

Kent and Medway Towns Fire Authority

Auditor's Annual Report
Year ending 31 March 2026

24 September 2026



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

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

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under the Local Audit and Accountability Act 2014, auditors of an Authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 8 with a commentary on whether any of these powers have been used during this audit period.

In particular, auditors may issue:

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

Value for money

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

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

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

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

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

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 Assessment of arrangements
Financial sustainability	Amber No significant weaknesses in arrangements identified, one improvement recommendation in relation to reporting against savings plans.	No risks of significant weakness identified.	Amber No significant weaknesses in arrangements identified, one improvement recommendation retained in relation to reporting against savings plans.
Governance	Green No significant weaknesses identified and no improvement recommendations raised.	No risks of significant weakness identified.	Green No significant weaknesses in arrangements identified and no improvement recommendations made.
Improving economy, efficiency and effectiveness	Amber No significant weaknesses in arrangements identified, one improvement recommendation in relation to the development of a data quality policy and framework.	No risks of significant weakness identified.	Green No significant weaknesses in arrangements identified and no improvement recommendations made.
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.		

Executive Summary

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



Financial sustainability

The Authority continues to demonstrate good financial management, delivering a surplus of **£1.738 million** in 2025/26 and setting a balanced budget for 2026/27. Beyond 2026/27, the Medium-Term Financial Plan is balanced without use of general reserves, supported by reasonable planning assumptions and quantified sensitivity analysis. Reserves remain at adequate levels, with **£4.890 million** in general reserves and **£6.209 million** in the insurance and resource earmarked reserve at the end of 2025/26. The Authority's financial plans are consistent with other strategic plans and the Community Risk Management Plan.

We have maintained our improvement recommendation with respect to reporting against the achievement of planned savings as detailed on page 19.



Governance

The Authority has established robust governance and financial management arrangements. Strong frameworks are in place for risk management, internal control, budget setting and financial monitoring, including a Risk Management Policy, Risk Appetite Statement, Corporate Risk Register, Financial Framework and Financial Management Policy, which support effective decision making and accountability. Assurance over these arrangements is provided by Internal Audit and counter fraud activity, alongside oversight from the Audit and Governance Committee and Monitoring Officer. The Authority's governance framework, includes schemes of delegation and a clear Code of Conduct and promotes transparency, challenge and compliance with legal and regulatory requirements, while supporting informed decision-making and high standards of behaviour.



Improving economy, efficiency and effectiveness

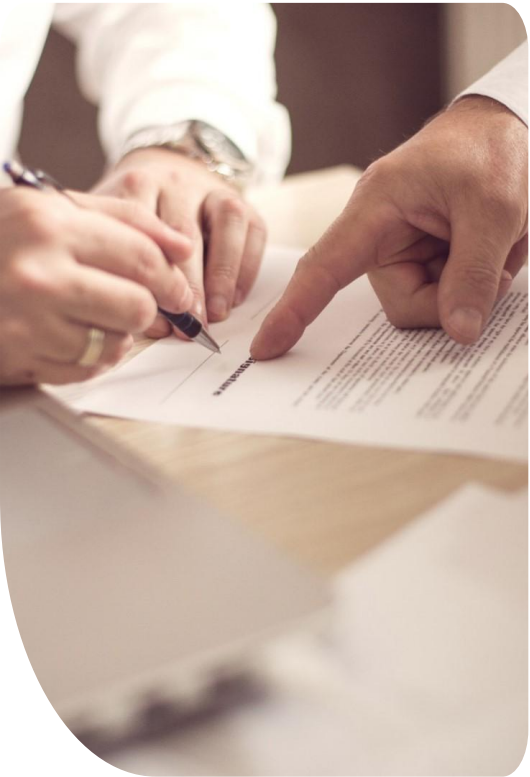
The Authority has satisfactory arrangements for performance monitoring, supporting effective scrutiny and decision making with regular updates to the Fire Authority on progress against strategic objectives, activity levels, and service performance. Procurement and contract management operate within a clear framework, with oversight arrangements in place for major capital projects to ensure transparency and accountability.

