one of eleven FRA's that are part of the insurance mutual for cover.</p> <p>At the end of each financial year a review of the insurance reserve and outstanding claims is undertaken and where appropriate a provision is made within the accounts.</p>
8. Other than in house solicitors, can you provide details of those solicitors utilised by KMFRA during the year. Please indicate where they are working on open litigation or contingencies from prior years?	<p>We have no in-house solicitors. External legal advice is sought from the following:</p> <p>DLA Piper UK LLP– Procurement and Contract Advice</p> <p>Invicta Law – Property & HR</p> <p>Stotesbury/Red Lion Chambers – Technical Fire Safety</p> <p>Geldards LLP – HR Legal Support (contract issued and approved February 2026)</p> <p>Mills & Reeves specialist advice regarding direct land purchase and building</p>
9. Have any of KMFRA's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	No reports have been made.

<p>10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?</p>	<p>The Authority's insurers provide estimates of outstanding liabilities (reserves) in respect of insurance claims pending against the Authority which are used to calculate any insurance provisions necessary in the accounts.</p> <p>Cluttons advise on property valuations for accounting purposes.</p> <p>Barnet Waddingham LLP provide the information in relation to IAS 19 disclosures.</p> <p>MUFG (previously Link Asset Services) provide the Authority with Treasury and Leasing advice and daily updates.</p> <p>PS Tax have provided specific tax advice in relation to IR35 off payroll suppliers, Benefit in Kind, tax implications for KFRS vehicles, VAT treatment when acting as an agent for national grant funding, VAT treatment for hydrant installation and they continue to be engaged as our general tax advisors.</p> <p>DLA Piper have been used in 2025-26 for PPE procurement, new procurement regulations, T&Cs review, land acquisition and building and procurement planning advice including land purchase and build of the ARC, building of the Ashford Live Fire project, sale of KFRS premises, shared lease of Cold Harbour site with Kent Police.</p> <p>Mills & Reeves have provided specialist advice regarding direct land purchase and building.</p> <p>Invicta Law were used for HR advice and consultancy.</p> <p>Geldards LLP – HR Legal Support – Retainer contract issued to the supplier to provide HR legal support – Contract issued and approved February 2026</p> <p>For the Ashford Live Fire Project (ALP) Atkins Realis and have provided advice to KFRS in several respects of the ALP project. Further to this we have also contracted with Morgan Sindall for the ground re-mediation and build process.</p> <p>BetterGov – Information Architect Consultant – The primary objective of this consultancy work is to conduct a comprehensive analysis of Kent Fire and Rescue Services existing information landscape for internal operations. The goal is to provide a clear, actionable roadmap to improve information accessibility, findability, and overall effectiveness, thereby enhancing operational efficiency and public safety communication.</p> <p>McBains – Consultant for Sustainability – Consultant firm to assist in developing a detailed implementation plan to implement EV charging points project, carry out feasibility of infrastructure requirements and recommendations and create programmes of work, including timelines, responsibilities, resource requirements, identifying suitable funding opportunities where available.</p>
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	<p>MDB Associates Chartered Surveyors advise KFRS regarding compliance with CDM regulations</p> <p>Safe Water IO and SMS provide ongoing advice and recommendations regarding legionella</p> <p>Batchellor Monkhouse provide our Telecoms advice for the 5 locations with external telecoms equipment on board</p> <p>Oakleaf for fire risk assessments</p>
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	We have considered those assets for which an expected credit loss provision may be required under IFRS 9. The debtors and loans of the authority are low in number, and the credit loss provision is below triviality and materiality levels.

Fraud Inquiries	Management responses 25/26
<p>1. Has KMFRA assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p>	<p>The Authority has assessed the risk of material misstatement in the financial statements due to fraud, through the approved Code of Governance Framework which identifies the systems and processes by which the Authority ensures it delivers its aim and objectives and complies with the principle of good governance. Members are required to approve the annual Statement of Accounts. The Authority has a suitably qualified and experienced S.151 Officer/Treasurer who is responsible for ensuring that there are robust systems and processes in place to ensure that the Authority's accounting transactions are captured promptly and recorded accurately to report on progress against budgets and to facilitate the production of the financial statements. We receive regular updates on the Authority's financial position during the year and details of any variances from the approved budget and the extent to which this may impact on reserves. The Accounts include a reconciliation of the revenue budget outturn and the statutory financial statements, and any significant variances are explained in the accompanying report and appendices.</p> <p>Internal Audit establish a plan with Corporate Management Board each year, which is subsequently agreed by the Audit and Governance Committee, to review specific areas of the organisation. These can be to test that policies, procedures, service orders and controls that are in place are applied in the appropriate manner. The outcome of every Internal Audit report is reported to the Audit and Governance committee alongside a relevant action plan. Annual Fraud awareness training is provided with reminders of the Speak Up policy and avenues available to report suspected fraud. Members of Audit and Governance Committee received Fraud Awareness training from the Counter Fraud Manager at KCC prior to the commencement of the November 2024 meeting. All fraud policies have been reviewed and are fit for purpose. The recommended best practice of undertaking the Fighting Fraud and Corruption Checklist has completed and reported to members of the Audit and Governance Committee at the November meeting.</p>

<p>How do KMFRA's risk management processes link to financial reporting?</p>	<p>It is through the Governance Framework that the Authority has assessed the risk of material misstatement in the financial statements due to fraud as very low risk.</p>
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>The risk of fraud can be either internal or external with the internal attempts potentially being through claiming for pay/overtime or expenses or in the misuse of assets and thus we would expect robust controls to be in place to mitigate this risk. Regular training takes place to ensure teams are aware of potential issues. However, the attempted risk of theft / fraud remains a threat from external sources. Vigilance and strong controls in the team help identify erroneous / fraudulent emails purporting to be from any one of our suppliers.</p>
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within KMFRA as a whole, or within specific departments since 1 April 2025? If so, please provide details</p>	<p>We are not aware of any instances of actual, suspected or alleged fraud, errors or other irregularities.</p>
<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>Responsibility for Governance arrangements and for agreeing and receiving reports on Internal and External Audit plans rests with the Audit and Governance committee. Members of the Committee periodically receive training, as part of the committee process, to support them in their role in overseeing this process. The Annual Governance Assurance Report is produced setting out any changes, identifies weaknesses or planned amendments to the governance framework. The KCC Audit Manager assigned to the Authority's contract fulfils the role of Head of Internal Audit for the Authority and provides Members with an annual report on the outcomes of the audit plan, including any fraud investigations undertaken.</p> <p>The Corporate Risk register is maintained and regularly reported to members of the A&G Committee. Emerging risks are discussed with Those Charged with Governance. Progress against the bi-annual fraud plan is reported to members of the Audit and Governance committee.</p>
<p>5. Have you identified any specific fraud risks? If so, please provide details.</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within KMFRA where fraud is more likely to occur?</p>	<p>The risk of fraud can be either internal or external with the internal attempts potentially being through claiming for pay/overtime or expenses or in the misuse of assets and thus we would expect robust controls to be in place to mitigate this risk. Regular training takes place to ensure teams are aware of potential issues. However, the attempted risk of theft / fraud remains a threat from external sources. Vigilance and strong controls in the team help identify erroneous / fraudulent emails purporting to be from any one of our suppliers and have identified early attempts externally to clone a procurement card.</p>
<p>6. What processes do KMFRA have in place to identify and respond to risks of fraud?</p>	<p>The Authority has policies underpinned by regulations and procedures that set out arrangements for financial planning, financial management and financial systems and procedures as well as the management of risk. The Anti-fraud and Corruption procedure contains within its guidance any action that should be taken should an employee suspect a fraud or irregularity. All such policies are considered and approved by Corporate Management Board and where significant updates are</p>

	required, these are reviewed by the Audit and Governance committee and reported to the Authority for approval.
<p>7. How do you assess the overall control environment for KMFRA, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>The Authority operates an effective control environment, policies set out the controls and delegations for the operation of the organisations. The Authority has a Service Level Agreement in place with Kent County Council, for the provision of an Internal Audit Service to Kent Fire and Rescue. They provide an independent and objective assurance on the effectiveness on the controls that are in place. Their reports are reviewed by the responsible Corporate Management Board (CMB) Member and where improvements have been identified an action plan is agreed and monitored for implementation. The CMB (at KFRS) receive regular quarterly internal reports and monitor the progress against action plans. The Head of Internal Audit provides independent reports to the Audit and Governance meeting on the outcomes of the reviews undertaken and progress made on identified actions. The Head of Internal Audit has independent access to the Chief Executive, and should they so wish, to any Member of Audit and Governance Committee.</p> <p>Discussions are usually undertaken with Internal Audit on proposed system control changes. The Authority operates a range of controls to prevent and detect fraud, theft and misuse of funds. This includes arrangements to ensure that employees and stakeholders can raise any concerns or complaints about the way finance is utilised, including where necessary independent access to the Authority's auditors. A fraud register has been established to record all reported or suspected cases, regardless of whether fraud is eventually proven to have occurred. The Authority has an Anti-Fraud and Corruption Framework which was updated and presented to the November 2024 Audit and Governance Committee to reflect the updated policies which underpin that Framework. Within the Framework is an action plan which details the provision for a regular fraud risk assessment with support from the anti-fraud specialist at KCC Counter Fraud team.</p> <p>We are not aware of any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process.</p>
8. Are there any areas where there is potential for misreporting? If so, please provide details	No not as far as we are aware.
<p>9. How does KMFRA communicate and encourage ethical behaviours and business processes of its staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p>	<p>The Authority has policies underpinned by regulations and procedures that set out arrangements for financial planning, financial management and financial systems and procedures as well as the management of risk. The Anti-fraud and Corruption procedure contains within its guidance any action that should be taken should an employee suspect a fraud or irregularity. All such policies are considered and approved by Corporate Management Board and where significant updates are required, these are reported to the Authority for approval. Regular staff seminars, staff focus groups, an internal intranet and a monthly Chief's update (One Team) are a selection of the number of ways in which we communicate and discuss key issues with staff. Towards the end of 2021 we developed a Code of Ethical Conduct, which every single employee in the organisation signed up to. We continually</p>

<p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>encourage all employees to engage in discussion about doing the right thing and about types of ethical behaviour. Dialogue amongst employees is actively encouraged.</p> <p>In relation to Contracts there is a specific reference to the inclusion of EDI and modern slavery in all contracts. We expect all our suppliers to sign up to the Government portal and be transparent in their approach. We also specify a requirement of suppliers to ensure free movement of employees and ensure they have equal rights. All of which is referenced in our Supplier Code of Conduct.</p> <p>Staff are expected to report any activity where deception is used for personal gain to cause a loss to another. There are several ways that employees can report suspected fraud, they can raise it with their Line Manger, direct to the Director, Finance and through the Speak Up Policy.</p> <p>No significant issues have been reported this financial year.</p>
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>High risk posts are determined as those that have authorisation access to the Authority's bank accounts and financial systems, and those posts that have authority to sign off large items of expenditure, expenses, overtime claims and with authority to enter into large contractual commitments.</p> <p>Risks in relation to those posts are determined through their job description and job role and the access available to them. Senior Finance staff with banking access are expected to undertake a DBS check to ensure there is no prior history of fraudulent activity. Roles and processes are set up to ensure a separation of duties in that no one person can process a transaction from start to finish.</p>
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details.</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>We are not aware of any to date.</p> <p>As part of the year end processes all Members, Senior Officers, Budget Managers are required to submit a related party declaration. Members are asked to make any declarations of interest known prior to the commencement of each Authority meeting. We ensure separation of duties within the organisation so no one individual can progress a transaction from start to finish. The Authority has issued a procurement policy and guidance for Colleagues when purchasing items which sets out the process in the event of conflict of interest and bribery and corruption.</p>
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p>	<p>The Head of Internal Audit provides independent reports to the Audit and Governance meeting on the outcomes of the reviews undertaken and progress made on identified actions. The Head of Internal Audit has independent access to the Chief Executive, and should they so wish, to any Member of the Fire Authority and the Chair of the Audit and Governance Committee.</p> <p>The Audit and Governance Committee reviewed the Anti-Fraud Framework and supporting policies including the "Fighting Fraud Corruption Locally" checklist in line with best practice to give further clarity of the controls and measures in place within the Authority at its meeting in November 2024 and received training from the Counter Fraud Manager at KCC prior to the November 2024</p>

<p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>meeting. This discussed the latest current issues in relation to fraud and sources of documentation available to them externally. This will help to broaden awareness of the key risks and areas of concerns emerging to enable them to increase their knowledge of emerging issues independently.</p> <p>The Audit and Governance Committee was formed in November 2021 to provide an extra level of independent review of the Governance and Risk arrangements for the Authority, and it is Chaired by a member of the opposition party (Labour). The Committee received an opinion from the Head of Internal Audit in relation to 24/25 financial year at the September 2025 meeting A&G agenda pack Sep 25 - Electronic 2.pdf at the same meeting they also received the Annual Governance Statement 2024/25 for review and agreement. A report from the Chair of Audit and Governance Committee was submitted to the Authority at the October 2025 meeting kmfra_auth_2025-10-16_agenda-and-reports.pdf. The Audit and Governance Committee at its January 2026 meeting reviewed the Annual Auditors Letter Audit & Governance agenda pack JAN 2026.pdf with management response. Progress against the Fraud bi-annual action plan was reported to Audit and Governance at the January 2026 meeting Audit & Governance agenda pack JAN 2026.pdf</p> <p>The documents have been reviewed and the management response and progress against action plans monitored and noted.</p>
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>To date the Authority has not had any reported whistle blowing tips or complaints.</p>
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>To date the Authority has not had any reports made under the Bribery Act.</p>
<p>Laws and Regulations</p>	<p>Management responses 25/26</p>
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with? What arrangements does KMFRA have in place to prevent and detect non-compliance with laws and regulations?</p>	<p>The Authority has an appointed Monitoring Officer and as such a contract is in place Mid Kent Services from April 24. As has always been the case, the Monitoring Officer continues to receive all draft reports so that they are able to advise the Chief Executive should a potential breach of law or regulation be suspected. Officers of the Authority would of course seek legal advice where there was any uncertainty surrounding a particular course of action or question of interpretation of law or regulation and include any issues relevant to the decision in reports to the Authority / Audit and Governance committee.</p> <p>As part of the annual governance assurance self-assessment, senior managers assess the compliance with internal controls, including those designed to ensure compliance with the law. These assessments are validated independently. A system for identifying and considering changes in the law is in place to ensure any implications are picked up and complied with. Policies list relevant legislation applicable to the subject matter.</p>

<p>Are you aware of any changes to the Fire and Rescue Authority's regulatory environment that may have a significant impact on the Fire and Rescue Authority's financial statements?</p>	<p>The Audit and Governance Committee also receives annual reports on the level of assurance around the Authority's governance controls, supported by assessments from Internal and External Audit, which includes compliance with relevant legislation.</p> <p>We are aware of the government's devolution white paper; at this stage we understand our District Councils have taken reports to the Cabinet/Full Council to outline proposals and options and are currently out to public consultation. At this stage there is no significant impact on the FRA financial statements. We continue to monitor the emerging situation, and the Chief Executive meets regularly with other Kent Leaders and the Director of Finance meets regularly with other Kent Directors of Finance in the District and County Councils.</p> <p>There has been CIPFA accounting code change in relation to how PPE assets are valued and there is now a requirement to move to indexation to uplift current values. The Authority has met with their appointed valuers to ascertain how best to implement this change.</p>
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>The Audit and Governance Committee receives the Annual Governance Statement annually for consideration, which includes compliance with internal controls, including those designed to ensure compliance with the law. The Authority's Monitoring Officer receives a copy of all draft reports to ensure compliance with the law. The Committee also receive annual reports on the level of assurance around the Authority's governance controls, supported by assessments from Internal and External Audit which includes compliance with relevant legislation.</p> <p>The Clerk to the Authority oversees all Committee meetings and would have a role in advising Members and Officers of any potential breach of law or regulation particularly in relation to committee procedures.</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2025 with an on-going impact on the 2025/26 financial statements? If so, please provide details</p>	<p>To date we are not aware of any such instances</p>
<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>The Authority continues to be a member of the Fire and Rescue Indemnity Company (FRIC), one of eleven FRA's that are in the insurance mutual for cover.</p> <p>At the end of each financial year a review of the insurance reserve and outstanding claims is undertaken and where appropriate a provision is made within the accounts. We also write to our legal advisors to ascertain if there are any legal cases outstanding at the end of financial year and an assessment is made on their impact in the financial statements is undertaken.</p> <p>We are not aware of any actual litigation or claims that would materially affect the financial statements.</p>

5. What arrangements does KMFRA have in place to identify, evaluate and account for litigation or claims?	Legal expenses have their own account code so they can be easily identified at the end of the financial year. Enquiries are made at financial year end to the Monitoring Officer and those legal organisations that have provided legal advice to KFRS, to determine if they are aware of any litigation or claims that may be made. The Director of Finance and Corporate services is made aware of any potential litigation or claims that could have a financial impact.
6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details	To date we are not aware of any such instances.

