



# **HEREFORD & WORCESTER Fire Authority**

**Audit, Scrutiny and Standards Committee**

## **AGENDA**

**Tuesday, 07 April 2026**

**14:15**

**Wyre Forest House Council Chamber  
Wyre Forest District Council, Wyre Forest House,  
Finepoint Way, Kidderminster, Worcestershire, DY11 7WF**

## Wyre Forest House Location Map

SAT NAV: DY11 7FB

Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF  
Reception at Wyre Forest House 01562 732101

### From Stourport:

Head towards Kidderminster on the A451 Minster Road, passing Stourport High School and Stourport Sports Club on your left. When you reach the traffic lights at the crossroads, turn left into Walter Nash Road West (signposted Wyre Forest House). Then take your first left onto Finepoint Way. Follow the road around to your left and Wyre Forest House is at the end of the road on the left. Visitor parking is available and signposted from the mini roundabout.

### From Kidderminster:

From Kidderminster, follow the signs for Stourport and head out of Kidderminster on the A451 Stourport Road, this road becomes a dual carriageway. You will pass 24/7 Fitness and Wyre Forest Community Housing on your left. At the crossroads with traffic lights turn right into Walter Nash Road West (there is a dedicated right hand-turn lane), signposted for Wyre Forest House. Then take your first left onto Finepoint Way. Follow the road around to your left and Wyre Forest House is at the end of the road on the left. Visitor parking is available and signposted from the mini roundabout.



**ACCESS TO INFORMATION – YOUR RIGHTS.** The press and public have the right to attend Local Authority meetings and to see certain documents. You have:

- the right to attend all Authority and Committee meetings unless the business to be transacted would disclose “confidential information” or “exempt information”;
- the right to film, record or report electronically on any meeting to which the public are admitted provided you do not do so in a manner that is disruptive to the meeting. **If you are present at a meeting of the Authority you will be deemed to have consented to being filmed or recorded by anyone exercising their rights under this paragraph;**
- the right to inspect agenda and public reports at least five days before the date of the meeting (available on our website: <http://www.hwfire.org.uk>);
- the right to inspect minutes of the Authority and Committees for up to six years following the meeting (available on our website: <http://www.hwfire.org.uk>); and
- the right to inspect background papers on which reports are based for a period of up to four years from the date of the meeting.

**Please note that when taking part in public participation, your name and a summary of what you say at the meeting may be included in the minutes.**

A reasonable number of copies of agenda and reports relating to items to be considered in public will be available at meetings of the Authority and Committees. If you have any queries regarding this agenda or any of the decisions taken or wish to exercise any of these rights of access to information please contact Committee & Members’ Services on 01905 368209 or by email at [committeeservices@hwfire.org.uk](mailto:committeeservices@hwfire.org.uk).

**WELCOME AND GUIDE TO TODAY’S MEETING.** These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

**Agenda Papers** - Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

**Chairman** - The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

**Officers** - Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

**The Business** - The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

**Decisions** - At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.



**Hereford & Worcester Fire Authority**  
**Audit, Scrutiny and Standards Committee**  
**Tuesday, 07 April 2026, 14:15**

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## **Agenda**

Councillors

Mr D Morehead (Chair), Mr C McSweeney (Vice Chair), Mr A Amos, Mr A Bailes, Mr S Bastow, Mr R Bennett, Mr O Cleary, Mr D Davies, Mr M Dunkley, Mr R Morris, Mr R M Udall, Mr T Wells

<b>No.</b>	<b>Item</b>	<b>Pages</b>
<b>1</b>	<b>Apologies for Absence</b>  To receive any apologies for absence.	
<b>2</b>	<b>Named Substitutes</b>  To receive details of any Member of the Authority nominated to attend the meeting in place of a Member of the Committee.	
<b>3</b>	<b>Declarations of Interest (if any)</b>  This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
<b>4</b>	<b>Confirmation of Minutes</b>  To confirm the minutes of the meeting held on 14 January 2026.	<b>1 - 6</b>
<b>5</b>	<b>External Audit Plan (2025/26 Accounts)</b>  To consider the Audit Plan from the Authority's External Auditor, Bishop Fleming UK LLP, which sets out the work undertaken in respect of the 2025/26 Audit.	<b>7 - 28</b>
<b>6</b>	<b>Annual Report of Internal Audit 2025/26</b>  To present the annual report of Internal Audit for 2025/26 for scrutiny.	<b>29 - 47</b>