We note, in the prior year we had recommended that the Authority develop a data quality policy and framework to meet the Fire Standard for Data Management. From our review, management have now implemented, as of March 2026, a Data Governance Policy that supports how to meet these standards and thus we have closed our recommendation in this area.

Executive summary – auditor’s other responsibilities

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

Auditor’s responsibility	2025/26 outcome
Opinion on the Financial Statements	We plan to complete our audit of your financial statements and issue an unqualified audit opinion, following the Audit and Governance Committee meeting on 24 September 2026. Our findings are set out in further detail on page 10.
Use of auditor’s powers	We have not made any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



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

Opinion on the financial statements

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

Audit opinion on the financial statements

We plan to complete our audit of your financial statements and issue an unqualified audit opinion following the Audit & Governance Committee on 24 September 2026.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2026 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2025/26
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the NAO Code of Audit Practice (2024), and applicable law. We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Authority provided draft accounts in line with the national deadline of 30 June 2026.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented alongside this report to the Authority's Audit and Governance Committee on 24th September 2026. Requests for this Audit Findings Report should be directed to the Authority.

Other reporting requirements

Annual Governance Statement

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

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

We have nothing to report in this regard.



Use of auditor's powers

We bring the following matters to your attention:

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

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

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

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

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

The Authority is the statutory governing authority responsible for overseeing fire and rescue services across Kent. Kent Fire and Rescue Service (the Service) carries out day-to-day operations, whilst the Authority sets the strategic direction for the Service and is responsible for governance and oversight of the Service.

All Fire and Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Fire and Rescue Authorities report on their arrangements, and the effectiveness of these arrangements, as part of their individual Annual Governance Statements.

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



Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

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



Improving economy, efficiency and effectiveness

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

Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority delivered a surplus of £1.738 million against its 2025/26 revenue budget and has set a balanced budget for 2026/27. The 2025/26 surplus was principally due to higher investment income and reductions in Airwave (dedicated radio network for Emergency Services) costs. The £1.738 million underspend has been transferred to the Insurance and Resource Reserve. This transfer was intended to help address the 2026/27 budget gap identified within the Medium-Term Financial Plan. The provisional capital outturn for 2025/26 was £10.730 million against a revised capital budget of £13.474 million, creating an underspend of £2.744 million. This was primarily driven by the rephasing of major projects into future years and therefore reflected timing differences rather than a reduction in programme scope. The Authority has set a balanced budget for 2026/27 which includes a £1.524 million draw down from reserves, as above, though beyond 2026/27, the Medium-Term Financial Plan is balanced without use of general reserves, supported by reasonable planning assumptions and quantified sensitivity analysis. Reserves remain at adequate levels, with £4.890 million in general reserves and £36.626 million in earmarked reserves, including £6.209 million in the insurance and resource reserve at the end of 2025/26.	Green

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
plans to bridge its funding gaps and identify achievable savings	The Authority uses a bottom-up approach to identify savings, without setting specific targets for future years. Savings proposals are generated by projects and budget managers via capacity reviews, spending reviews and project tracking. A list of potential savings options is maintained which could be explored if required and therefore we do not consider that future budget gaps represent a significant threat to the Authority's financial sustainability. Confirmed savings are incorporated into the annual budget approved by the Fire Authority each February. In 2025/26, £1.893 million of savings were included in the base budget, with £1.983 million built in for 2026/27. We note that the 25/26 underspend will be drawn down to support the budget gap in 2026/27, though beyond 2026/27, the Medium-Term Financial Plan is balanced without use of general reserves. Further, the Authority has consistently identified savings ahead of the start of each financial year, achieving balanced budgets without using reserves. In our review of the budget reporting, although a revenue budget surplus was achieved in 2025/26, the budget outturn report does not clearly identify the value of delivered savings. We can see from early reporting in 2026/27 that management have now included this narrative within the financial updates though as this was not present within the outturn reporting, we have therefore updated our improvement recommendation as detailed on page 19, which replaces the prior year recommendation on savings reporting.	Amber