Related Parties

Management responses 25/26

<p>1. Have there been any changes in the related parties including those disclosed in KMFRA's 2025/26 financial statements?</p> <p>If so, please summarise:</p> <ul style="list-style-type: none"> • the nature of the relationship between these related parties and KMFRA • whether KMFRA has entered into or plans to enter into any transactions with these related parties • the type and purpose of these transactions 	<p>The Police and Crime Commissioner for Kent is a voting member of the Fire Authority and is Chair of the Bluelight Commercial Board. Membership is open to any organisation with a purpose or interest in the delivery of efficient and effective commercial services in support of blue light services. The Authority is named as a Participating Organisation on a Bluelight Commercial Contract. No further orders have been placed by KFRS under that contract in 2025/26. The contract expired between July 24- Sept 24, depending on the Lot. In addition, as of Feb 2026 KFRS is contracting via a BLC framework for MAIT services (which went live 18th February). Contract to January 2028 (+ 2 x 1 year extension options)</p> <p>The previous Director of Prevention, Protection became a member of the FRIC board in 2024/25. FRIC are the Insurance Mutual of which we are a member. We pay over to them our insurance renewal premiums.</p> <p>The Director of Response and Resilliance is a Trustee with Kent Search and Rescue, in the past we have made donations of surplus equipment to them. They are also an appointee Governor for SECamb. Our partnership with SECamb is documented in the related party financial statements and there is no change to these arrangements.</p>
2. What controls does KMFRA have in place to identify, account for and disclose related party transactions and relationships?	<p>The Authority has a register of Member interests' and all staff are required to declare if they have any secondary employment. Members, Senior Officers, Budget Managers and all those involved in procurement are required to complete an annual return providing details of any possible related party transactions.</p> <p>Enquiries are made to the Committee Clerk for details of changes in Members appointed to the Authority from the previous year and during the year.</p>
3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?	The Authority has several policies in place to ensure separation of duties and related disclosure when procuring, ordering and purchasing services and or goods. Budgets Managers have designated cost centres and budgetary limits within which they can authorise.

4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?	Significant transactions outside of the normal course of business are limited to several key individuals as designated by the Director of Finance within the existing policies that ensure separation of duties.
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Going concern	Management responses 25/26
1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by KMFRA will no longer continue?	The Authority had undertaken a full overhaul of its Risk Management processes and register. The Risk Manager meets with all risk owners to identify emerging risks, risk mitigation and actions arising.
2. Are management aware of any factors which may mean for KMFRA that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	There has been no actual or proposed change to legislation that would indicate that the Authority is not going to continue as a going concern. The Authority is financially stable and has an appropriate level of reserves ready to meet the financial challenges ahead. The assessment of going concern is included in the accounting policy note in the annual Statement of Accounts approved each year by Members.
3. With regard to the statutory services currently provided by KMFRA, does KMFRA expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for KMFRA to cease to exist?	Statutory Services will continue to be provided by KMFRA
4. Are management satisfied that the financial reporting framework permits KMFRA to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	<p>Whilst the Government Grant settlement has been on a rolling basis in past years, the Authority endeavours to ensure that it remains in a healthy financial position. The Authority approved a Community Risk Management Plan and associated areas of focus, underpinned by enabling plans which is supported by the 4-year Medium Term Financial Plan. To mitigate a potential risk associated with reductions in public spending the Authority has set aside a healthy level of reserves to help resource any short-term cost impact.</p> <p>As part of the Capital Strategy the Authority has modelled a 10-year Capital plan that is prudent, affordable and sustainable.</p> <p>The above processes have not cast any significant doubt on the Authority's ability to continue as a going concern.</p>

Accounting Estimates	Management responses 24/25
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the	New pension regulations in relation to the McCloud and separately the Matthews court case, became effective in October 2023. Most additional costs arising from the application of the revised legislation, in both cases, will likely fall on the Firefighters' Pension Fund, with the financial impact in the main

<p>need for, or changes in, accounting estimate and related disclosures?</p>	<p>likely to be reflected in the actuarial valuations. Only relatively small elements of the costs are likely to fall to the respective FRA directly.</p> <p>CIPFA accounting code changes in relation to the valuation of PPE require the Authority to change the valuation methodology applied to indexation. The Authority is currently discussing this with the valuer.</p>
<p>2. How does KMFRA's risk management process identify and address risks relating to accounting estimates?</p>	<p>The Authority's financial management team review current risks to the accounting estimates by keeping abreast of emerging issues through regular meetings with other Chief Financial Officers, Fire Finance Network, regular CIPFA briefings and workshops, regular financial news alerts. Regular dialogue is undertaken with the Authority's property valuers, pension actuaries and Treasury advisors.</p>
<p>3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?</p>	<p>The Authority obtains advice for specialist areas of valuation, for Property we appoint Cluttons, for pensions we engage the advice of Barnet Waddingham LLP and for Treasury we engage MUFG (previously Link Asset Group). The CIPFA Code of Accounting Practice is used to ascertain the correct accounting treatment.</p>
<p>4. How do management review the outcomes of previous accounting estimates?</p>	<p>The new financial year accounting estimates are compared to the previous year's accounting estimates to determine if there are any large variances. Reasonableness checks and where necessary explanations are sought from the Authority's specialist advisors.</p>
<p>5. Were any changes made to the estimation processes in 2025/26 and, if so, what was the reason for these?</p>	<p>Changes to the CIPFA accounting code required changes as to how the PPE valuations were undertaken.</p>
<p>6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?</p>	<p>Where the Authority does not have the in-house skill set to undertake estimates in specialised areas then experts outside the Authority are engaged, for example property valuations require them to be undertaken as per Royal Institute of Chartered Surveyors.</p>
<p>7. How does the Fire and Rescue Authority determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?</p>	<p>Inevitably accounting estimates are required at the year end when final information is not available. Estimations are invariably made based on a combination of experience and costs incurred in the respective year. Reasonableness checks are undertaken when the estimate is determined. Any estimates provided by service providers for the year end process will be supported by the necessary evidence and narrative around the basis of their calculation, so this can be considered by officers.</p>
<p>8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?</p>	<p>See above.</p>
<p>9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including:</p>	<p>The calculation of all estimates is clearly documented. The methodology used for each type of significant estimate is documented in the accounts. There is a review process established within the team for independent reviews of the calculations performed.</p>

<ul style="list-style-type: none"> • Management's process for making significant accounting estimates • The methods and models used <p>The resultant accounting estimates included in the financial statements.</p>	
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	See Question 1 Accounting Estimates
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	Estimates are compared to previous years' figures and a variance analysis is undertaken to ascertain consistency. Where there are large variances, a review is undertaken as to the reason and where required further discussions are undertaken with any specialist advice that has been sought for clarity and as part of a common-sense check.
12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate?	The Financial statements clearly state the principles used in determining the value of any estimates needed in the accounts. The Audit and Governance Committee review and scrutinise the accounts and there is the opportunity for any Member to ask any question of detail on the estimates or any figures in the accounts.

Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Land and buildings valuations	20% rolling programme of full valuations undertaken each year on Fire Stations, where possible the authority looks to enforce the new CIPFA code requirements of applying indexation to the remaining PPE. Where no	A review of the information provided by experts is undertaken. Comparisons to the previous year's valuation is made and the percentage increase reviewed. Large increases in values are reviewed and further clarification from the expert is	Yes, the Authority's appointed valuer is Cluttons	The following measurement basis are applied: - <ul style="list-style-type: none"> • Fire Stations and specialised buildings – Current Value using a depreciated replacement cost methodology • Houses and non-specialised buildings – Current Value based on existing use • Assets under construction- Actual Cost 	Yes the CIPFA code has changed and where possible we have tried to apply the new indexation methodology

	indices exist we have worked with our Valuers to ascertain the most appropriate methodology.	requested to understand increases over and above those expected.		<ul style="list-style-type: none"> Surplus and Held for Sale Assets – Fair Value based on the price that would be received on the sale. 	for those assets not subject to a full valuation.
Depreciation	Straight Line Method	The methodology as per CIPFA Code of Practice is applied. The calculation is performed on a pre-populated spread sheet and values are compared to previous years and similar properties for reasonableness	For useful life review only	<ul style="list-style-type: none"> Estimation of Useful Life reviewed annually A sensitivity analysis is undertaken and reported within the financial statements. 	No
Provisions	<p>Insurance and General Provisions - An estimate is made of the excess that could be payable for claims notified but not yet settled.</p> <p>Non-domestic Rate Appeals – Shows the Authority's share of the amounts provided for by the Kent billing authorities.</p>	<p>The Authority reviews its financial exposure to outstanding claims and sets funds asides.</p> <p>The information is provided by the District Councils and is subject to External Audit</p>	Yes	<ul style="list-style-type: none"> Insurance settlement estimates are based on the latest information available at that time in relation to each individual claim. Non-domestic rate appeals are taken from the billing authorities NNDR3 returns from central government and subject to external audit later in year. Figures may be subject change following Audit sign off. 	No
Valuation of defined benefit net pension fund liabilities	A full actuarial valuation is carried out by the appointed actuary every three years (LGPS) and every four years (FFPS) with a roll forward approach taken in other years. Membership data is reviewed annually and updated when necessary.	CIPFA Code of practice IAS 19	Yes	<ul style="list-style-type: none"> Continuous Mortality Investigation's model Discount rate set using Single Equivalent Discount Rate approach RPI set using a Single Equivalent Inflation Rate approach CPI based on adjustment to RPI 	No

Investments	<p>Investments are categorised into those that have an active market with quoted prices (Level1) and those that have some directly observable market information (Level2)</p> <p>Source data used is based on year-end bank, MMF, T-Bill balances held at year end and verified against statements.</p>	CIPFA Code of Practice	Yes	<ul style="list-style-type: none"> Calculations are based on market information as at 31 March 2025 	No
Fair value estimate	<p>Fair Value estimates for PWLB loans are based on new borrowing discount rates.</p> <p>Fair Value estimates for Treasury Bills are based on the mid price value.</p>	CIPFA Code of Practice	Yes	<ul style="list-style-type: none"> Calculations will be based on new borrowing discount rates as at 31 March 2026. The Debt Management Office provides details of the exit costs for PWLB loans, the Authority uses this for disclosure comparison only. Calculations will be based on the mid price value as at 31 March 2026. 	No
Credit loss and impairment allowances	<p>Expected losses are calculated annually for significant credit risk using a provision matrix based on historic write-off of debt, whilst expected credit losses for investments are calculated based on the historic risk of default for each counterparty provided by the Authority's Treasury advisors. Debtors in the balance sheet are</p>	CIPFA Code of Practice	Yes	<ul style="list-style-type: none"> Expected losses are based on historic default information. 	No

	reduced by the impairment allowance				
Accruals	Actual information is used where it is available. System activity reports are provided to support estimates in relation to payroll accruals and the annual leave accrual.	CIPFA Code of Practice	Yes	<ul style="list-style-type: none"> A Goods Received Not Invoiced (GRNI) system report forms the basis of most non-payroll accruals. This is reviewed by Finance and Budget Managers for accuracy before a final journal is posted. Manual accruals require backup paperwork confirming the amount to be accrued (such as a late invoice). Overtime and activity payments are paid two months (recently moved to one month) in arrears so system activity reports confirming approved activity are used to estimate the accrual. System reports confirming actual days/hours are also provided to produce the annual leave accrual. 	No

By: Director of Finance and Corporate Services
To: Audit and Governance Committee - 23 April 2026
Subject: TREASURY MANAGEMENT INDICATIVE OUTTURN 2025/26
Classification: Unrestricted

FOR DECISION

SUMMARY

The Local Government Act 2003 requires the Authority to review treasury management activities and the estimated / actual prudential and treasury indicators for the year. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

This report provides the indicative outturn position for the year, but further year-end adjustments will be required as part of the year-end closure process. As such the final report will be presented as part of the suite of documents to support the approval of the draft Financial Statements for 2025/26 at the September meeting of this Committee.

The Authority continued to prioritise security and liquidity over potential yield in line with CIPFA guidance. Interest rates on deposits have gradually fallen throughout the year, with the Bank of England Monetary Policy Committee voting to maintain the Bank Rate at 3.75% in February 2026. The Authority received a total investment income of £2.724m on an average cash balance of £65.8m compared to budgeted investment income of £1.594m. The additional income is primarily due to the Authority receiving an unexpected grant from the government relating to the Matthew's pension case in July 2025. This grant is expected to be repaid as part of the Firefighters' Pension Fund top-up process for 2025/26 in July 2026. The average rate of interest on balances for the year was 4.14%, which is above the Bank of England base rate and is above the 12-month SONIA (Sterling Overnight Index Average Term rate) rate of 3.76% (March 2026).

RECOMMENDATION

Members are requested to:

1. Approve the indicative outturn on Treasury Management activity for 2025/26.

LEAD/CONTACT OFFICER: Head of Finance, Treasury and Pensions - Nicola Walker

CONTACT DETAILS: T: 01622 692121 | E: kmfraclerk@kent.fire-uk.org

BACKGROUND PAPERS:

Mid-Year Treasury Management and Investment Update for 2025/26 – 25 September 2025

Annual Treasury Management and Investment Strategy 2025/26 – 18 February 2025

COMMENTS

Introduction

1. The Authority approved the Annual Treasury Management and Investment Strategy for 2025/26 at its meeting on 18 February 2025 and the Audit and Governance Committee received a mid-year update at its meeting on 25 September 2025. The report reviewed the main aspects of the Authority's Treasury Management activities up to the end of August 2025 (mid-year), as required by the Local Government Act 2003 and the CIPFA Code on Treasury Management and Capital Finance.
2. The regulatory environment places a responsibility on Members for the review and scrutiny of the Treasury Management Policy and related activities. This report, is therefore, important in providing details of the 2025/26 indicative outturn position (as at 31 March 2026) for treasury activities undertaken during the year and highlights compliance with the Authority's policies previously approved by Members.

Annual Treasury Management Review 2025/26

3. **Economy and Interest Rates** - The Bank of England's Monetary Policy Committee cut interest rates at three meetings this financial year, starting with a 0.25% cut to the base rate in May, bringing it down to 4.25%, a 0.25% cut in August and the most recent coming in December 2025, resulting in a base rate of 3.75%. This meant that although returns on investments have remained high, the Authority has seen the interest rates available on deposits gradually falling throughout the year.
4. **Inflation** - Inflation remains above the Bank of England target rate of 2%, sitting at 3% for February 2026, down from 3.4% in December 2025. However, recent geopolitical tensions have introduced risks of a potential surge in 2026.

Graph 1 shows the Annual CPI inflation rate by month for 2025/26:

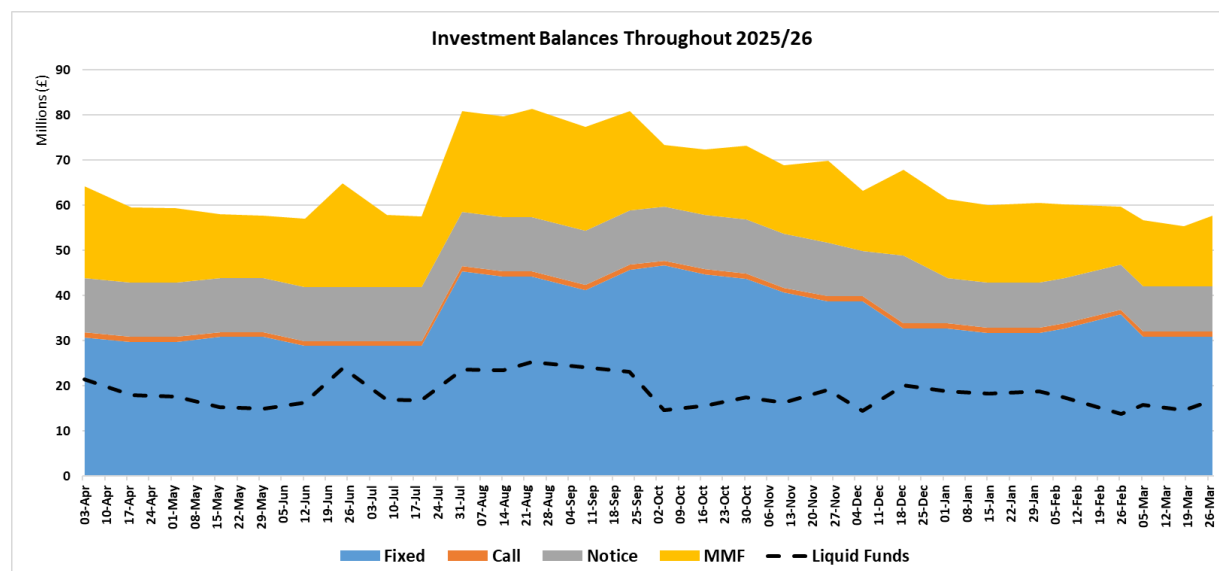


5. **Treasury Position as at 31 March 2026** - The Capital Financing Requirement (CFR) at 31 March 2026 is the net amount of capital expenditure not yet fully funded. The difference between the CFR and the amount of outstanding loans is the element of capital expenditure being temporarily funded from internal cash balances (under-borrowing). **Table 1** shows this comparison to the previous year.