<b>7</b>	<b>Internal Audit Plan 2026-27</b>	<b>48 - 52</b>
	To present the 2026/27 Internal Audit Plan for approval.	
<b>8</b>	<b>Internal Audit Strategy, Charter and Mandate</b>	<b>53 - 74</b>
	To meet the requirements of the new Global Internal Audit Standards by presenting, for approval, an Internal Audit Strategy, and updated Charter, including a mandate.	
<b>9</b>	<b>Hereford Project Update</b>	<b>75 - 77</b>
	To provide reassurance to Members regarding the project costs for the Hereford Fire Station.	
<b>10</b>	<b>His Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) Inspection 2026</b>	<b>78 - 81</b>
	To provide Members with an update on the 2026 HMICFRS Inspection activity, and to inform on the next steps in the lead up to the publication of the inspection report.	
<b>11</b>	<b>Health and Safety Committee Update: October 2025 to December 2025 (Quarter 3)</b>	<b>82 - 95</b>
	To provide a Health and Safety update on activities and items of significance.	



Hereford & Worcester Fire Authority  
Audit, Scrutiny and Standards Committee  
Wednesday, 14 January 2026, 10:30

**Chair: Mr D Morehead**  
**Vice-Chair: Mr C McSweeney**

## **Minutes**

**Members Present:** Mr A Amos, Mr A Bailes, Mr S Bastow, Mr O Cleary, Mr D Davies, Mr M Dunkley, Mr C McSweeney, Mr D Morehead, Mr R M Udall

### **0365 Apologies for Absence**

Apologies were received from Cllr D Aubrey, Cllr R Morris and Cllr T Wells.

### **0366 Named Substitutes**

Cllr B Hopkins substituted for Cllr D Aubrey.

### **0367 Declarations of Interest (if any)**

There were no interests declared.

### **0368 Confirmation of Minutes**

***RESOLVED that the minutes of the meeting held on 24 September 2025 be confirmed as a correct record and signed by the Chairman.***

*[Cllr A Amos entered the meeting at 10.31am].*

### **0369 External Audit Completion Report and Letter of Representation 2024/25**

The Treasurer introduced the report and commented that this was the first audit by Bishop Fleming and was the easiest to date.

*[Cllr O Cleary entered the meeting at 10.34am].*

The External Auditor went through the Audit Completion Report

explaining that they anticipated issuing a disclaimed opinion due to the lack of assurance over opening balances arising from the late production of the 2023/24 financial statements by the Authority. There was discussion in regard to the specific significant risks highlighted, in particular to the valuation of land and buildings. The Auditors had requested detailed floor plans of every building however this had never been required before and there was a large cost implication which needed further consideration.

There was discussion in regard to the audit fees and whether they were value for money. The Treasurer responded that the audit fees across the whole of the local government sector had increased considerably, they were not disproportionate to other fees. The audit contracts were led nationally by the LGA with an extensive tender process and valuation. The fees had been market tested and were the best available.

The Treasurer confirmed that the Authority did have the ability to challenge the fee for the Audit, however they would not be received until February, once the accounts had been signed off.

Members approved the Letter of Representation.

***RESOLVED that:***

***i) the Audit Completion Report was considered before approving the Statement of Accounts; and***

***ii) the Letter of Representation was approved.***

#### **0370 Statement of Accounts 2024/25**

The Treasurer presented the Statement of Accounts 2024/25 for approval.

Members were reminded that the draft accounts had been signed off on 20 June 2025 and published immediately and since then there had been no fundamental changes to the Accounts, but there had been some presentational and disclosure improvements.

Members were asked to approve the final Statement of Accounts 2024/25 which would enable the External Auditor to issue an Audit Opinion as soon as it was ready. This would then be published in the Statement of Accounts 2024/25 together with the already approved Annual Governance Statement.

***RESOLVED that the Statement of Accounts 2024/25 be approved.***

**0371 External Audit Annual Report 2024/25**

The Treasurer introduced the External Audit Annual Report 2024/25 for Members' consideration and scrutiny of Management responses to recommendations.