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Authority's financial planning is aligned closely with the Community Risk Management Plan 2025-29 and 10-year Capital Strategy which is reviewed and considered as a part of the annual budget setting process. This ensures resources are directed towards strategic priorities including operational resilience, digital transformation, workforce development, community safety and infrastructure investment. The Medium-Term Financial Plan and Medium-Term Investment Plan support delivery through investment in estates, fleet replacement, technology, operational capability and service transformation. Due to its statutory obligations under the Fire and Rescue Services Act 2004, the Authority operates with limited discretionary spend, however, growth investments are subject to robust challenge and prioritisation.	Green
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Authority has established robust arrangements to ensure its financial planning is consistent with workforce, capital, investment, and operational strategies. The 26/27 budget strategy states that financial resources are aligned to the Community Risk Management Plan delivery plan to ensure funding is directed towards the Authority's risk reduction, prevention, protection and operational response priorities. The Medium-Term Financial Plan acts as the central financial framework linking the Authority's strategic objectives with its financial outlooks. It ensures resources are aligned to delivery of the Community Risk Management Plan while supporting long-term investment in people, property, fleet, technology and collaborative working. This is monitored regularly via reports taken to Authority meetings, that disclose progress against financial performance including that against the capital plan and treasury management to give appropriate oversight and highlight key variances. Further oversight of capital delivery is provided by the Corporate Management Board (CMB), with individual projects managed through dedicated Programme Boards.	Green

Green

No significant weaknesses or improvement recommendations.

Amber

No significant weaknesses, improvement recommendations made.

Red

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Risks to financial resilience are identified and monitored through formal budget monitoring and financial update reports presented regularly to the Fire Authority, supported by forecasting, reserve monitoring and the Authority's wider risk management framework. During 2025/26, the Authority actively reviewed and challenged key assumptions within its financial plans, including operational activity levels, workforce vacancies, funding volatility, collection fund adjustments and programme slippage, with forecasts and budgets updated as risks emerged. The Reserves Strategy for 2026/27 includes a comprehensive annual financial risk assessment that quantifies both the likelihood and financial impact of key risks over the Medium-Term Financial Plan period. To provide resilience against unforeseen pressures, the Authority maintains General Reserves at approximately 5% of the base revenue budget together with a range of earmarked reserves, including the Insurance and Resource Reserve, which is being used to manage funding reform risks and timing differences between savings delivery and expenditure requirements	Green

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

Financial sustainability (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: Although the revenue budget outturn for 2025/26 was better than planned, reporting to the Fire Authority does not clearly demonstrate whether the individual savings schemes contributing to the **£1.893 million** target were delivered as intended.

Evidence: The budget monitoring and outturn reports for 2025/26 presented to the Fire Authority do not include any specific assessment of whether planned savings are being achieved in accordance with the approved budget for the year.

Impact: Specific reporting against savings would improve transparency and accountability, supporting more informed decision making.

Improvement Recommendation 1

IR1: The Authority should further enhance its outturn reporting by including a clear assessment of progress against planned savings. This should involve tracking whether savings targets are being achieved in line with the approved budget for the year and highlighting and detailing the causes for any variances.

Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Authority maintains a strong framework for risk management and internal control, supported by a Risk Management Policy, Risk Appetite Statement and Corporate Risk Register, with oversight provided by the Audit and Governance Committee. Assurance is obtained through a risk-based Internal Audit programme and counter-fraud framework, including fraud risk assessments, staff awareness initiatives, participation in the National Fraud Initiative and delivery of the Anti-Fraud and Corruption Action Plan. These arrangements were supported by the reporting of Internal Audit which noted no frauds or irregularities during 2025/26. Further assurance is provided through whistleblowing and customer feedback arrangements, alongside the Monitoring Officer's confirmation that there were no instances of likely unlawful decision-making or maladministration during the year.	Green