Table 1 – Treasury Position Compared to Previous Year	31-Mar-25	31-Mar-26
	£'000	£'000
Capital Financing Requirement (CFR)	3,959	9,761
External PWLB Borrowing	0	0
Internal Borrowing (Under-borrowing)	3,959	9,761
Total Deposits	66,189	57,099
Less PWLB Borrowing	0	0
Net Deposits	66,189	57,099

6. **Strategy for 2025/26** - The Annual Treasury Management and Investment Strategy for 2025/26, agreed at the February 2025 Authority meeting, saw no changes from the 2024/25 Strategy.
7. The Authority deposits cash balances in a number of different bank deposit and call accounts, money market funds and makes use of the Debt Management Office Treasury Bills. This provides a spread of risk across the accounts and enables the Authority to make the best use of the available rates whilst still prioritising security and liquidity over yield.

Graph 2 shows the daily investment balances along with the total liquid funds throughout 2025/26:



8. **Borrowing in 2025/26** - The Annual Treasury Management and Investment Strategy for 2025/26 identified that some borrowing may be required in 2025. Expenditure has been incurred in this financial year in relation to the Ashford Live Fire development and it was agreed this project will be funded from internal borrowing whilst interest rates remained high. During 2025/26, the Authority maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Authority's reserves, balances and cashflow was used as an interim measure.
9. **Borrowing outturn for 2025/26** - There are no outstanding loans as at 31 March 2026.
10. **Ratio of Financing Costs to Net Revenue Stream** - This indicator shows the impact of the capital plans on the Authority's overall finances (borrowing costs net of investment income), as shown in Table 2. Table 3 details how the net borrowing figure is calculated.

Table 2 – Borrowing Costs net of Investment Income

	2025/26 Outturn
	£'000
Net Revenue Forecast Outturn	96,367
Net Borrowing *see Table 4 below for calculation	1,304
Ratio	1.35%

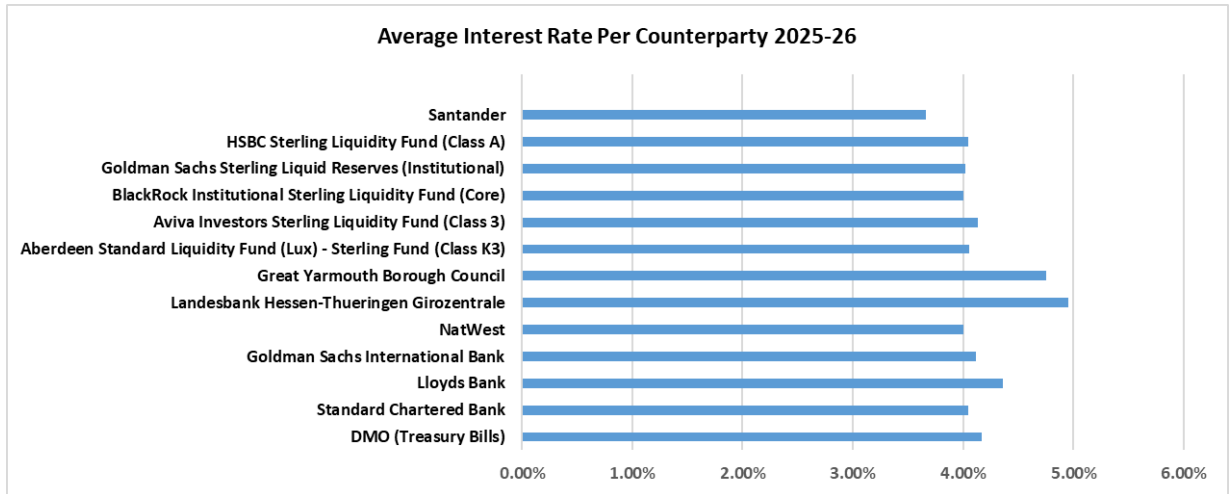
Table 3 – Calculation of Net Borrowing Figure

	2025/26 Outturn
	£'000
Minimum Revenue Provision and Voluntary Revenue Provision*	1,295
Interest paid for borrowing (lease)	9
Net Borrowing	1,304

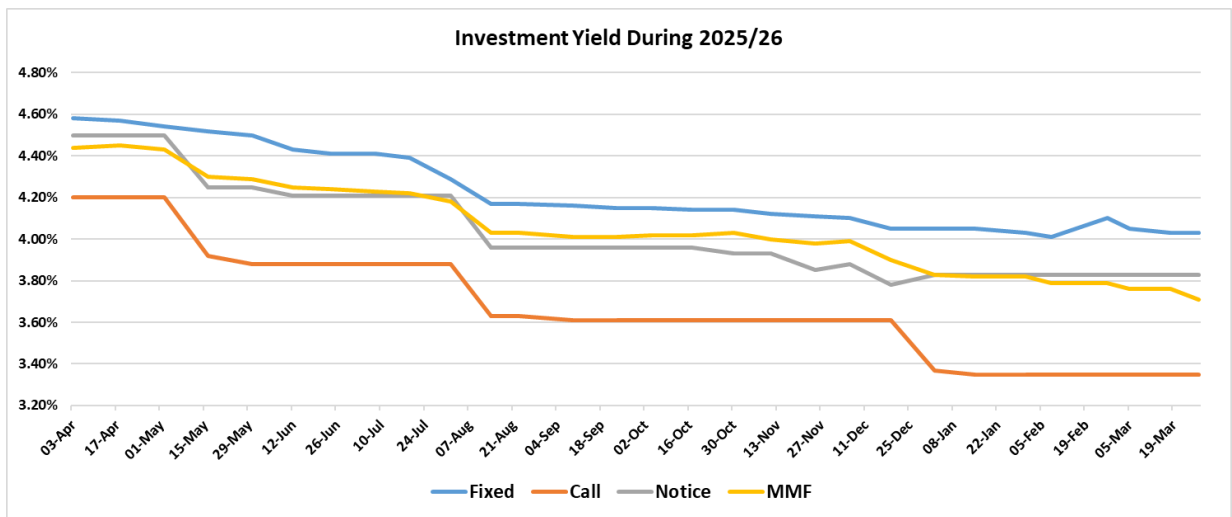
*The provision made by the Authority to finance its CFR.

11. **Investment Rates in 2025/26** - The Authority maintained an average cash balance of £65.8m which when deposited earned an average annual rate of return of 4.14%.

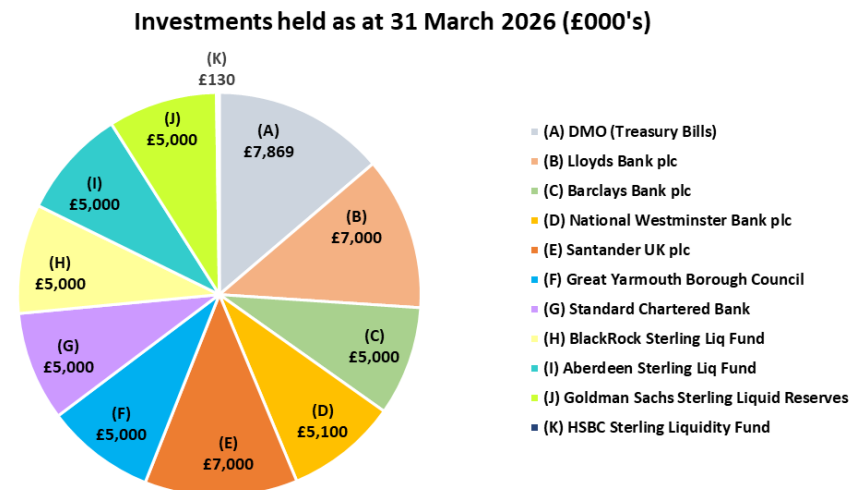
Graph 3 below shows the average annual rate of interest earned per counterparty on deposits placed over the year.



Graph 4 shows the investment yield on deposits for 2025/26 per type of investment:



Graph 5 shows the cash invested per counterparty as at 31 March 2026:



12. **Prudential and Treasury Indicators** - The Table in **Appendix 1** shows the original Prudential and Treasury indicators for 2025/26 together with the actuals for 2024/25 and provisional outturn for 2025/26. There were no breaches of limits in 2025/26.
13. **MIFID II Regulations** - These regulations govern the relationship that financial institutions conducting lending and borrowing transactions have with local authorities from 2018. Members will recall that the Authority 'opted up' to become a professional client to ensure that it continued to receive the same level of advice on investments and borrowing, and access to the same instruments.
14. **Treasury Management Training** - The Treasury Code of Practice states that authorities should ensure that the appropriate level of training is delivered to both Members and colleagues who participate in the delivery and scrutiny of the Treasury Management function. A training session on the latest economic forecast and Treasury Management practices was provided by MUFG Pension & Market Services to Audit and Governance committee members at the January 2026 meeting. The Finance team with direct responsibility, regularly attend seminars and conferences to ensure specialist Treasury and Investment knowledge is kept up to date and some team members have also completed the CIPFA Treasury e-learning modules. One team member has completed the Certificate in Treasury qualification for the Association of Corporate Treasurers and Finance colleagues that oversee treasury activity are CIPFA qualified accountants.
15. All financial implications associated with servicing the Treasury Management functions can be contained within the overall budget.

RECOMMENDATION

16. Members are requested to:
 - 16.1 Approve the indicative outturn on Treasury Management activity for 2025/26.

Prudential and Treasury Management Indicators

	2024/25	2025/26	2025/26
	Outturn	Original Forecast	Forecast Outturn
Prudential Indicators for affordability, prudence, and capital expenditure			
	£'000	£'000	£'000
Revenue Expenditure	93,951	98,232	96,367
Revenue Provision for debt repayment	1,295	1,295	1,295
Capital expenditure	5,852	13,677	11,028
Capital Financing Requirement (CFR) as at 31 March	3,959	13,548	9,761
Total loans outstanding as at 31 March	0	0	0
Ratio of Financing Costs to Net Revenue Stream	1.41%	1.32%	1.35%
Treasury Indicators			
Assumed Operational Boundary for external debt	23,500	38,500	38,500
Assumed Authorised Limit for external debt	27,500	42,500	42,500
Interest rate exposure for borrowing at fixed rates	100%	100%	100%
Interest rate exposure for borrowing at variable rates	20%	20%	20%
Interest rate exposure for investing at fixed rates	100%	100%	100%
Interest rate exposure for investing at variable rates	100%	100%	100%

By: Director of Finance and Corporate Services
To: Audit and Governance Committee – 23 April 2026
Subject: INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION
FOR 2025/26
Classification: Unrestricted

FOR DECISION

SUMMARY

The Accounts and Audit Regulations (England) 2015 require the Authority to maintain an adequate and effective Internal Audit process and as such this is provided by Kent County Council under a Service Level Agreement.

The Professional Internal Audit Standards require the Head of Internal Audit to provide an annual opinion to Members on the adequacy and effectiveness of the Authority's framework of governance, risk management and control. The Internal Auditor's annual opinion is informed by work undertaken as part of the Internal Audit Plan for the 2025/26 financial year. Their opinion also considers the results of audits for the previous two financial years, and the subsequent follow-up work undertaken.

Attached to this report is the final Internal Audit Annual Report for 2025/26 for Members to review. The Chief Audit Executive will be presenting this report at the Audit and Governance Committee meeting.

RECOMMENDATION

Members are requested to:

1. Approve the 2025/26 Internal Audit Annual Report (paragraphs 4 to 7 and **Appendix 1** refer);

LEAD/CONTACT OFFICER: Director of Finance and Corporate Services – Barrie Fullbrook

CONTACT DETAILS: T: 01622 692121 | E: kmfraclerk@kent.fire-uk.org

BACKGROUND PAPERS:

Internal Audit Progress Update for 2025/26 – 29 January 2026

Internal Audit Progress Update for 2025/26 – 25 September 2025

Internal Audit Annual Plan for 2025/26 – 24 April 2025

COMMENTS

Background

1. Section 5 of the Accounts and Audit Regulations (England) 2015 requires the Authority to undertake an adequate and effective internal audit of its risk management, control, and governance processes. The Authority discharges its Internal Audit function under a Service Level Agreement to Kent County Council (KCC). Annually the Chief Audit Executive provides an opinion on the adequacy and effectiveness of the Authority's Framework of Governance, Risk Management and Control. The annual opinion presented in the report is largely informed by work undertaken as part of the Internal Audit Plan for 2025/26 but also considers the subsequent follow-up work undertaken for audits of the previous two financial years.
2. The Chief Audit Executive's opinion is one of the key independent means of assurance available to Members in discharging their role of overseeing the internal control processes implemented by officers and ensuring that a sound system of governance of the Authority's business is in place.
3. The assurance given on individual audits is at the time of issue of that report, but before full implementation of any agreed management action plan. The Authority maintains its own internal follow-up process for audits with assurance levels of "Adequate" and above which are then reviewed by Internal Audit and verified, if necessary, prior to being closed. Internal Audit however undertake full follow-up reviews for all 'limited' and 'no' assurance audits.

The 2025/26 Internal Audit Annual Report

4. The Internal Audit Annual Report for 2025/26 is attached at **Appendix 1** for Members to review and agree. The Chief Audit Executive will attend the Audit and Governance Committee to present this report.
5. In line with the Internal Audit Annual Plan for 2025/26, there have been seven audit engagements completed during the year. This has resulted in four substantial, one high and two adequate opinions. Based on their resultant action plans, Internal Audit have evaluated the audits as follows: five audits obtaining 'very good' prospects for improvement and one obtaining 'good' prospects for improvement. However at the time of writing the Resource Management at Stations Audit is awaiting Internal Audits score on prospects for improvement.
6. All internal audit actions for the 2025/26 audit year have been logged and are managed via the Authority's internal Action Tracker system. This ensures all actions are regularly monitored and progressed in an efficient way, enabling a speedier sign off by Internal Audit in many cases. There are thirteen medium-priority actions due for implementation, of which four have been completed, and a further two are partially implemented. The

remaining seven actions are in progress but not yet due for completion. There is one high-priority action in progress but this is not due for completion until June 2026.

7. The overall opinion for 2025/26 is 'Substantial', meaning the Authority's arrangements for securing governance, risk management, and internal controls have been assessed as suitably designed and applied effectively. The few matters that require attention do not have a significant impact on residual risk exposure but need to be addressed within a reasonable timescale.

Counter Fraud

8. In late 2024/25, the KCC Counter Fraud Team undertook a survey to determine the level of fraud awareness within KFRS. The results of the survey informed the implementation of fraud workshops attended by KFRS colleagues which have recently taken place. Further generalised fraud awareness sessions will also be provided to KFRS Teams over the coming months.

Conformance with Professional Internal Audit Standards

9. Conformance with Professional Internal Standards is mandatory for all public sector internal audit functions. The Standards require Internal Audit functions to maintain a Quality Assurance and Improvement Programme (QAIP), which should include both internal and external assessments of compliance against the Standards. An External Quality Assessment (EQA) undertaken during 2025/26 has recently concluded that the service 'Generally Achieves' the Global Internal Audit Standards (GIAS) and the wider International Professional Practices Framework. The reports are being reviewed for factual accuracy and the results will be brought to this Committee in due course.

IMPACT ASSESSMENT

10. Sufficient resources were available to enable the programme of work to be delivered in 2025/26. The annual internal audit opinion provides Members with assurance that the Authority has robust internal control processes in place.

RECOMMENDATION

11. Members are requested to:

- 11.1 Approve the 2025/26 Internal Audit Annual Report (paragraphs 4 to 7 and **Appendix 1** refer).