The External Auditor presented the audit conclusions and key findings arising from the value for money work. A few recommendations had been raised with management and comments had been received back.

Members scrutinised the Auditor's recommendations and management responses particularly in relation to KPIs and budget risk information and Members agreed that the KPIs were unnecessary and Auditors could review achievements in the performance reports available.

Members were pleased that there were no weaknesses or risks, just a way of doing things better. It was a very positive report and improvements on the issues raised last year.

***RESOLVED that the External Audit Annual Report 2024/25 be accepted in whole.***

**0372 Internal Audit Progress Report**

The Head of Internal Audit - WIASS presented an update regarding the delivery of the Internal Audit Plan for 2025/26, the results of which would be used to form the annual opinion on the Service's framework of internal control, risk management and governance.

Members were pleased to note that good progress was being made, delivery of the Internal Audit Plan was on track and all remaining work for the current financial year was scheduled in and resourced.

The Annual Report would be presented at the April meeting and thanks were given to Service staff during the audit process, which could only be completed with their support.

***RESOLVED that the report be noted.***

**0373 People Strategy 2025-2030**

The Assistant Chief Officer - Director of Prevention presented a report to provide Members the opportunity to review and scrutinise the People Strategy 2025-2030. The Strategy was designed as a high-level enabling strategy which identified key aims, to support the delivery of the Community Risk Management Plan (CRMP) and overall strategic

priorities.

Members noted that the Strategic Leadership Board would have overarching responsibility for monitoring the delivery of the strategy through the annual business plans devolved through to the respective Directorate/Departmental Leads.

The People Strategy would be reviewed in 2030 in conjunction with strategic plans.

Members approved the People Strategy, which would be communicated across the workforce and published on the Service website.

***RESOLVED that having scrutinised the details of the People Strategy 2025-2030, it be agreed that the People Strategy be approved. In particular it be noted that:***

***i) The People Strategy 2025-2030 supports the delivery of the Core Strategies;***

***ii) The People Strategy reflects the Core Code of Ethics for Fire and Rescue Services; and***

***iii) Progress against the People Strategy will be regularly reviewed.***

**0374 Equality & Gender Pay Gap Report 2024-2025 and Equality Objective Progress Update**

The Assistant Chief Officer - Director of Prevention presented a report for Members to scrutinise the Equality & Gender Pay Gap Report 2024-2025 and progress made against the Service's Equality Objectives.

Members were pleased to note that female representation continues to increase at a consistent pace on an annual basis, with the proportion of women across the Service at 21% (an increase of 1% from 2024). In particular 34% of Middle and Strategic leaders are women and women make up 54% of Support staff roles.

Members were also pleased to note that the Service is confident that its gender pay gap does not result from paying men and women differently for the same work, but is a result of the roles in which they work and the salaries these roles attract. Men and Women performing the same role receive equal pay. However the Service currently consists of more men than women, with an underrepresentation of women in senior operational positions.

Members agreed that the Service is achieving demonstrable progress

against its Equality Objectives, reaffirming its commitment to meeting the needs of our communities.

Members approved the Equality & Gender Pay Gap Report 2024-2025 for publication on the Service website with gender pay gap information being reported to the government reporting website as per the Regulations.

***RESOLVED that having scrutinised the details of the Equality & Gender Pay Gap Report 2024-2025 and progress made against the Service's Equality Objectives, those details be accepted and approved, and the following headlines be noted:***

***i) The Equality and Gender Pay Gap Report 2024-2025 meets the requirement to publish equality information annually;***

***ii) The Gender Pay Gap as of 31 March 2025 is 5.1%; and***

***iii) The Service is achieving demonstrable progress against its Equality Objectives, reaffirming its commitment to meeting the needs of the Community.***

**0375 Update on the Activities of the Women@HWFire Group**

The Deputy Chief Fire Officer presented an update on the work of the Women@HWFire group.

Members noted that the work delivered demonstrates the organisational commitment to support under-represented groups within HWFRS. It has added significant value to multiple areas of work and continues to influence the changing profile in operational and support staffing managerial roles across the Service. The group remains committed to driving diversity within HWFRS as an organisational priority.