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

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
approaches and carries out its annual budget setting process	The Authority operates a robust budget setting process, underpinned by detailed financial planning, challenge and scrutiny from budget managers, senior finance officers and the Corporate Management Board. Budget assumptions, cost pressures, savings opportunities and long-term infrastructure requirements are reviewed throughout the process before being presented to Members for approval. The budget is informed by public consultation, including engagement on council tax options, ensuring stakeholder views are considered alongside operational and financial priorities. This structured approach supports a balanced and sustainable budget that aligns resources with the Authority's strategic objectives.	Green
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The Authority has established clear financial management and budgetary control arrangements supported by the updated Financial Framework and Financial Management policy. These define clear responsibilities and budget monitoring requirements. Regular reporting of financial performance is presented to Members and the Corporate Management Board to provide oversight. Financial and non-financial information is communicated through regular budget monitoring, forecast outturn reports, infrastructure plan updates and treasury management reporting, enabling risks, variances and delivery against planned outcomes to be identified and scrutinised in a timely manner. Corrective action is taken where required through budget adjustments, reserve management, capital programme rephasing and active management of emerging financial risks and pressures. These arrangements support the Authority's statutory financial reporting requirements and provide effective oversight of significant projects, partnerships and investment activity.	Green

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

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Authority has established clear governance arrangements to support informed, transparent decision-making, with decisions underpinned by detailed reports, risk assessments, consultation outcomes and officer advice before Member approval. The Fire Authority and Audit & Governance Committee provide robust challenge and scrutiny through regular meetings, review of key strategic and financial decisions, and formal challenge of officers, with actions and responses recorded in meeting minutes. Governance is strengthened through a statutory Monitoring Officer, Codes of Conduct, schemes of delegation and an Independent Member who provides additional scrutiny and challenge across the Authority and Audit & Governance Committee. These arrangements are supported by a positive challenge culture, evidenced by HMICFRS inspection findings and the absence of any reported governance or conduct concerns during 2025/26.	Green
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	Codes of Conduct, declarations of interests, gifts and hospitality arrangements, and Member-Officer protocols set clear standards of behaviour for Members and Officers, with regular review by the Monitoring Officer and Audit & Governance Committee. Formal disciplinary procedures are in place for both Members and staff, providing clear processes for investigating and addressing misconduct. Compliance and governance arrangements are monitored through annual reporting, policy reviews, and scrutiny by the Audit & Governance Committee, with anti-fraud and corruption controls also subject to regular oversight. The Authority also maintains procurement policies and regulations, supported by structured contract management and collaborative procurement arrangements, to ensure compliance with legislative and regulatory requirements.	Green

Green

No significant weaknesses or improvement recommendations.

Amber

No significant weaknesses, improvement recommendations made.

Red

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

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Authority uses performance and cost information to monitor service delivery, identify areas of pressure, and inform operational decision-making. Performance reporting, via regular Information Updates for 2025/26 showed strong results across key operational and prevention measures, including maintaining response performance despite increased demand, high customer satisfaction levels, and strong compliance with Safe and Well Visits and building consultation targets. Information is benchmarked both internally against prior years and targets, and externally against other fire and rescue services, with the results used to assess service effectiveness, identify areas for improvement, and support strategic planning. Cost information is also used to inform treasury management decision-making, with benchmarking through the Kent Treasury Forum supporting the review of planned interest and bond returns. The prior year improvement recommendation in this area relating to data governance has been actioned, where we have reviewed the Data Governance Policy, implemented in March 2026, supported by the tier 3 guidance document. This establishes a clear framework for data quality, accountability, retention, security and compliance with the Fire Standard for Data Management. This has been shared through the April 2026 "One Team Update" upon approval of the policy and thus we are content the recommendation has been implemented.	Green

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

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

We considered how the Authority:	Commentary on arrangements:	Rating
evaluates the services it provides to assess performance and identify areas for improvement	The Authority evaluates the effectiveness of its services through external inspection, performance monitoring and continuous improvement activity. In August 2025, HMICFRS most recently assessed Kent Fire and Rescue Service as “Outstanding” in 3 areas (Understanding Fire and Risk; Public Safety Through Fire Regulation; Future Affordability), "Good" on 5 (Preventing Fire and Risk; Responding to Major Incidents; Best Use of Resources; Promoting Values and Culture; Right People, Right Skills), and "Adequate" on 3 (Responding to Fires and Emergencies; Promoting Fairness and Diversity; Managing Performance and Developing Leaders). The Authority also uses the findings and recommendations from national inspections to identify improvement opportunities and strengthen service delivery. Evidence of this is the completion of all 20 recommendations directed to fire and rescue services from thematic reviews such as HMICFRS's 2023 Values and Culture in Fire and Rescue Services report.	Green