Kent and Medway Fire and Rescue Authority (KMFRA)

Internal Audit Annual Report 2025-26

April 2026

Author: Russell Smith, KMFRA Chief Audit Executive

Russell.smith@kent.gov.uk

03000 416707

1. Purpose and Background

1.1 The Annual Report provides a summary of the work completed by the Internal Audit service during 2025-26.

1.2 Professional standards require that an annual report on the work of Internal Audit should be prepared and submitted to those charged with governance, to support the Authority's Annual Governance Statement (AGS), as required by the Accounts and Audit Regulations (England) 2015. This report should include the following:

- An annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework.
- A summary of the audit work from which the annual opinion is derived.
- Any issues which the Head of Internal Audit judges relevant to the preparation of the Annual Governance Statement (AGS).
- A comparison of the work undertaken, with the work that was planned.
- A summary of the performance of the Internal Audit function against its key performance indicators.
- A statement of conformance with professional standards.
- The outcomes from the Internal Audit Quality Assurance and Improvement Programme (QAIP).
- Disclosure of any qualifications to the opinion, with justifications.
- Disclosure of any impairments or restrictions in scope.

1.3 The purpose of this report is to satisfy these requirements.

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7. Internal Audit Resources

8. Counter Fraud Work

9. Disclosure on Impairment and Statement of Independence

Annex A - Summaries

Annex B – IIA Assessment Criteria

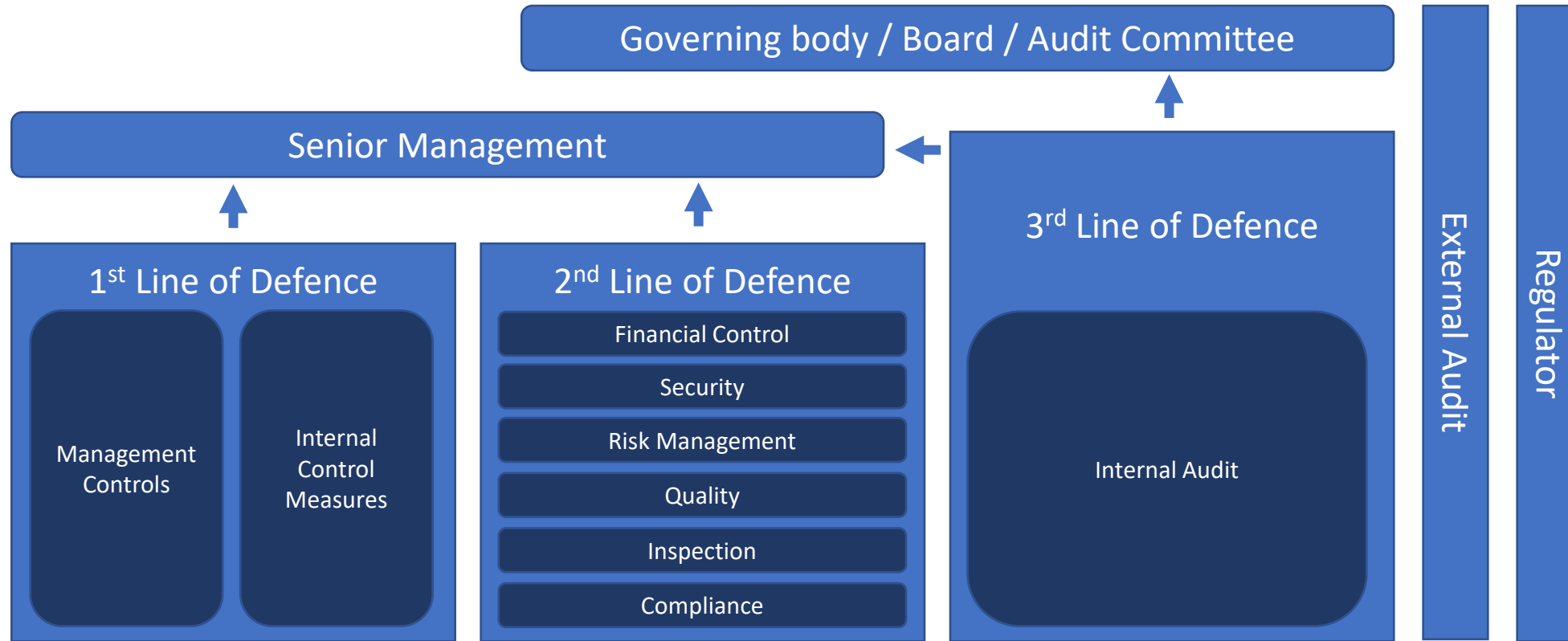
Annex C- Extract of KMFRA Significant Risks

Annex D- QAIP

Annex E- Definitions

1.4 The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines of Defence Model:

Figure 1: Three Lines of Defence Model:



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Annex D- QAIP

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2. Annual Opinion

Overall Assurance and Opinion

2.1 Internal Audit concludes that **‘Substantial’** assurance can be assigned in relation to the Authority’s corporate governance, risk management and internal control arrangements. It should be emphasised that the assignment of an overall “Substantial” assurance opinion in 2025-26 is consistent with the overall opinion since 2019-20. There are no significant matters which need to be included within the Annual Governance Statement.

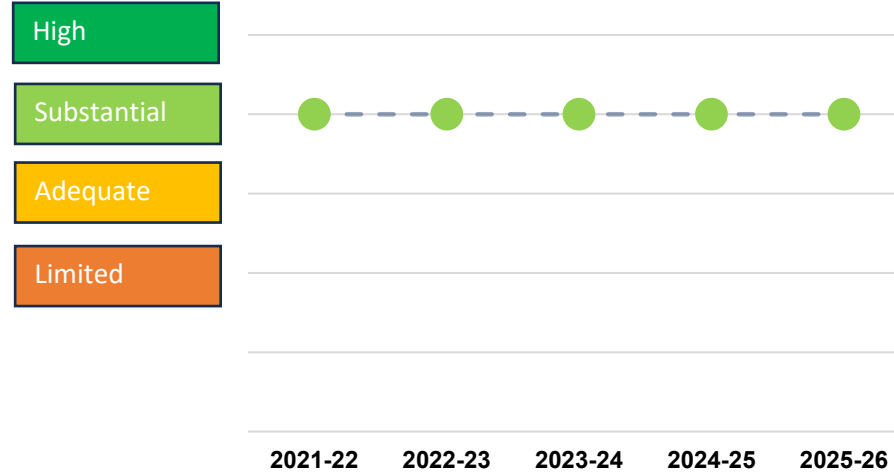
2.2 This opinion is derived from the findings, conclusions and assurances from the work undertaken by Internal Audit during 2025-26 and the progress to implement agreed actions from previous audit reviews. Furthermore, our opinion acknowledges that there have been no instances of material internal or external fraud detected or reported during 2025-26.

2.3 The ability of Internal Audit to remain independent is fundamental to the robustness of the opinion provided. There has been no impairment to our audit work and reporting during 2025-26.

2.4 Members are reminded that they can contact Internal Audit directly for further information on any audit or to discuss any other matter. Contact details are given at the front of this report.

2.5 The opinion is also based on the evaluation of the implementation by management of actions to address internal control and risk management issues identified by Internal Audit reports in which KMFRA continue to address these in a timely fashion.

2.6 No incidences of material external or internal fraud have been detected or reported and there was positive external assurance that the Authority has effective arrangements in place to manage the risk of fraud. This relates to actual losses as there have been attempts to defraud that would have been material but have been prevented.



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2.7 Internal Audit aims to add value and continues to work collaboratively with stakeholders, senior management and the Audit and Governance Committee to improve governance and internal control arrangements via identifying improvements such as:

- Auditing what matters and revising areas of coverage to reflect new risks and assisting the organisation in times of challenge;
- Help the Authority look back and learn from experiences with clear and targeted reports;
- Highlighting emerging risks that require monitoring and managing;
- Championing effective corporate governance, strong risk management, greater efficiency of operations and effective processes and internal controls,
- Continued coverage of information technology and information governance risks;
- Attendance at various external groups to share best practice and inform horizon scanning of significant risks;
- Delivery of an effective proactive and reactive Counter Fraud service;
- Promoting and delivering on the ethos of talent management and development of members of the service;

2.8 There have been no limitations to the scope of Internal Audit work, but it should be noted that the assurance expressed can never be absolute and as such Internal Audit provides assurance based on the work performed.

3. Summary of Internal Audit Work 2025-26

Delivery Against the Internal Audit Plan

3.1 Details of delivery against the 2025-26 Internal Audit Plan including amendments and changes are detailed in **table 1**.

Figure 3: Opinion Comparison

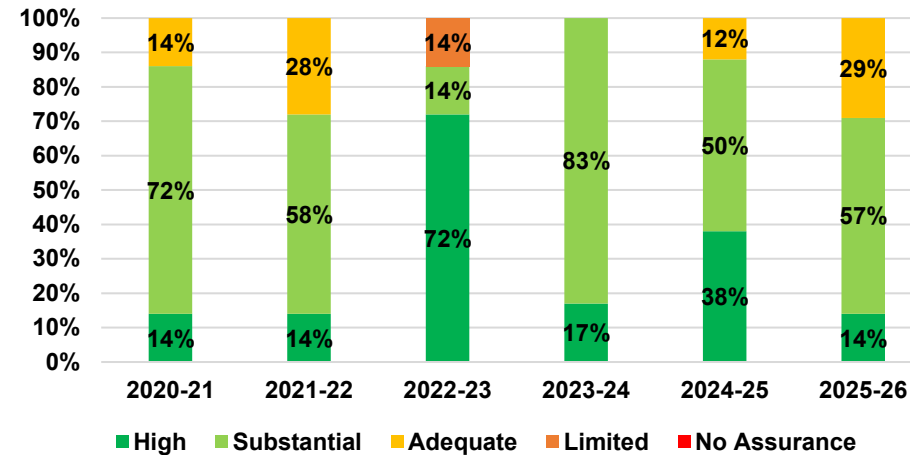


Table 1: Summary of Assurance Opinions 2020-21 to 2025-26

Assurance Level	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
High	14%	14%	72%	17%	38%	14%
Substantial	72%	58%	14%	83%	50%	57%
Adequate	14%	28%	0%	0%	12%	29%
Limited	0%	0%	14%	0%	0%	0%
No Assurance	0%	0%	0%	0%	0%	0%
Substantial or Above	86%	72%	86%	100%	88%	71%

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Annex B –IIA Assessment Criteria

Annex C- Extract of KMFR Significant Risks

Annex D- QAIP

Annex E- Definitions

3.4 Detailed summaries on the outcomes from Internal Audit work completed for 2025-26 Audit Plan have been reported in Progress reports to the Audit and Governance Committee throughout the year.

Figure 4: Prospects for Improvement Annual Comparison

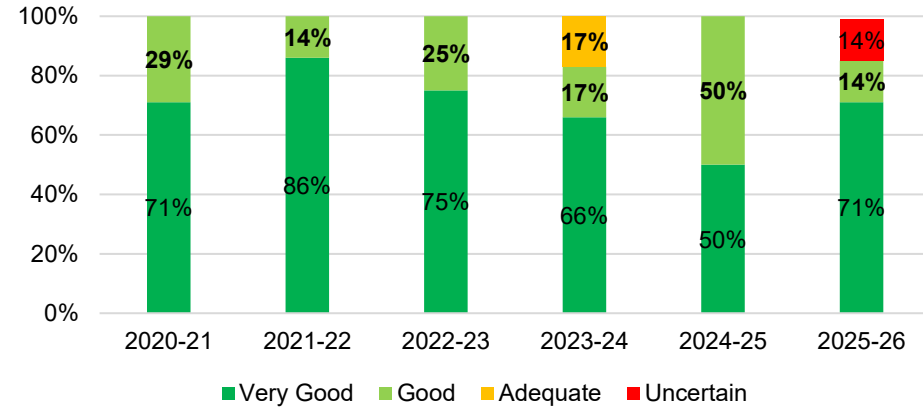


Table 2: Summary of Prospects for Improvement to 2025-26

Prospects for Improvement	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Very Good	71%	86%	75%	66%	50%	71%
Good	29%	14%	25%	17%	50%	14%
Adequate	0%	0%	0%	17%	0%	0%
Uncertain	0%	0%	0%	0%	0%	14%
Good or Above	100%	100%	100%	83%	100%	85%

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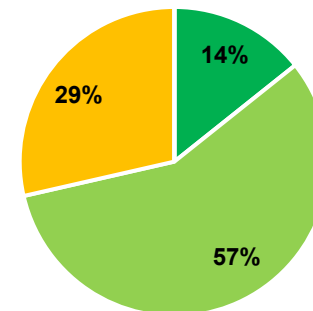
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Ref	Audit	Audit Opinion	Prospects For Improvement	Date Reported to Audit & Governance Committee
FS01	Procurement	High	Very Good	September 2025
FS02	Ethical Standards	Deferred		
FS03	Targeted Education Programme	Substantial	Very Good	April 2026
FS04	ICT – Supply Chain Security	Deferred		
FS05	Recruitment	Substantial	Very Good	January 2026
FS06	Grant Management	Substantial	Very Good	January 2026
FS07	Resource Management at Stations (Crew & Resource Allocation)	Adequate	Uncertain	April 2026
FS08	Channel Tunnel	Adequate	Good	January 2026
FS09	Mental Health	Substantial	Very Good	April 2026

3.7 The original 2025-26 Internal Audit Plan was agreed by the Authority in April 2025.

3.8 The 2025-26 Audit Plan included 8 assurance audits originally. Two audits during the course of the year were deferred to 2026-27 and 1 additional audit included. All work has been completed. **Table 3** summarises the outcomes from the 2025-26 Audit Plan. Audit summaries are provided at **Annex A** for those reviews highlighted above.

Figure 5: Assurance Levels 2025-26



■ High ■ Substantial ■ Adequate ■ Limited ■ No

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Outstanding	Good	Adequate	Requires Improvement	Inadequate
Understanding fire and risk	Preventing fire and risk	Responding to fires and emergencies		
Public safety through fire regulations	Responding to major incidents	Promoting fairness and diversity		
Future affordability	Best use of resources	Managing performance and developing leaders		
	Promoting values and culture			
	Right people, right skills			

Table 4: Summary of Assurance Mapping

Risk	Last Reviewed	Risk Register		1 st Line of Defence				2 nd Line of Defence				3 rd Line of Defence					
		Current	Tolerance	Policies & Procedures	Training	Mgmt. Info	Self Assess Process	Compliance/ Financial Control	Quality	Internal Groups	Risk Mgmt.	3 rd Parties	Partners	Regulators	Internal Audit	External Audit	Other
Cyber Security	2021-22	High	Medium														

Legend	No Assurance Available	Some Assurance Available	Assurance Available	N/A

3.15 The assurance mapping exercises to date have highlighted that there was a range of assurances available for Cyber Security in place. However, as this was completed in a point in time, it will be beneficial to refresh this in the future to ensure that adequate assurances are still available and explore further areas where assurance mapping would be beneficial.