***RESOLVED that the activities of the Women@HWFire group be noted.***

*[Cllr C McSweeney left the meeting at 12.14pm].*

**0376 Safeguarding Assurance Annual Report**

The Assistant Chief Officer - Director of Prevention provided an update on the Service's commitment to safeguarding, and progress against the Safeguarding Fire Standard for the year January - December 2025.

Members were pleased to note that the Safeguarding Fire Standard is firmly embedded within HWFRS, with substantial assurance demonstrated across the Standard's criteria. Continued progress against the Safeguarding Fire Standard is reviewed quarterly and informs the

Prevention Directorate's annual planning.

It was agreed that safeguarding referral data would be added to the next quarterly performance report for Members' information.

***RESOLVED that having scrutinised the progress of the Prevention department's activity against the Safeguarding Fire Standard, Members are recommended to conclude that the Service has substantial assurance of the Standard's requirements and have identified targeted actions to build upon existing strengths and drive continuous Service improvement.***

**0377 Health and Safety Committee Update: July 2025 to September 2025 (Quarter 2)**

The Assistant Chief Fire Officer presented a Health and Safety update on activities and items of significance.

Members were pleased to note that the total number of safety events reported in Quarter 2 had decreased compared to the previous quarter driven by less vehicle collisions.

Two events had been reported to the Health & Safety Executive (HSE) under the RIDDOR regulations, due to a loss of working days/potentially dangerous occurrences, both of which also had a specialist investigation. There were also 4 Specialist Investigations carried out in Quarter 2. No investigations identified any significant issues or causes for concern.

***RESOLVED that the following issues be noted:***

- i) The involvement of the Service in Health and Safety initiatives;***
- ii) Health and Safety performance information recorded during Quarter 2 2025/26; and***
- iii) Workforce Health & Wellbeing performance Quarter 2 2025/26.***

The Meeting ended at: 12:27

Signed:.....

Date:.....

Chairman

## Report of the Treasurer

### External Audit Plan (2025/26 Accounts)

#### Purpose of Report

1. To consider the Audit Plan from the Authority's External Auditor, Bishop Fleming UK LLP, which sets out the work undertaken in respect of the 2025/26 Audit.
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#### Recommendation

***The Treasurer recommends that the External Audit Plan (2025/26 Accounts) (including proposed Audit Fee) be noted.***

#### Introduction & Background

2. The External Auditor is required to inform the Authority of the work that will be undertaken during an annual audit and that this is submitted in the form of an Audit Plan.
3. The Audit Plan is based on the Bishop Fleming's approach to audit planning.
4. Bishop Fleming comply with the statutory requirements that govern their work in particular:
  - The National Audit Office Code of Audit Practice
  - International Standards on Auditing (ISA) (UK)
  - Financial Reporting Council (FRC)
5. The Audit Plan sets out the work that has been undertaken during the audit of the 2025/26 Accounts. The Plan is based on Bishop Fleming's approach to audit planning. However, the audit does not relieve the management or the Audit, Scrutiny and Standards Committee, as those charged with governance of their responsibilities.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	None
<b>Strategic Policy Links &amp; Core Code of Ethics</b> (identify how proposals link in with current priorities and policy framework and align to the Core Code of Ethics).	None
<b>Productivity &amp; Efficiency</b> (Identify how proposal improves productivity or efficiency)	N/A
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	None
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	None
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	N/A
<b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)	N/A

## Supporting Information

Appendix 1 – External Audit Plan



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## Appendices

1. Required communications with the Audit, Scrutiny and Standards Committee
2. Sector updates

# Welcome

The purpose of this report is to give you an overview of the nature and scope of our audit work and bring to your attention the key aspects of the audit. The document also ensures that there is good communication between us, as auditors, and you.

If you have any queries regarding the plan, including the arrangements noted below, then please do not hesitate to contact us.

This Audit Plan has been prepared for the sole use of the management and those charged with governance of Hereford and Worcester Fire Authority (the Authority). Except where required by law or regulation, this report should not be made available to any other parties without our prior written consent. No responsibilities are accepted by Bishop Fleming towards any party acting or refraining from action as a result of this plan.