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

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

We considered how the Authority:	Commentary on arrangements:	Rating
ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives	The Authority ensures effective partnership working through formal governance arrangements, including a Partnerships and Collaboration Policy, partnership agreements, data-sharing protocols and due diligence processes that support delivery of statutory duties and strategic objectives. Strategic priorities and the Community Risk Management Plan (CRMP) are shaped through extensive consultation, stakeholder engagement and risk analysis, with progress monitored through annual planning, delivery plans and regular reporting to Members. The Authority works closely with a wide range of partners, including emergency services, local authorities, resilience forums, safeguarding partners and neighbouring fire and rescue services, supported by joint initiatives, exercises and peer reviews. Members receive regular updates on partnership activity and performance, with customer feedback, audit findings and outcome reviews used to evaluate the effectiveness of partnerships and identify areas for improvement.	Green
commissions or procures services, assessing whether it is realising the expected benefits	The Authority has a procurement and contract management framework to assess whether commissioned services and contracts deliver the expected benefits, including a Contract Management Toolkit covering performance monitoring, supplier relationship management, risk management and value-for-money considerations. Procurement activity is supported through contract registers, framework agreements and collaboration with other fire and rescue services and public sector bodies to secure efficiencies. The Authority monitors major commissioned investments and capital projects through regular reporting to Members and Corporate Management Board on risk management arrangements, with project progress, costs, risks and outcomes tracked against approved objectives. Further, during 2025/26, Internal Audit reviewed procurement governance, controls and processes and awarded a High Assurance opinion, providing independent assurance that procurement arrangements were effective and delivering expected benefits.	Green

Green

No significant weaknesses or improvement recommendations.

Amber

No significant weaknesses, improvement recommendations made.

Red

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

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

Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	The Authority should further enhance its outturn reporting by including a clear assessment of progress against planned savings. This should involve tracking whether savings targets are being achieved in line with the approved budget for the year and highlighting and detailing the causes for any variances.	Financial sustainability (page 16)	Actions: The Authority accepts this recommendation. As noted by the Auditor, the Authority has already introduced reporting on progress against planned savings within its 2026/27 budget monitoring reports. The Authority will continue to report progress against approved savings plans through its published budget monitoring reports and annual outturn reporting, including commentary on any material variances and the actions being taken to address these. Responsible Officer: Head of Finance Due Date: 31 July 2027

06 Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

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

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Authority’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

**A range of different recommendations can be raised by the auditors as follows:**

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

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

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

Information that informs our ongoing risk assessment

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

Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Authority should enhance its budget monitoring and outturn reporting by including a clear and regular assessment of progress against planned savings. This should involve tracking whether savings targets are being achieved in line with the approved budget for the year and highlighting any variances or risks to delivery.	2024/25	The budget monitoring and outturn reports for 25/26 presented to the Fire Authority do not include any specific assessment of whether planned savings are being achieved in accordance with the approved budget for the year. We note that in the first Financial Update in 26/27, presented in June 2026, this narrative against savings progress has been included, though further transparency in the final outturn position for 26/27 will support clear understanding of delivery to plan.	Partially implemented	Improvement recommendation replaced - See IR on page 16
IR2	The Authority should finalise and formally approve a data quality policy and/or framework, ensuring it aligns with the Fire Standard for Data Management. A review schedule should be established, and training provided to members and officers where necessary to support effective implementation.	2024/25	Management have now implemented as of March 2026 a Data Governance Policy that is supported by tier 3 guidance to support how this should be implemented effectively. The policy sets out a clear organisational approach to data governance, including principles covering data collection, quality, retention, security, sharing, ethics, accessibility and accountability. It also links data governance to GDPR principles and recognised sector standards. Within the policy it clearly notes how this has been formulated to support compliance with the Data Management Fire Standard. This was rolled out to the whole Authority via a "One Team Update" in April 2026. This supports the training and sharing element of our recommendation and thus we are content this has been met.	Implemented	None required



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