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Figure 7: Root Cause Analysis

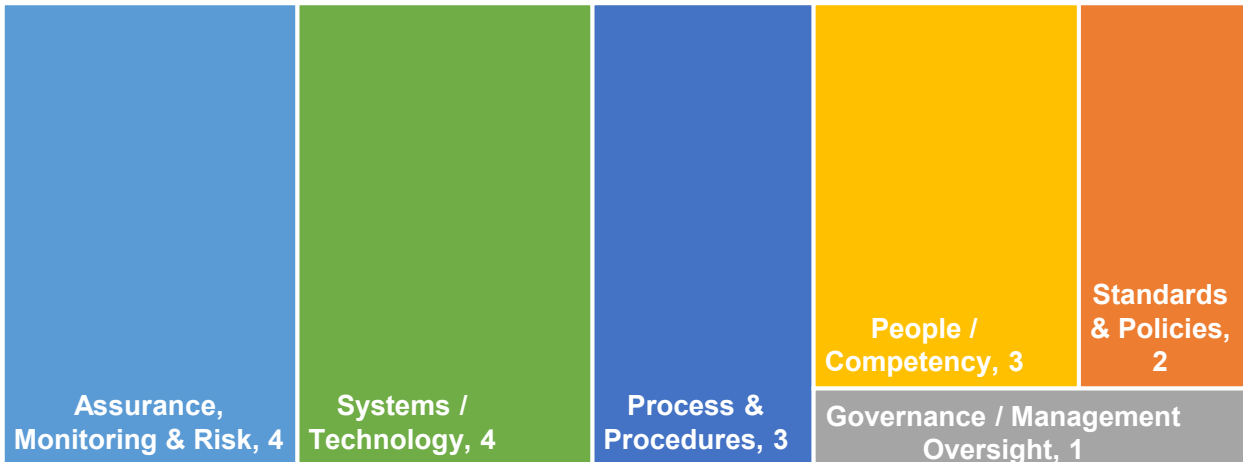


Table 5: Root Cause Category	No
Governance / Management Oversight	1
Assurance, Monitoring & Risk	4
Standards & Policies	2
Process and Procedures	3
Accountability	1
People / Competency	3
Resources	0
Systems / Technology	4
External / Environment	0
Total	18

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	Implemented		Partially Implemented (revised implementation date not yet due)		Not Implemented (original implementation date not yet due)		Not Implemented (revised implementation date not yet due)		Superseded	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
Total	0	4*	0	2	1	3	0	4	0	0

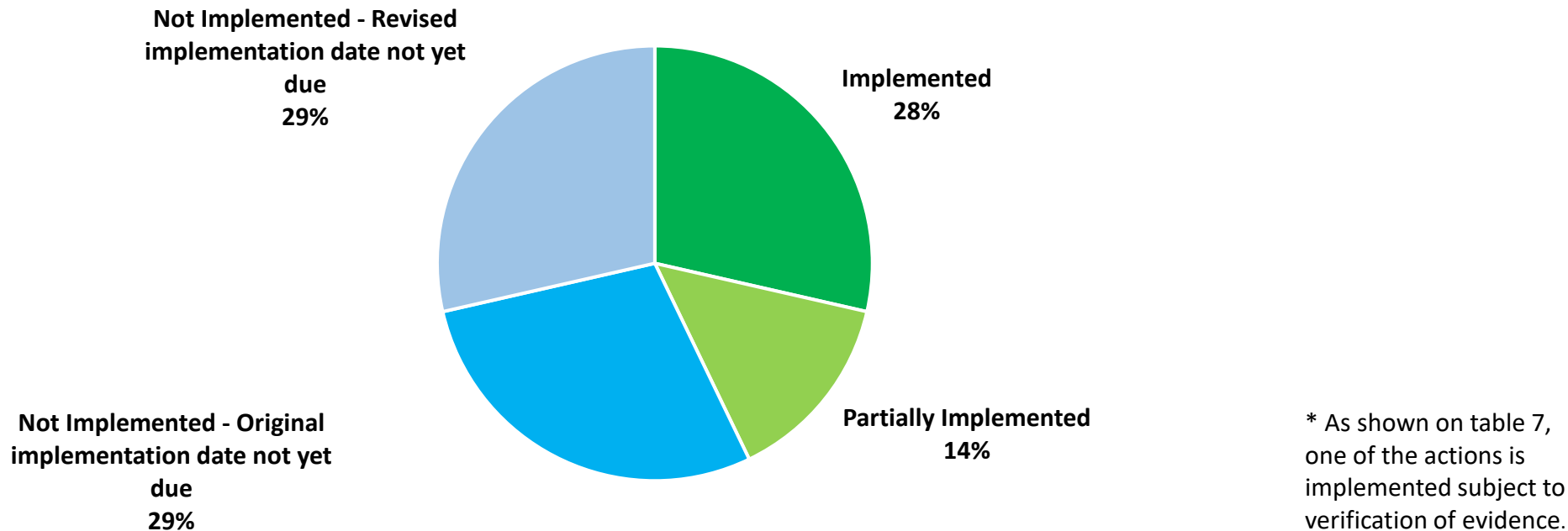


Table 7 – Status of all Open Tracked Agreed Management Actions

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Ref	Audit	Audit Date	Assurance Opinion	Issue	Priority	Original Date	Revised Date	Status
FS05-2025	Disaster (Cyber Security) Recovery and Back-up Arrangements	2 July 2025	Adequate	Issue 1 – Disaster Recovery Plan	Medium	Aug-26	N/A	Not Due
FS05-2025	Disaster (Cyber Security) Recovery and Back-up Arrangements	2 July 2025	Adequate	Issue 2 – Recovery Time Objectives	Medium	Aug-26	N/A	Not Due
FS05-2025	Disaster (Cyber Security) Recovery and Back-up Arrangements	2 July 2025	Adequate	Issue 3 – Cyber Incident Response Plan	Medium	Mar-26	Sep-26	Not Due
FS05-2025	Disaster (Cyber Security) Recovery and Back-up Arrangements	2 July 2025	Adequate	Issue 5 – Cyber Security Due Diligence	Medium	Jan-26	N/A	Implemented – subject to verification of evidence
FS05-2025	Disaster (Cyber Security) Recovery and Back-up Arrangements	2 July 2025	Adequate	Issue 6 – Supplier Arrangements	Medium	Oct-25	Nov-26	Not Due
FS06-2024	Climate Change <i>(target for carbon neutrality amended from 2030 to 2050 since audit)</i>	1 March 2024	Substantial	Issue 2 – Devising a Plan for Funding Arrangements	Medium	Feb-25	Dec-26	Partially Implemented
FS06-2025	Incident Command Training	16 June 2025	Substantial	Issue 4 – Kronos Skills and Rotas	Medium	Jul-26	N/A	Not Due
FS06-2025	Incident Command Training	16 June 2025	Substantial	Issue 5 – Records tracking command hours	Medium	Jul-26	N/A	Not Due
FS06-2026	Management of Grants	2 January 2026	Substantial	Issue 3 - End of Funding	Medium	Mar-26	Jun-26	Not Due
FS08-2026	Channel Tunnel	19 January 2026	Adequate	Issue 1 – Policy and Procedure Review	Medium	Apr-26	Dec-26	Partially Implemented
FS08-2026	Channel tunnel	19 January 2026	Adequate	Issue 2 – Training	High	Jun-26	N/A	Not Due

5. Conformance with Professional Internal Audit Standards

- 5.1 Professional Internal Audit Standards (Standards) are mandatory for all public sector internal audit functions. The Standards require Internal Audit functions to maintain a Quality Assurance and Improvement Programme (QAIP), which should include both internal and external assessments of compliance against the Standards. Outcomes of the QAIP are detailed in **Annex D** which includes actions to be undertaken during 2026-27.
- 5.2 An External Quality Assessment (EQA) has recently concluded, as expected, that the service 'Generally Achieves' the Global Internal Audit Standards (GIAS) and the wider International Professional Practices Framework. The reports are being reviewed for factual accuracy, and the results will be brought to this committee in due course.

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8 a: Internal Audit Performance 2025-26: Internal Audit & Counter Fraud

	Indicator	Target	2024-25	2025-26	Rating	Context
1	Engagement Plan issued 2 weeks prior to commencement of fieldwork start date	90%	75%	29%		<ul style="list-style-type: none"> KFRS have up to 10 working days to agree final Engagement Plans. Fieldwork typically commences immediately after agreement to maintain momentum. This indicator is not included in the new KPIs to be monitored from 2026/27.
2	Verbal feedback to be provided within one week of completion of audit fieldwork	100%	100%	71%		<ul style="list-style-type: none"> While not all Exit Meetings take place within one week of completing audit fieldwork, the adoption of agile auditing means that regular verbal feedback is provided throughout the audit. This indicator is not included in the new KPIs to be monitored from 2026/27
3	Draft Reports to be issued by the date specified in the Engagement Plan	90%	0%	57%		<ul style="list-style-type: none"> Auditors have been reminded to ensure that planned timescales are realistic. Delivery against these timescales, together with the causes of any delays, will be closely monitored during 2026/27.
4	Final Report to be issued within 5 working days of receiving management response	90%	100%	86%		<ul style="list-style-type: none"> The Management of Grants final report was not issued within 5 working days of receiving the management response because of the Christmas annual leave.
5	% Completion of Annual Internal Audit Plan @ 31 March	90%	80%	71%		<ul style="list-style-type: none"> Two audits were not completed by 31 March; however, both were finalised in sufficient time to enable the Annual Opinion to be reported to the April Audit and Governance Committee.

6. Internal Audit Performance

8 b: Internal Audit Performance 2025-26: KFRS

	Indicator	Target	2024-25	2025-26	Rating	Context
1	Agreement of Engagement Plan to be provided prior to fieldwork start date	90%	100%	100%		<ul style="list-style-type: none"> Engagement Plans are agreed promptly.
2	Response to Draft Report and Action Plan to be provided within 10 working days of issue	100%	75%	100%		<ul style="list-style-type: none"> Responses are provided promptly.
3	Actions plans in response to High and Medium Priority issues raised to be implemented within agreed timescales	90%	100%	100%		<ul style="list-style-type: none"> As explained in Section 4, 100% of actions have been implemented or are due to be implemented by the revised implementation date.

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Client Satisfaction

6.3 At the end of each audit review, a client satisfaction questionnaire is sent to the auditee. The cumulative result for the surveys received was 100% satisfaction.

6.4 The survey also requested any additional comments and comments received are replicated below in **table 11**:

9: Internal Audit Client Satisfaction

Ref	Audit	Score	Client Overall Experience with our auditor	Client Comments
FS01	Procurement	100%		Was very thorough and valuable
FS03	Targeted Education Programme	N/A		No feedback received
FS05	Recruitment	100%		The auditor was challenging, supportive and methodical in their approach to the audit. Their personable approach got the best out of people.
FS06	Grant Management	100%		No comments
FS07	Resource Management at stations (Crew & Resource Allocation)	TBC		TBC
FS08	Channel Tunnel	100%		Friendly and professional. They set out expectations clearly and was approachable when I needed to seek clarification. Was patient and asked excellent questions to obtain a clearer understanding. Seemed to have a fair and balanced approach
FS09	Mental Health	100%		Warm and friendly auditor, who made the experience easy and a joy.

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7. Internal Audit Resources

7.1 In accordance with the Public Sector Internal Audit Standards and Global Internal Audit Standards, Members need to be appraised of relevant matters relating to the resourcing of the Internal Audit function. The key updates are as follows:

- There are two vacancies within the Internal Audit Team.
 - The Head of Internal Audit and Counter Fraud Service left the service at the beginning of September 2025 – interim arrangements are in place; an interim Head of Internal Audit and an Interim Head of Counter Fraud have been internally resourced until a recruitment exercise is undertaken to fill the post permanently.
 - There is a vacancy for a Principal Auditor within the team, and this is currently being reviewed as to the best approach to backfill this position within the Internal Audit structure. Once explored, a recruitment exercise will be undertaken.
- Audit Management software remains under review for potential enhancements to Internal Audit Processes.
- There is adequate technology available to support the completion of the Rolling Internal Audit Plan including data analytics tools such as PowerBi.
- The use of Artificial Intelligence in Internal Audit Processes is currently being explored to enhance efficiency.

7.2 It is also concluded that there have been no limitations of scope which adversely impacted upon the ability to provide an annual opinion.

8. Summary Counter Fraud Work 2025-26

8.1 There were no fraud or irregularities identified, reported or investigated by Internal Audit during 2025-26.

9. Disclosure on Impairment and Statement of Independence

- 9.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.
- 9.2 Internal Audit independence is achieved by reporting lines which allow for unrestricted access throughout the Authority, which includes senior Management and Audit & Governance Committee members.
- 9.3 There has been no significant restrictions on the scope of Internal Audit work findings during 2025-26. Consequently, it is confirmed that there have been no material factors which have adversely impacted on the independence of Internal Audit and the ability to form an evidenced annual opinion.
- 9.4 Summaries of audit work completed have been provided to the Committee throughout the year.

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Audit Objective

The audit considered whether the Targeted Education Programme:

- is appropriately targeted, using robust risk profiling and prioritisation of schools.
- is delivered effectively, including monitoring, follow-up, and use of the Education Portal.
- is supported by sufficient resources, including staffing, capacity, training, and planning.
- is aligned with policy and national education standards, including NFCC competency frameworks.
- has complete, consistent, and well-governed documentation, including procedural controls and Quality Assurance (QA) evidence; and
- can demonstrate outcomes, impact and continuous improvement through evaluation and quality assurance mechanisms

Audit Opinion	Prospects for Improvement
Substantial	Very Good

Actions	Number	Agreed	Risk Accepted
High	0	0	0
Medium	0	0	0
Low	1	1	0

Key Strengths

Ineffective Targeting	✓	Robust risk-informed targeting model.
	✓	Strong governance of risk groupings.
	✓	Good visibility of targeted delivery coverage.
	✓	Education Portal well-embedded as the single system of record.
	✓	Structured escalation process.
	✓	Active Quality Assurance framework.
Limited Impact Due to Outcome Gaps and Resource Constraints	✓	Comprehensive evaluation framework.
	✓	Outcome measurement evidenced in practice.
	✓	Multi-layered Quality Assurance model.
	✓	Strong staff competency and training compliance.
	✓	Sustained delivery despite staffing fluctuations.
	✓	Resource planning and governance arrangements are sound.
Non-compliance with Policy and Inadequate Documentation	✓	Clear alignment between policy, procedures, and practice.
	✓	Strong procedural governance.
	✓	Documentation actively reviewed through QA and observed delivery.
	✓	Policy and procedures are effectively embedded.

Audit Scope and Scope Limitations

Areas Covered	
Ineffective Targeting	
Limited impact dues to outcome gaps and resource constraints	
Non-compliance with Policy and Inadequate documentation	
Scope Limitations	None

Areas For Development

Low	<p>Issue 1 – Inconsistent Completion of Education Portal Records</p> <p>Although the Education Portal is now embedded and recent samples show strong improvement, QA findings from earlier periods identified inconsistent completion of required fields. Examples include missing next-visit dates, incomplete booking-status updates, inconsistent action-log formatting, and customer feedback recorded in narrative notes rather than in the designated field.</p>
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Audit Scope and Scope Limitations

Areas Covered

- Policies and Procedures
- Roles and Responsibilities
- Consistency in Flexible Rostering Across Stations
- Central Monitoring of Rostering
- Perceptions of Fairness and Transparency

Scope Limitations: None

Areas For Development

- Medium** **Issue 1 – Policies, Procedures and Guidance**
Interdependency between the FRG and RDG requires colleagues to consult multiple documents, increasing the risk of inconsistent interpretation across stations. Survey feedback highlighted unclear shortfall and detachment processes, reinforcing risks to consistency in flexible rostering across stations.
- Medium** **Issue 2 – Lack of Clarity and Resilience in Rostering Roles**
Reliance on single individuals reduces resilience during absence.
- Medium** **Issue 3 – Access to Specialist Skills Information**
Limited visibility of specialist skills restricts effective decision-making when securing cover.
- Medium** **Issue 4 – Insufficient Monitoring of Rostering Effectiveness and Off-the-Run Data**
There is no service-level framework to assess the effectiveness or consistency of delegated rostering, nor proactive monitoring of appliances taken off the run.
- Low** **Issue 5 – Kronos Access**
Restricted access for acting-up colleagues results in workarounds and delayed updates.
- Low** **Issue 6 – Administrative Burden and Inefficient Processes**
Fragmented systems and manual processes create duplication and inefficiency when managing shortfalls and rotas.

Audit Objective
Kent Fire and Rescue Service (KFRS) operates a flexible rostering duty system at all whole-time stations, fully implemented in 2017 following withdrawal of the watch-based model. The system aims to improve efficiency, reduce overtime and strengthen operational resilience, supported by evolving guidance now under review. In January 2025, responsibility for day-to-day crewing was devolved to stations, with Station Leaders accountable for local rostering. This 2025/26 audit provides assurance on flexible rostering arrangements; it does not assess the choice of duty system. On-call stations are excluded.

Audit Opinion	Prospects for Improvement	Actions	Number	Agreed	Risk Accepted
Adequate	Uncertain	High	0	N/A	N/A
		Medium	4	4	0
		Low	2	2	0

Prospects for Improvement Explanation
Many issues arise from a system not designed for fire service use, requiring adaptation and creating complex processes. A new time and attendance system planned for 2027 aims to address these issues. However, prospects for improvement are rated *Uncertain* as it is not yet clear whether the system can be configured to deliver the proposed actions.

Key Strengths

- Policies, Procedures and Guidance**
 - ✓ KFRS has an established framework supporting flexible rostering. The Flexible Rostering Guidance (FRG) sets out core principles aligned to collaborative agreements, with defined ownership and documented version information.
 - ✓ The Resilience & Detachment Guidance (RDG) sets out procedures for managing crewing shortfalls.
- Roles and Responsibilities**
 - ✓ Accountability for resource management and rostering is defined within Station Manager and Crew Manager job descriptions.
- Monitoring and Oversight**
 - ✓ Crewing is supported through daily central monitoring, forward planning reports, shift audits and workforce planning activity, alongside visual station-level tools and some local quality checks.
- Staff Survey Analysis**
 - ✓ Survey responses highlighted strong teamwork and generally effective local management of flexible rostering at station level.

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Audit Objective

Internal Audit assessed the adequacy and effectiveness of mental health support arrangements, covering policies, awareness, and pre- and post-incident support against National Fire Chiefs Council (NFCC) and Employee Wellbeing Maturity Model frameworks. Testing reviewed how support is communicated, embedded through ongoing activity, and how colleagues are prepared for challenging incidents. Post-incident arrangements, including Demobilise and Defuse (D&D), were assessed for clarity and consistency. Strong foundations were identified, alongside opportunities to improve monitoring, visibility, and awareness.