We are issuing our 2025/26 External Audit Plan now to ensure that there is timely discussion of the key areas of focus.

Alex Walling – Key Audit Partner

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E: [AWalling@bishopfleming.co.uk](mailto:AWalling@bishopfleming.co.uk)

# 1. General Audit Information

## Engagement objectives and scope

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Throughout the audit we will also ensure that, in line with the latest Auditing Standards, we communicate on a regular basis with the Audit, Scrutiny and Standards Committee as those charged with governance.

We are also required to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026. The Code requires us to report on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- 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.

The respective responsibilities of the audited body and the auditor are summarised in the Code. They are also set out in the Public Sector Audit Appointments' Statement of Responsibilities of auditors and audited bodies as the body responsible for appointing us as your external auditor.

## Audit reports

### Financial statements

On completion of our audit work on the financial statements, we will issue our Audit Completion Report to the Audit, Scrutiny and Standards Committee, which will set out our findings.

In our auditor's report, we will report on the basis under which the financial statements have been prepared and whether they give a true and fair view. The auditor's report will also:

- report on whether other information presented with the audited financial statements (for example, the Narrative Report and Annual Governance Statement) is materially consistent with the financial statements or our knowledge obtained in the audit; and
- conclude on the appropriateness of management's use of the going concern basis of accounting.

As you will be aware, our auditor's report was disclaimed in 2024/25. Further detail on this is shown later in the Audit Plan. The form and content of our auditor's report will therefore need to be amended in light of this and any audit findings.

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government: Framework 2016 Edition' published by CIPFA/SOLACE and the subsequent Addendum published in May 2025 – see Page 16 for more detail on the Addendum; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; 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.

Where no matters are identified, this will also be confirmed.

#### Value for Money arrangements

On the completion of our work on whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, we will issue our Auditor's Annual Report to the Audit, Scrutiny and Standards Committee. This will provide a commentary on the Authority's arrangements under the three specified criteria. The report will also set out whether any significant weaknesses were identified and any relevant recommendations.

#### **Audit materiality**

In planning and performing our audit work we will consider whether the financial statements are free from 'material misstatement'.

Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements. Thus, different materiality levels may be appropriate when considering different aspects of the financial statements.

If there are any areas of specific concern in which you would like us to pay particular attention to then we will be pleased to discuss this with you, and whether our audit approach can be readily adapted to accommodate such a level in that area, or whether it will be more appropriate for a special exercise to be carried out on the area.

Our basis of materiality has been set as follows:

	<b>Basis of materiality</b>
Hereford and Worcester Fire Authority	2% of gross expenditure This equates to £866,000*

*\*Based on the 2024/25 financial statements. We will update our materiality on receipt of the 2025/26 unaudited financial statements, published for public inspection.*

Whilst the level of materiality is applied to the financial statements as a whole, we must also address the risk that any identified unadjusted audit differences are material when considered in aggregate. To reduce the risk of this being the case, we apply a lower level of materiality which we utilise within our work, known as Performance Materiality. This is set at a lower level than overall materiality and is determined by our assessment of the element of audit risk that pertains to the internal control environment of the Authority.

## Risk assessment and significant risks

### Financial statements

When planning our audit work, we will seek to minimise the risk of material misstatements occurring in the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the Authority operates. We then use this assessment to develop an effective approach to the audit.

This risk assessment directs our testing towards the balances and transactions at the greatest risk of material misstatement so as to minimise the risk of undetected material misstatements. However, we do not test every group of transactions or balances but carry out sample testing of balances and transactions.

Therefore, there is an inherent and unavoidable risk that some material misstatements may not be detected and therefore audit procedures should not be relied upon to detect all material misstatements, fraud, irregularities or instances of non-compliance.

Based on our knowledge of the Authority, we have identified the following as significant risk areas to be addressed during the audit along with our proposed audit approach.