Audit Opinion	Prospects for Improvement	Actions	Number	Agreed	Risk Accepted
Substantial	Very Good	High	0	0	0
		Medium	1	1	0
		Low	3	3	0

Key Strengths

Policies and Procedures	✓ There is a clear Health and Wellbeing Policy that defines roles, escalation, and reporting, aligned to legislation and guidance.
Awareness of Support	✓ A documented communications plan coordinates mental health and wellbeing messages across multiple channels.
Incident Support Mechanisms	<ul style="list-style-type: none"> ✓ There is a range of training, site visits, newsletters and workshops, including suicide prevention, delivered regularly throughout the year, aligned with NFCC good practice. ✓ A conference in September 2026 will raise awareness among green/grey book colleagues and partners.
Post-Incident Support Mechanisms	✓ A structured D&D process identifies wellbeing risks and prioritises post-incident support, with clearly defined activation criteria including impact assessments and officer discretion.
Monitoring and Reporting	✓ Pre- and post-incident wellbeing support is reported to the Health and Safety Committee, with intelligence from support activity used to inform future wellbeing initiatives and workshops.

Audit Scope and Scope Limitations

Areas Covered

- Policies and Procedures
- Awareness of Support
- Pre-Incident & Post-Incident Support Mechanisms
- Monitoring and Reporting

Scope Limitations None

Areas For Development

Medium	Issue 1: Demobilise and Defuse (D&D) Process There is inconsistent recording of D&D training attendance and no monitoring of whether colleagues are contacted promptly after an incident or for subsequent follow-up.
Low	Issue 2: Policy & Guidance Review Policy and guidance review dates were not formally re-approved after schedule changes, causing delays, and no evidence of approval for the Communication Plan was found.
Low	Issue 3: Monitoring and Reporting Mental health reporting is not yet full consolidated, with dashboards under review, limiting visibility of uptake, feedback and trends. Committee reporting lacks data on workshop training uptake, reducing oversight of support.
Low	Issue 4: Mental Health Support Awareness Assurance over awareness and access to mental health support is limited, as no routine feedback mechanism exists. Evidence is not consistently retained to confirm that health and wellbeing communications were issued as planned. KFRS' feedback survey did not assess awareness and lacked documented follow-up, providing insufficient insight to inform improvements to mental health and wellbeing processes.

Annex B - IIA Assessment Criteria Other Sources of Assurance

The Institute of Internal Auditors suggests that the Chief Audit Executive (Head of Internal Audit) should not rely on outdated work that no longer reflects the current risk landscape, is not aligned with the objectives and scope of the internal audit engagement or is otherwise irrelevant. The following criteria is suggested to determine the reliance of internal and external assurance providers:

Assessment of Reliance of Internal or External Assurance Providers

Element	No Reliance	Low reliance	Moderate reliance	High reliance
Purpose	The provider shows limited understanding of, or alignment with, the objectives and scope of the internal audit function. The provider's work lacks relevance or fails to contribute to strategic goals.	The internal audit function recognises the assurance provider's work but performs substantial independent testing or revalidation to confirm the adequacy and accuracy of the findings. Reliance on the work product is minimal and limited to specific, noncritical areas.	A formal agreement or memorandum of understanding establishes authority and delineates the scope of assurance activities. The internal audit function moderately relies on the provider's work products, supplementing them with periodic validations or targeted reviews to ensure alignment with internal audit standards.	A charter or contract provides the authority and scope of assurance activities and establishes the intent for the internal audit function to rely on the assurance provider's work product.
Independence and Objectivity	The provider has significant conflicts of interest and lacks independence.	The provider maintains some independence but may have occasional conflicts of interest.	The provider is mostly independent with minor potential conflicts.	The provider's professional judgment is impartial, free from inappropriate interference from others.
Competency	The provider lacks the necessary experience and qualifications.	The provider has basic qualifications but limited experience.	The provider possesses adequate skills and experience for standard tasks and performs effectively on routine engagements.	The provider understands the risks to organisational processes, how controls are designed to operate in response to the risks, and what constitutes a weakness or deficiency.
Elements of Practice: Risk Assessment and Planning	The provider's methodologies are considered inadequate or misaligned with organisational needs.	Assurance activities are inconsistently guided by risk-based methodologies, with notable gaps in their application or execution.	Assurance activities are guided by generally sound methodologies, but engagement plans may not fully align with best practices or the engagement risk assessment.	Assurance activities are guided by appropriate methodologies and include engagement plans that incorporate a risk assessment.
Elements of Practice: Performance of Assurance Engagements	The provider lacks a demonstrated history of competency, reliability, or adherence to professional standards.	The provider's performance history is uneven, with limited evidence of reliable results. Documentation may be incomplete or fail to meet professional standards.	The provider demonstrates a history of meeting objectives, but the reliability of the results shows some inconsistencies or limitations.	The provider demonstrates a history of achieving the established objectives and producing reliable results. Documentation should be maintained as evidence of performance to relevant professional standards.
Communication of Results	The results of assurance activities are not reported clearly, and there is little or no follow-up on identified issues.	The provider communicates results but may lack clarity or timeliness.	The provider communicates results clearly but may not always provide timely updates.	The results of assurance activities are reported timely to an appropriate level of management, and issues are tracked until they are mitigated.

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Annex C – Extract of KFRMA Significant Risks

Ref	Audit	Status	Audit Committee	Links to Corporate Register	Risk Score
FS01	Procurement	Complete	September 2025	22 IF a Kent run major procurement arrangement fails to meet expectations ... THEN partners' trust and reliance of the Authority will be damaged.– High	Major (16)
FS02	Ethical Standards	Deferred	N/A	97 IF any KFRS colleagues fail to demonstrate and uphold ethical standards in the course of their work, conduct and decision making ... THEN there could be significant impacts on culture and behaviour, and colleague welfare, reputational damage, and legal and financial consequences. (Impact would increase if a senior colleague was involved). – High	Major (15)
FS03	Targeted Education Programme	Complete	April 2026	None identified	
FS04	ICT – Supply Chain Security	Deferred	N/A	36 IF the Authority suffers a large-scale data breach, examples of which include deliberate or accidental sharing of data by an employee, cyber attack or unintended result of a cyber attack ... THEN it may be liable to significant fines from the ICO, legal claims from affected parties, loss of sensitive data, some of which may also be operationally sensitive, and significant loss of trust and reputational damage. Recovery may be protracted, resource intensive and costly. – High	Extreme (25)
				40 IF the Service is impacted by a Cyber (malicious) attack ... THEN the ability to maintain critical functions and services may be impacted, resulting in a failure to maintain legal duties, resulting in significant financial loss and/ or reputational damage. – High	Extreme (25)
FS05	Recruitment	Complete	January 2026	32 IF there is a Failure to recruit to key positions ... THEN there may be service delivery impacts, increased costs due to consultancy charges or overtime, or a reduction in quality of service – Medium	Moderate (12)
FS06	Grant Income	Complete	January 2026	27 IF the government's funding plans (funding formula/Spending Review) disadvantage KFRS ... THEN its MTFP will be compromised.– Medium	Major (16)
FS07	Resources at Stations (Crew and Resource Allocation)	Complete	April 2026	4 IF the arrangements for mobilising emergency resources failed (system failure or need to evacuate) ... THEN an effective emergency response couldn't be maintained including potential for loss of life, fines and reputational damage.– High	Extreme (25)
				86 IF we fail to appropriately prioritise and plan resources to deliver ... THEN we will create confusion, lack of direction and focus, inefficiencies and degradation of colleagues. Programmes, projects and BAU will not be delivered. – High	Extreme (25)
FS08	Channel Tunnel	Complete	January 2026	None Identified	
FS09	Mental Health	Complete	April 2026	82 IF insufficient welfare arrangements are in place for traumatic incidents ... THEN colleagues could be unsupported creating longer term mental health issues	Extreme (20)

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Annex D – Quality Assurance & Improvement Programme (QAIP)

Professional Internal Audit Standards describe the QAIP as:

“A QAIP is designed to enable an evaluation of the internal audit activity’s conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.”

As acknowledged by the External Assessor in 2026, Internal Audit have a robust process for undertaking the QAIP, which includes the completion of the following reviews to confirm compliance with Global Internal Audit Standards (GIAS):

- **Self- Assessment** - completed for each audit engagement, proactive fraud review and complex investigation.
- **Hot Reviews** - complete for each audit investigation and fraud investigation.
- **Cold Reviews**- carried out annually across all clients using a judgemental sample and least one per individual.
- **Internal Assessment** - competed annually against GIAS.
- **External Assessment** - completed every 5 years for Audit and Counter Fraud.
- **Customer Feedback** - competed for each audit engagement and proactive counter fraud review.

Improvements required for the service in 2026-27 include:

Improvement Issue
Implementation of identified actions for compliance with Global Internal Audit Standards
Implemented a more effective approach to following up Cold Reviews.
Continue to develop wellbeing, support and approaches for the team
Ensure delivery of Internal Audit engagements to dates agreed in the Engagement Plans
Delivery of the Internal Audit Plan by 31 st March
Determine an action plan to implement priorities from the Internal Audit Strategy.
Utilisation of artificial intelligence in audit planning.
Review new audit management software for efficiencies in its use including follow-up of management actions.
Improved use of data analytics and embed artificial Intelligence into audit processes.

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Audit Opinion

<p>High</p>	<p>Internal control, Governance and the management of risk are at a high standard. The arrangements to secure governance, risk management and internal controls are extremely well designed and applied effectively.</p> <p>Processes are robust and well-established. There is a sound system of control operating effectively and consistently applied to achieve service/system objectives.</p> <p>There are examples of best practice. No significant weaknesses have been identified.</p>	<p>Limited</p>	<p>Internal Control, Governance and the management of risk are inadequate and result in an unacceptable level of residual risk. Effective controls are not in place to meet all the system/service objectives and/or controls are not being consistently applied.</p> <p>Certain weaknesses require immediate management attention as there is a high risk that objectives are not achieved.</p>
<p>Substantial</p>	<p>Internal Control, Governance and management of risk are sound overall. The arrangements to secure governance, risk management and internal controls are largely suitably designed and applied effectively.</p> <p>Whilst there is a largely sound system of controls there are few matters requiring attention. These do not have a significant impact on residual risk exposure but need to be addressed within a reasonable timescale.</p>	<p>No Assurance</p>	<p>Internal Control, Governance and management of risk is poor. For many risk areas there are significant gaps in the procedures and controls. Due to the absence of effective controls and procedures no reliance can be placed on their operation.</p> <p>Immediate action is required to address the whole control framework before serious issues are realised in this area with high impact on residual risk exposure until resolved</p>
<p>Adequate</p>	<p>Internal control, Governance and management of risk is adequate overall however, there were areas of concern identified where elements of residual risk or weakness with some of the controls may put some of the system objectives at risk.</p> <p>There are some significant matters that require management attention with moderate impact on residual risk exposure until resolved.</p>		

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Prospects for Improvement		Issue Risk Ratings	
Very Good	There are strong building blocks in place for future improvement with clear leadership, direction of travel and capacity. External factors, where relevant, support achievement of objectives.	High	There is a gap in the control framework or a failure of existing internal controls that results in a significant risk that service or system objectives will not be achieved.
Good	There are satisfactory building blocks in place for future improvement with reasonable leadership, direction of travel and capacity in place. External factors, where relevant, do not impede achievement of objectives.	Medium	There are weaknesses in internal control arrangements which lead to a moderate risk of non-achievement of service or system objectives.
Adequate	Building blocks for future improvement could be enhanced, with areas for improvement identified in leadership, direction of travel and/or capacity. External factors, where relevant, may not support achievement of objectives	Low	There is scope to improve the quality and/or efficiency of the control framework, although the risk to overall service or system objectives is low.
Uncertain	Building blocks for future improvement are unclear, with concerns identified during the audit around leadership, direction of travel and/or capacity. External factors, where relevant, impede achievement of objectives.		

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By: Director of Finance and Corporate Services
To: Audit and Governance Committee – 23 April 2026
Subject: INTERNAL AUDIT PLAN, AUDIT STRATEGY, AUDIT CHARTER, KEY PERFORMANCE INDICATORS FOR 2026/27
Classification: Unrestricted

FOR DECISION

SUMMARY

The Accounts and Audit Regulations (England) 2015 require the Authority to maintain an adequate and effective Internal Audit process and as such this is provided by Kent County Council under a Service Level Agreement.

Attached to this report is the proposed Internal Audit Plan, Audit Strategy, Audit Charter, and Key Performance Indicators for 2026/27 for Members consideration and agreement. The Chief Audit Executive will be attending this meeting to present the report.

RECOMMENDATIONS

Members are requested to:

1. Agree the Internal Audit Plan for 2026/27 (paragraph 2 to 4 and **Annex A of Appendix 1** refer);
2. Agree the Internal Audit Strategy for 2026/27 (paragraph 5 and **Annex B of Appendix 1** refer);
3. Agree the Internal Audit Charter for 2026/27 (paragraph 6 and **Annex C of Appendix 1** refer);
4. Agree the Key Performance Indicators for 2026/27 (paragraph 7 and **Annex D of Appendix 1** refer);
5. Agree to delegate any changes to the proposed Internal Audit Plan for 2026/27 to the Chief Executive in consultation with the Director of Finance and Corporate Services, and the Chair of the Audit and Governance Committee should the outcomes from inspection and/or emerging priorities identify a change in assurance needs (paragraph 8 refers).

LEAD/CONTACT OFFICER: Director of Finance and Corporate Services – Barrie Fullbrook

CONTACT DETAILS: T: 01622 692121 | E: kmfraclerk@kent.fire-uk.org

BACKGROUND PAPERS: None

COMMENTS

Background

1. Under the Professional Internal Audit Standards (PIAS) the Chief Audit Executive is required to develop a risk-based Internal Audit Plan. It is intended that the audit work will be completed within the year to inform the overall annual assurance opinion. The Internal Audit Plan is produced prior to the start of each financial year but remains under review throughout the year to ensure continued relevance and alignment with corporate risks and objectives.
2. **The Internal Audit Plan for 2026/27** - The Plan has been created through consultation with Senior Management and key officers, where significant risk areas and priorities have been identified alongside the Corporate Risk Register, review of Strategies and horizon scanning. Each audit engagement will incorporate the Authority's Fraud and Bribery risk assessments as a matter of course. The Internal Audit Plan for 2026/27 is attached at **Annex A of Appendix 1** for members review and agreement.
3. There are seven assurance and one consultancy audit currently planned for 2026/27 focusing on Decision Making, Cyber Security, QA on Home Fire Safety Visits, Supporting Attendance at Work, Ethical Standards, ICT - Supply Chain Security, CRMP and Project Management Consultancy.
4. A reserve list of a further twenty-one audits has also been compiled to identify future audit direction. Fifteen of those listed link to risks identified within the Corporate Risk Register.
5. **The Internal Audit Strategy for 2026/27** – Under the Global Internal Audit Standards (GIAS) there is now a mandatory requirement to implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation. The Internal Audit Strategy for 2026/27 is attached at **Annex B of Appendix 1** for members review and agreement.
6. **The Internal Audit Charter for 2026/27** - formally defines the purpose and scope of Internal Audit activity in line with Global Internal Audit Standards (GIAS) and the Public Sector Application Note. This is required to be reviewed annually to ensure alignment to the standards. The Internal Audit Charter for 2026/27 is attached at **Annex C of Appendix 1** for Members review and agreement.
7. **Key Performance Indicators (KPIs) for 2026/27** - To facilitate the Authority's responsibility to monitor the performance and effectiveness of Internal Audit within the organisation, a suite of Key Performance Indicators (KPIs) have been created as a measurement of performance. Members during the year asked officers to review the existing KPIs for the new financial year. This has been undertaken and the new proposed KPIs for 2026/27 are set out at **Annex D of Appendix 1** for Members review and agreement.

8. New priorities may materialise throughout 2026/27, as such Members are asked to agree to delegate any changes to the proposed Internal Audit Plan for 2026/27 to the Chief Executive in consultation with the Director of Finance and Corporate Services, and the Chair of the Audit and Governance Committee should there be a change in assurance needs during the year.

IMPACT ASSESSMENT

9. There are no budgetary issues arising from this report, which cannot be contained within the existing budget provision.

RECOMMENDATIONS

10. Members are requested to:
 - 10.1 Agree the Internal Audit Plan for 2026/27 (paragraph 2 to 4 and **Annex A of Appendix 1** refer);
 - 10.2 Agree the Internal Audit Strategy for 2026/27 (paragraph 5 and **Annex B of Appendix 1** refer);
 - 10.3 Agree the Internal Audit Charter for 2026/27 (paragraph 6 and **Annex C of Appendix 1** refer);
 - 10.4 Agree the Key Performance Indicators for 2026/27 (paragraph 7 and **Annex D of Appendix 1** refer);
 - 10.5 Agree to delegate any changes to the proposed Internal Audit Plan for 2026/27 to the Chief Executive in consultation with the Director of Finance and Corporate Services and the Chair of the Audit and Governance Committee should the outcomes from inspection and/or emerging priorities identify a change in assurance needs (paragraph 8 refers).



Kent & Medway Fire & Rescue Authority

Internal Audit Plan 2026-27

Audit and Governance Committee

April 2026

Author: Russell Smith, KMFR A Chief Audit Executive

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1. INTRODUCTION

1) This report details the 2026-27 Internal Audit Plan, Audit Charter, Audit Strategy and Key Performance Indicators for approval.

2. RECOMMENDATIONS

2) Members are requested to:

- Agree the Internal Audit Plan for 2026-27 (Section 3 of the report and Annex A);
- Note the Internal Audit Strategy (Section 5 and Annex B);
- Agree the Internal Audit Charter (Section 6 and Annex C);
- Agree the Key Performance Indicators (Section 7 and Annex D).
- Agree to delegate any changes to the proposed Internal Audit Plan for 2026-27 to the Chief Executive in consultation with the Director of Finance and the Chair of the Audit and Governance Committee should the outcomes from inspection and/or emerging priorities identify a change in assurance needs.

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3. 2026-27 INTERNAL AUDIT PLAN

- 3) Under the Professional Internal Audit Standards, the Chief Audit Executive is required to develop a risk-based Internal Audit Plan of all work to be completed to inform the annual overall assurance opinion. To enable an annual assurance opinion to be provided, the Internal Audit Plan is produced prior to the start of each financial year. It is, however, kept under review throughout the year to ensure continued relevance and alignment with corporate risks and objectives.
- 4) The draft Internal Audit Plan for 2026-27 (**Annex A**) has been drawn up in consultation with the Corporate Management Board following a risk-based audit planning process. Significant areas and priorities have been identified by interviewing key officers, reviewing Strategies and the Corporate Risk Register, external horizon scanning and considering our own organisational knowledge. There are no areas that Internal Audit were prevented from including in the Plan. Annex A also sets out how the proposed audits link to the Corporate Risk Register.
- 5) When completed, the outcomes of all the proposed audits will contribute towards the overall Annual Audit Opinion for 2026-27.
- 6) The Plan is designed to fulfil the remit of Internal Audit, as set out in the Charter, and to:
 - enable the Chief Audit Executive to provide an assurance opinion at the end of the year on the overall effectiveness of systems of governance, management and internal control
 - be focused on key risks, and provide assurance on the Authority's management of these risks
 - provide assurance on core systems & management controls
 - support the Authority to embed a strong counter-fraud culture
 - provide advice and information based on management requests, usually in relation to new and developing systems and processes.
- 6) When audit planning for each engagement, the Authority's Corporate Risk Register and Fraud and Bribery assessments will be considered. Provisional scopes and timings provided will be refined and confirmed in Engagement Plans.
- 7) During 2026-27, the Internal Audit Plan will be kept under regular review to ensure the coverage is reactive to any emergent findings from the inspection in early 2027, and the Authority's key priorities and risks. Any amendments to the Internal Audit Plan will be agreed with the Chair of the Audit and Governance Committee and reported to Members at the earliest possible opportunity.
- 8) A potential list of reserve audits have been documented in **Annex A**.

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4. 2026-27 AUDIT RESOURCES

- 9) Internal Audit services are provided and resourced by Kent County Council under a Service Level Agreement which commits a total of 95 days audit delivery per year.
- 10) 8.5 days balance from work to be completed in 2025-26 has been transferred to the 2026-27 Internal Audit Plan.
- 11) Internal Audit considers that the total days are sufficient to provide the required assurances. Should this change and additional assurance or consultancy work be required, the SLA does allow for extra days to be purchased.
- 12) The resources available have been reviewed to ensure that the appropriate mix of knowledge and skills can be provided and that there is sufficient resource to deliver the Internal Audit Plan.
- 13) Internal Audit have sufficient technology available to support the plan through its Audit Management Software and analytical software such as Microsoft PowerBi.

Category	Days
Audit Projects (26-27)	75
Audit Projects (Balance from 25-26)	8.5
Counter Fraud Support	5
Follow-ups	4
Consultancy / Advice	1
Audit Management	4
Contingency	5
Total (95 days + 8.5 days from 25-26)	103.5

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5. INTERNAL AUDIT STRATEGY

13) The Global Internal Audit Standards (GIAS) includes a mandatory requirement (Standard 9.2) for the Chief Audit Executive to:

“...develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation.” The Standard further specifies that the strategy “include a vision, strategic objectives, and supporting initiatives for the internal audit function.” This is considered within the profession as the most significant change of the revised Standards.

14) **Annex B** sets out the current Internal Audit Strategy. The Internal Audit Strategy will be reviewed during 2026-27 and reported to the Audit and Governance Committee for approval.

6. INTERNAL AUDIT CHARTER

15) Under the [Global Internal Audit Standards](#) (GIAS) and the Public Sector Application note which are mandatory for internal audit practice in the public sector, the nature of Internal Audit activity must be formally defined in an Audit Charter (Charter). The Charter sets out the purpose and scope of internal audit within KMFRA; it also confirms the independence of the service, defines reporting arrangements and authorises Internal Audit access to all systems, records, personnel and assets that are deemed necessary in order to undertake Internal Audit and Counter Fraud work. The Charter was last approved by the Audit and Governance Committee in April 2025.

16) For 2026-27, the Charter has been reviewed and there have been no changes since the previous amendments to align to the new [Global Internal Audit Standards](#). The Audit and Governance Committee is asked to review and approve the updated Charter attached at **Annex C**.

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7. PERFORMANCE

17) To facilitate the Audit and Governance Committee's responsibility to monitor the performance and effectiveness of Internal Audit within the organisation, there is a suite of Key Performance Indicators (KPIs) which will be reported to the Audit and Governance Committee alongside the Annual Report and any progress updates. The KPIs have been reviewed by Internal Audit in conjunction with the Director of Finance. The proposed KPIs are set out in **Annex D**; the Audit and Governance Committee are asked to approve these as the measurements of performance to be reported.

8. CONCLUSION

18) The Internal Audit Plan, Strategy and Charter will enable the provision of assurance on the controls in place to manage the key risks facing the Authority. The outcomes of individual audits and the resultant overall opinion on systems of management, governance and control will be reported to Members as part of the Chief Audit Executive's Annual Report in 2027.

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Annex A - 2026-27 INTERNAL AUDIT PLAN

Ref	Audit Title	Nature of Work	Key Contact(s)	Scope	Timing	Days	Link to Corporate Register	Link to Fire Standards
FS01	Quality Assurance (QA) on Home Fire Safety Visits (HFSVs)	Assurance	Director of Protection & Prevention/ Head of Customer and Building Safety	<ul style="list-style-type: none"> The audit will examine the effectiveness of the Services' quality assurance framework for Home Fire Safety Visits, including how compliance with policy and guidance is monitored, how findings are used to drive improvements, and how assurance is reported and overseen. The audit will focus on the quality assurance processes as a whole, with particular focus on the HFSVs delivered by station-based colleagues. The impact of the HFSVs on community risk reduction is outside the scope of this audit. 	Q1	10	Risk 8 – Major (15)	Safeguarding
FS02	Supporting Attendance at Work	Assurance	Chief Executive/ Head of HR	<ul style="list-style-type: none"> The scope of this audit is specifically on sickness. To review and evaluate the effectiveness of how the Authority is using sickness data to manage short-term sickness absence Long term sickness - is the process started promptly and is phased return implemented as expected. To establish the adequacy and effectiveness of controls over the management of on-call sickness 	Q1	10	Risk 82 – Extreme (20)	Leading and Developing People
FS03	Project Management consultancy	Advisory	Director of Finance/ Head of Finance Head of PMO	<ul style="list-style-type: none"> Options appraisals Identification of project costs Identification of resources and stakeholder engagement Setting of realistic timelines Accurate forecasting Monitoring and reporting. 	Q2	5	Risk 23 - Moderate (12)	None identified

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Ref	Audit Title	Nature of Work	Key Contact(s)	Scope	Timing	Days	Link to Corporate Register	Link to Fire Standards
FS04	Decision Making Process including People Impact Assessments (PIAs)	Assurance	CMB/Chief Executive	<ul style="list-style-type: none"> To Provide assurance that there is an adequate decision-making process in place and that decisions have been considered as part of the annual planning process. Confirm PIAs are consistently applied and that decisions do not adversely impact people with protected characteristics. Review the redesigned PIA process, updated training, and role of the new Inclusion Officer. Determine whether PIAs are being completed early in the decision-making process. Evaluate use of a standardised template and consistency of evidence across decision records. Consider risks linked to AI-generated information within the process. Evaluation criteria – KFRS’ framework for governance and decision making. In Feb 26 this is a work in progress. 	Q2	10	Risk 23 - Moderate (12)	Code of Ethics/Leading the Service
FS05	Cyber Security	Assurance	Chief Executive/ Head of IT	<ul style="list-style-type: none"> To align to the Institute of Internal Audits Topical requirements or provide a justification for not doing so. When the Cyber Security new manager starts in March 2026, they will do a risk assessment, so Internal Audit will audit the top risk(s). 	Q3	10	Risk 36 – Extreme (25) Risk 40 – Extreme (25) Risk 43 - Major (16) Risk 41 – Major (16) Risk 88 - Moderate (9)	Digital and Cyber

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Ref	Audit Title	Nature of Work	Key Contact(s)	Scope	Timing	Days	Link to Corporate Register	Link to Fire Standards
FS06	Ethical Standards, Bullying and Harassment – Reporting Processes	Assurance	Chief Executive/ Head of HR	<ul style="list-style-type: none"> McKinsey 7's Framework - Review culture and ethics against the McKinsey 7's Framework Policies & Associated Processes Mechanisms in place to provide assurance to senior managers that values are understood, embedded and enacted in practice Confirm understanding of bullying and harassment. Raising Concerns - Through workshops with staff establish their perception as to the mechanisms and any potential barriers to raising any concerns. 	Q3	18.5	Risk 97 – Major (15)	Code of Ethics/Leading and Developing People
FS07	ICT - Supply Chain Security	Assurance	Chief Executive/Head of IT/ Category Manager ICT	To provide assurance that there are adequate controls in place in relation to IT Supply Chain including mitigation of the risks of Supplier Failure	Q3	10	Risk 72(b) - Extreme (25)	Procurement and Commercial
FS08	Community Risk Management Plan (CRMP)	Assurance	Director of Response & Resilience/ Head of Data and Intelligence/ Area Manager Operational Response	To provide independent assurance that the CRMP framework is robust, data-driven and compliant with national standards (such as the Fire Standards Board, CRMP guidance).	Q4	10	Risk 86 - Extreme (25)	CRMP

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Audit Title	Audit Owner	Key Contact(s)	Link to Corporate Register	Days	Timing
Counter Fraud Support To provide adhoc advice / support as needed	Director – Finance and Corporate Services	Head of Finance, Treasury and Pensions	IACF Fraud & Bribery Assessment	5	Ongoing
Follow-ups To complete follow ups to issues raised with audit reports	N/A	N/A	N/A	4	Ongoing
Audit Management <ul style="list-style-type: none"> Attendance at Audit and Governance Committee meetings Preparation of the Annual Internal Audit Plan Review / update of Audit Charter Preparation of the Interim Progress reports Preparation of Annual Report & Audit Opinion Periodic liaison with client lead Periodic liaison with External Audit 	N/A	N/A	N/A	5	Ongoing
Contingency	N/A	N/A	N/A	6	
Total				103.5	

As per the GIAS Internal Audit must consider topical requirements as part of the annual planning process and at present the only topical requirements published to consider relates to Cyber Security and Third party.

The following lists for each effective Topical Requirement the audit engagement proposed on the audit plan, where these may be used as part/all of the scope:

Cybersecurity Topical Requirement:

- IT Security – Governance and Risk Management
- Procurement Contracting – Controls Third Party Topical Requirement
- Procurement Contracting – Risk Management and Controls

Third party:

Required to be considered for significant commercial contracts only.

As a result, the Cyber Security and ICT Supply Chain Security Audits will need to consider the topical requirement as part of scoping the Internal Audit.

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Audit	Nature of Work	Scope	Director	Link to Risk Register	Link to Fire Standards
1. Policies	Assurance	To provide advice on the changed approach of policy design across KFRS	Chief Executive	None identified	
2. Black Box Thinking	Advisory	To provide assurance that black box thinking has embedded within KFRS. Based on the principle of zero marginal gains, cultural empowerment, high accountability and low blame. Note: The title of the audit is the title of the book, so this would need to be amended, if/when the audit goes ahead.	Chief Executive	None identified	
3. Information Governance	Assurance	To provide assurance that adequate and effective controls are in place for Information Governance which safeguards the organisations information. Feb 26 - CEO has specified this is a priority reserve audit. Would like resource at end of 26/27 for consultancy on information architecture, as feedback would be helpful.	Chief Executive Director – Finance and Corporate Services	Risk 21 – Moderate (9) Risk 36 – Extreme (25)	Data Management
4. Data Quality	Assurance	To provide assurance that recommendations made by external consultants have these been implemented to address any issues with data quality within KFRS. Feb 26 - CEO has specified this is a priority reserve audit.	Director – Finance and Corporate Services	Risk 25 - Major (16)	
5. ICT - Cyber Assessment Framework Cyber Security	Assurance	To provide assurance that KFRS are compliant with the Cyber Assessment Framework.	Director – Finance and Corporate Services	Risk 38 - Moderate (12) Risk 40 - Extreme (25)	Data Management
6. Contract Management	Assurance	To provide assurance that contract management the adequacy and effectiveness of Contract management	Director – Finance and Corporate Services	Risk 22 - Major (16)	Operational Preparedness
7. Authorisation levels/scheme of delegation	Assurance	To provide assurance on the adequacy and effectiveness of authorisation levels/ scheme of delegations.	Director – Finance and Corporate Services	Risk 26 - Moderate (12) Risk 29 - Major (16) Risk 30 – Major (16)	
8. ICT - Cyber Incident Response Plan	Assurance	To provide assurance that on the adequacy and effectiveness of the Cyber Incident Response Plan	Director – Finance and Corporate Services	Risk 38 - Moderate (12) Risk 40 - Extreme (25)	Data Management

Audit	Nature of Work	Scope	Director	Link to Risk Register	Link to Fire Standards
9. ICT - New DR Solution	Assurance	To provide assurance that on the adequacy and effectiveness of the new DR solution	Director – Finance and Corporate Services	Risk 38 - Moderate (12) Risk 40 - Extreme (25)	Data Management
10. Support Plans	Assurance	To provide assurance on the adequacy and effectiveness of support plans put in place for Officers post incident.	Director HR and Culture	Risk 82 - Extreme (20)	
11. Talent Management & Succession Planning	Assurance	To provide assurance that there are effective measures in place to plan for succession planning.	Director HR and Culture	Risk 33 - Moderate (8)	
12. Health and Wellbeing	Assurance	To assess the adequacy and effectiveness of arrangements / facilities available to manage and maintain the Operational Response Crews wellbeing / needs when responding to an incident To also include mental health support available to officer's post incident?	Director HR and Culture	Risk 82 - Risk 82 - Extreme (20)	
13. Fire setters	Assurance	The adequacy and effectiveness of the Authority's collaboration arrangements with local Community Safety Units to identify and prevent (through education / enforcement) anti-social behaviour such as deliberate / nuisance fires	Director Protection, Prevention and Customer Engagement	None identified	Prevention
14. Multiple Fire Alarm Activation	Assurance	To provide assurance that adequate and effective measures are undertaken to address multiple fire alarm activations	Director Protection, Prevention and Customer Engagement	None identified	Prevention
15. KFRS Consultation Response on change of use	Assurance	Adequacy and effectiveness of KFRS response to planning consultations	Director Protection, Prevention and Customer Engagement	Risk 17 - Major (15)	
16. KFRS Property Statutory Compliance (H&S)	Assurance	Compliance with statutory H&S policies relating to KFRS property estate	Director Protection, Prevention and Customer Engagement	None identified	
17. Lone working	Assurance	To assess the adequacy and effectiveness of controls in place over lone working	Director Protection, Prevention and Customer Engagement	Risk 92 - Extreme (25)	

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Audit	Nature of Work	Scope	Director	Link to Risk Register	Link to Fire Standards
18. Facilities Management	Assurance	To provide assurance that there are effective Facilities Management Controls in place and that KFRS are maintained.	Director – Response and Resilience	Risk 44 - Major (16) Risk 45 - Moderate (8) Risk 47 – Moderate (9)	
19. Integration of Policy and Training Response	Assurance	To review links between policy, training and delivery on the front line, assessing the effectiveness of policy and training changes and they are being applied on the front line.	Director – Response and Resilience	None identified	Operational Learning
20. Water Provision	Assurance	To assess whether KFRS are taking the steps necessary to mitigate water provision risks that are within their control.	Director – Response and Resilience	Risk 19 – Extreme (20) Risk 60 – Moderate (12) Risk 90 – Major (15)	Operational Preparedness
21. Treasury Management & Bank Reconciliation Noted moved from Future Audit list as per Dec 2025 CMB meeting.	Assurance	Audit to check compliance with Treasury Management policy & Code of Practice since TM service has returned to inhouse KFRS provision (from KCC)	Director – Finance and Corporate Services	Risk 2 - Major (16) Risk 30 - Major (16)	

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Annex B - INTERNAL AUDIT STRATEGY

Vision

The Vision of the Internal Audit service is “to be recognised as a proactive and trusted advisor, contributing towards organisational resilience, adding value to service delivery through assurance and advisory services aligned to strategic objectives and risks.”

By 2028, Internal Audit aim to enhance the value we add and the offer to the organisations we deliver to by a consistent focus and adaptive approach in the following areas:

- Aligning our coverage to strategic objectives and key risks
- Innovative approaches to auditing
- Workforce Planning and Talent Management
- Creating financial value to the organisation
- Culture of Continuous Improvement

Aligning our Coverage to Strategic Objectives and Key Risks

Internal Audit will provide improved insights and outcomes via ensuring that we have a strong understanding of the organisation objectives and needs and providing assurance on the associated risks and promotion of good governance. By understanding clients’ risks and needs, we can update our risk-based rolling audit plans, accordingly, ensuring a role in advising on strategic changes that benefits the organisation. This approach leads to insightful audits that effectively address issues and enhance value.

Internal Audit will ensure there is extensive engagement with stakeholders across the organisation and regular client meetings foster trust whilst maintaining the critical independence and objectivity needed to add value and we believe this approach will elevate our impact across the Authority and to our clients.

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Innovative Approaches to Auditing

Internal Audit will embrace, develop and adopt the latest technologies and audit approaches across all our work. This innovation will drive more efficient ways of working and be utilised as part of improving the impact of the advice and insights we provide to continuously increase quality and outcomes for the Authority and clients we deliver to.

Our innovative approach will embrace new technology and will include:

- Maximising the benefits of artificial intelligence tools in the planning, testing and reporting of audits to further increase our productivity.
- Transforming approaches to include automated testing, semi-automating the follow up process and continuous auditing. Developing real-time assurance will enable the function to deliver to concentrate on key risks and enable auditors to have more capacity to review more audits which create additional value and insights for the Authority and our clients.
- Increasing the leverage of advanced Data Analytics to provide deeper insights, expanding coverage and provide greater assurance including continuous auditing.

Maximising technological opportunities provides another significant opportunity for more efficient report writing, providing prompt and concise reporting with less manual time and effort, by using graphics to be as user friendly to our clients as possible.

Innovation opportunities also include expanding the use of the agile audit approach to provide enhanced service to stakeholders and management, facilitating regular feedback loops during an audit and increased engagement with stakeholders throughout the audit process, which will increase reporting productivity and quality.

Workforce Planning and Talent Management

Internal Audit will continue, in accordance with organisation Strategies and Policies, to undertake ongoing Workforce Planning and Talent Management, reviews to regularly:

- Review skills, capability, capacity, workforce profile and development requirements.
- Ensure team members have development opportunities.
- Take actions, wherever possible, on staff retention risks.
- Ensure recruitment approaches to attract and secure quality staff.

Internal Audit will remain committed to promoting health and wellbeing for the team so that it creates a culture whereby everybody within the team collectively cares and supports each other

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Creating Financial Value to the Authority

The success in both obtaining new external clients and maintaining existing clients will, subject to agreement with our host organisation, be continued with the aim of maximising the income earned from the delivery of services to both ensure the long-term financial sustainability of the service and yield income for the service and to promote the maintenance of expertise and skills within the team. This is in addition to core audit and counter fraud work which, in relevant areas of coverage, seeks to promote areas of financial improvement for the organisation.

Internal Audit will continue to maximise financial efficiency for the organisation by effective budget management and implementation of cost efficiency.

Culture of Continuous Improvement

The culture and mindset of the Internal Audit team is one of continual learning, improvement and development and this will be the underlying basis within the Strategy for maintaining quality and success.

Forward thinking, adaptability and being receptive to change will be at the core of how the Internal Audit service develops and will involve being vigilant, recognising when change is on the horizon and being prepared to change, as necessary. This agility will allow the service to seize opportunities, mitigate risks and continue a path of growth and success. Adaptability requires a mindset that values continuous learning, improvement and innovation over any false comfort of the status quo.

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Annex C - INTERNAL AUDIT CHARTER

Internal Audit Charter

Purpose

The purpose of the Internal Audit function is to strengthen Kent and Medway Fire and Rescue Authority's ability to create, protect, and sustain value by providing the Audit and Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight. The Internal Audit function aims to enhance Kent and Medway Fire and Rescue Authority:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Internal Audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The Internal Audit function is independently positioned with direct accountability to the Audit and Governance Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

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Commitment to Adhering to the Global Internal Audit Standards

The Internal Audit service will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Chief Audit Executive will report at least annually to the Audit and Governance Committee and senior management regarding the Internal Audit function's conformance with the Standards, for example in relation to the Internal Audit Strategy.

Mandate

Authority

The requirement for the Authority to 'maintain an adequate and effective system of internal audit of its accounting record and its systems of internal control' is contained in the Accounts and Audit Regulations 2015. This supplements the requirements of Section 151 of the Local Government Act 1972 for the Authority to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. The Authority has delegated this responsibility to the Director of Finance.

The Internal Audit service's authority is created by its direct reporting relationship to the Audit and Governance Committee. Such authority allows for unrestricted access to the Audit and Governance Committee. The Chief Audit Executive has direct access to the Chair of the Audit and Governance Committee and has the opportunity to meet with the Audit and Governance Committee in private. The Chair of the Audit and Governance Committee will be made aware of the appointment and termination of the Chief Audit Executive. The Audit and Governance Committee authorises the Internal Audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Kent and Medway Fire and Rescue Authority and other specialised services from within or outside the organisation to complete internal audit services.

Independence, Organisational Position, and Reporting Relationships

The Chief Audit Executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference, thereby establishing the independence of the Internal Audit function. The Chief Audit Executive will report functionally to the Audit and Governance Committee and administratively (for example, day-to-day operations) to the Director of Finance. The Chief Audit Executive will have free and unrestricted access and freedom to report in their own name to the Director of Finance, Chief Executive, Monitoring Officer and Chair of the Audit and Governance Committee.

This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit and Governance Committee if actions have not been taken and supports the internal auditors' ability to maintain objectivity.

The Chief Audit Executive will confirm to the Audit and Governance Committee, at least annually, the organisational independence of the Internal Audit function. If the governance structure does not support organisational independence, the Chief Audit Executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Audit Executive will disclose to the Director of Finance and/or the Chair of the Audit and Governance Committee any impairment internal auditors encounter related to the scope, performance, or communication of Internal Audit work and results. The disclosure will include communicating the implications of such impairment on the Internal Audit function's effectiveness and ability to fulfil its mandate.

This will also include ensuring that if an audit is undertaken in an area where the Chief Audit Executive has operational responsibility, appropriate measures are put in place to avoid compromising independence.

If requested to undertake any additional roles or responsibilities outside of Internal Auditing, the Chief Audit Executive must highlight to the Audit and Governance Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the Code of Ethics. The Audit and Governance Committee must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity

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Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Chief Audit Executive, Audit and Governance Committee, and senior management on the Internal Audit mandate or other aspects of the Internal Audit Charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganisation within the organisation.
- Significant changes in the Chief Audit Executive, Audit and Governance Committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of Internal Audit services.

Audit and Governance Committee Oversight

To establish, maintain, and ensure that Kent County Council's Internal Audit function has sufficient authority to fulfil its duties, the Audit and Governance Committee, in line with its Terms of Reference, will:

- Discuss with the Chief Audit Executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the Chief Audit Executive has unrestricted access to, communicates, and interacts directly with the Audit and Governance Committee, including in private meetings without senior management present.
- Ensure Internal Audit are independent of the activities it audits, is effective, has sufficient experience.
- Discuss with the Chief Audit Executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the Chief Audit Executive and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.

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- Review and approve the Internal Audit Charter annually with the Chief Audit Executive to consider changes affecting the organisation, such as the employment of a new Chief Audit Executive or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Receive communications from the Chief Audit Executive about the Internal Audit function including its performance relative to its plan.
- Ensure a Quality Assurance and Improvement Programme has been established and review the results annually.
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

In accordance with the Global Internal Audit Standards in the UK public sector – Application note, the following are adaptations to Global Internal Audit standard requirements:

- Provide a view, where appropriate, on the internal audit function’s human resources administration and budgets and expense.
- Provide input, where requested, to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards and
- Provide input, as required, to senior management on the Chief Audit Executive’s performance.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The Chief Audit Executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation aligned to the Council’s values and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.

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- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Chief Audit Executive will ensure that the Internal Audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Kent and Medway Fire and Rescue Authority or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Kent and Medway Fire and Rescue Authority employee that is not employed by the Internal Audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Audit Executive, Audit and Governance Committee, management, or others.

- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

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Managing the Internal Audit Function

The Chief Audit Executive has the responsibility to:

- At least annually, develop a risk-based Internal Audit Plan that considers the input of the Audit and Governance Committee and senior management, discuss the Plan with the Audit and Governance Committee and senior management and submit the Plan to the Audit and Governance Committee for review and approval.
- Communicate the impact of resource limitations on the Internal Audit Plan to the Audit and Governance Committee and senior management.
- Review and adjust the Internal Audit Plan, as necessary, in response to changes in Authority's business, risks, operations, programmes, systems, and controls.
- Communicate with the Audit and Governance Committee and senior management if there are significant interim changes to the Internal Audit Plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and the UK Public Sector Application Note.
- Follow up on engagement findings and confirm the implementation of action plans and communicate the results of Internal Audit services to the Audit and Governance Committee and senior management and for each engagement as appropriate.
- Ensure the Internal Audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the Internal Audit mandate.
- Identify and consider trends and emerging issues that could impact the Authority and communicate to the Audit and Governance Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the Internal Audit function.
- Ensure adherence to the Authority's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit Charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit and Governance Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Audit Executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit and Governance Committee.

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- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Audit Executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit and Governance Committee.

Communication with the Audit and Governance Committee and Senior Management

The Chief Audit Executive will report annually to the Audit and Governance Committee and senior management regarding:

- The Internal Audit function's mandate.
- The Internal Audit plan and performance relative to its plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the Internal Audit function's conformance with the IIA's Global Internal Audit Standards, and the UK Public Sector Application Note and action plans to address the Internal Audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit and Governance Committee that could interfere with the achievement of Authority's strategic objectives.
- Results of assurance and advisory services.
- Internal Audit resources, budget and any significant revisions to the Internal Audit Plan and Budget.
- Internal Audit resources are set in accordance with the Authority's budget setting process, with guidance from the Finance Division. The Chief Audit Executive is responsible for the management of the budget.

The Rolling Internal Audit Plan considers the work that is needed to enable the Chief Audit Executive to provide an assurance on the control environment and governance across the Authority. To ensure that there are adequate Internal Audit resources available to deliver the Plan, an assessment is made to determine the number of staff days available and to identify the knowledge and experience of staff to ensure that Internal Audit has the right skills mix to deliver the Plan.

The detailed Rolling Audit Plan, including a resource plan, is reported to the Audit and Governance Committee. If there are significant revisions to the Internal Audit Plan and resources available that impact on the ability of Internal Audit to fulfil its role, this should be reported to the Audit and Governance Committee with any proposed mitigating actions in such circumstances.

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Quality Assurance and Improvement Program

The Chief Audit Executive will develop, implement, and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the Internal Audit function. The programme will include external and internal assessments of the Internal Audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the Internal Audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the Internal Audit function's deficiencies and opportunities for improvement.

Annually, the Chief Audit Executive will communicate with the Audit and Governance Committee and senior management about the Internal Audit function's QAIP, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External Quality Assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Kent County Council; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

Scope and Types of Internal Audit Services

The scope of Internal Audit services covers the entire breadth of the organisation, including all of the Authority's activities, assets, and personnel. The scope of Internal Audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit and Governance Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Authority.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the Internal Audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

This effectively means that Internal Audit has independent oversight of all the Authority's operations, resources, services and processes and Internal Audit engagements may include evaluating whether:

- Risks relating to the achievement of Kent and Medway Fire and Rescue Authority's strategic objectives are appropriately identified and financial and other management controls manage the risks to achieve the Authority's objectives.
- The actions of Kent and Medway Fire and Rescue Authority's officers, Corporate Management Team management, employees, and contractors or other relevant parties comply with Kent and Medway Fire and Rescue Authority's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes are being conducted effectively, efficiently, and ethically.

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Kent and Medway Fire and Rescue Authority.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, protected adequately, accounted for and safeguarded from losses arising from:
 - Fraud and other offences
 - Waste, extravagance and inefficient administration, poor value for money and other causes.

The scope of Internal Audit work may also include:

- Reviewing the suitability and reliability of financial and other management data developed within the organisation.
- Reviewing awareness of risk and its control and providing advice to risk management on mitigation and internal control in financial or operational areas where new systems are being developed or where improvements are sought in the efficiency of existing systems.
- Promoting and raising awareness of fraud and corruption.
- Investigating allegations of fraud and corruption.
- Providing advice (consultancy) to the organisation for a variety of issues, such as project assurance, controls advisory requests, areas of concern and lessons learnt reviews.

Where the Chief Audit Executive considers that the scope of audit work is being restricted, the Director of Finance and the Audit and Governance Committee will be advised.

Internal Audit is not relieved of its responsibilities in areas of the Authority's business that are subject to review by others but will assess the extent to which it can rely upon the work of others and co-ordinate its audit planning with the plans of such review agencies.

The Chief Audit Executive will provide an annual audit opinion as to the adequacy of the Authority's governance arrangements, internal controls, and risk management processes. This will be used to support the Annual Governance Statement.

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ANNEX D - INTERNAL AUDIT & COUNTER FRAUD KEY PERFORMANCE INDICATORS											
Timeliness				Training & Continuous Development							
Indicator		Measure		Target Performance		Indicator		Measure		Target Performance	
Audit Plan completed by 31st March		<ul style="list-style-type: none"> Percentage of audits completed by 31st March as calculated using the formula on the tracking spreadsheet. The percentage of final reports issued by the date specified on the final Engagement Plan will be monitored and reported at liaison meetings so KFRS can track progress. KPI reporting to Audit and Governance Committee will include narrative on the cause of any delays against the original Audit Plan and, if required, the final Engagement Plan for each audit. 		90%		Number of Qualified Audit Employees within the Audit Team		Number of Qualified Auditors within the Audit Team		80% with Internal Audit Professional Qualifications such as CMIIA, CIA, ACCA, CISA or equivalent.	
Average number of working days between issuing the final Engagement Plan and issuing the draft audit report.		As specified. Audit timeframes will be measured against the dates specified in the final Engagement Plan.		85% - 45 working days or less		An annual declaration will be provided to the Audit and Governance Committee confirming that all internal audit staff have completed the required Continuing Professional Education (CPE) for the reporting year		This is usually 40 hours per year for qualified auditors		100%	
Average number of days to complete each audit		As specified.		10 days (Budget)		Conformance with the Global Internal Audit Standards in the UK Public Sector		Self Assessment annually and External Quality Assessment every 5 years.		Generally Conforms	
Continuous Improvements						Client Satisfaction					
Indicator		Measure		Target Performance		Indicator		Measure		Target Performance	
Management Actions		a) % of high priority/risk issues agreed b) % of high priority/risk issues implemented c) % of all issues agreed d) % of all issues implemented		a) 100% b) 100% c) 85% d) 85%		Client liaison meetings		All agendas and supporting documents (progress tracker etc) are emailed to KFRS at least one week before the meeting date.		100%	
To determine if there has been actual improvement/reduction of risk from the Internal Audit reviews.						How satisfied are you with the overall value provided by the Audit?		Perceived trust and worth of the Audit function		85%	
						How satisfied are you that the Audit assisted in achieving the Authority's objectives and management of risk?		Stakeholder feedback on effectiveness.		85%	
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