### Significant risks:

Risk	Audit Approach
<p>Management override of controls (required under the ISAs)</p>	<p>We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed. To address this risk, we will:</p> <ul style="list-style-type: none"> <li>• Review the reasonableness of accounting estimates and critical judgements made by management;</li> <li>• Test material journals processed at the year end; and</li> <li>• Test other journals with key risk attributes.</li> </ul> <p>In testing journals, we will use data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors.</p>
<p>Valuation of land and buildings</p> <p><i>There are a number of changes required to local authority financial statements as a result of CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. Further detail is set out in our Sector Update at the back of this Plan. Our audit approach has been updated to reflect these changes.</i></p>	<p>There is a risk over the valuation of these assets due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements. To address this risk, we will:</p> <ul style="list-style-type: none"> <li>• Hold early discussions with key officers within the Authority to ascertain how the Code changes required are being implemented and whether proposed actions are in line with the guidance;</li> <li>• Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls;</li> <li>• Review the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;</li> <li>• Write to the valuer to confirm the basis on which the valuation was carried out;</li> <li>• Confirm that the basis of valuation for assets valued in year is appropriate based on their usage;</li> <li>• Review the appropriateness of assumptions used in the valuation of land and buildings;</li> <li>• Review accuracy and completeness of information provided to the valuer, such as floor areas;</li> <li>• Test a sample of revaluations made during the year to ensure that they have been input correctly into the Authority's asset register;</li> </ul>

Risk	Audit Approach
	<ul style="list-style-type: none"> <li>Form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Authority's financial statements, following up valuation movements that appear unusual;</li> <li>Consider whether the accounting treatment applied is in accordance with the updated requirements of the Code, that the selection of accounting policies is reasonable and appropriate to the Authority's circumstances and that accounting treatments have been applied consistently across asset types.</li> </ul>
<p>Valuation of the pension fund net liability (Local Government Pension Scheme)</p>	<p>There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions. To address this risk, we will:</p> <ul style="list-style-type: none"> <li>Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls;</li> <li>Review the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;</li> <li>Consider the accuracy and completeness of the information provided to the actuary;</li> <li>Ensure that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;</li> <li>Carry out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and</li> <li>Obtain assurances from the auditor of Worcestershire Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.</li> </ul>
<p>Valuation of the pension fund net liability (Firefighters' Pension Schemes)</p>	<p>There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions. To address this risk, we will:</p> <ul style="list-style-type: none"> <li>Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls;</li> <li>Review the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;</li> <li>Consider the accuracy and completeness of the information provided to the actuary;</li> <li>Ensure that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;</li> <li>Carry out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.</li> </ul>

As part of our planning, we have rebutted the risks of fraud in revenue recognition (required under the ISAs) and fraud in expenditure recognition (required under the Financial Reporting Council's Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom).

### Building back assurance

The Authority's 2023/24 financial statements were given a disclaimed opinion, due to the unaudited financial statements not being published before this backstop date and no substantive audit work having been carried out. As a result, we did not have assurance over the opening balances for the 2024/25 audit. We therefore issued a disclaimed opinion for the 2024/25 financial statements, as we did not have sufficient appropriate audit evidence over the following:

- the opening balances for the comparative period and as a result, we have not been able to obtain sufficient assurance over the balance sheet, comprehensive income and expenditure statement and cash flow statement and accompanying notes that are calculated as a movement between the opening and closing balances;
- the valuation of property assets, measured on a depreciated replacement cost basis and included within 'other land and buildings' at £26.3m, for which we were unable to obtain sufficient assurance over the key inputs used in the valuation; and
- the closing reserves balance of £252.1 million as at 31 March 2025, due to the uncertainty over their opening amount and the split between usable and unusable reserves.

We have been developing our approach to building back assurance over the Authority's financial statements, with the plan being to get to an unqualified audit opinion in 2026/27.

Our approach is being developed in accordance with the National Audit Office Local Audit Reset and Recovery Implementation Guidance (LARRIG), in particular *LARRIG 05 – Rebuilding of assurance following a disclaimed audit opinion* and *LARRIG 06 – Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions*. The approach is in three phases:

Phase 1	An initial risk assessment plan for building back assurance. This focuses on: <ul style="list-style-type: none"><li>• Reasons for the initial disclaimed opinion and any emerging risks</li><li>• Changes in the system of internal control since the last unqualified opinion including consideration of the outcomes of internal audit work</li><li>• Any issues noted from our VFM work</li></ul> The outcome from this is our overall risk assessment for the audit and informs our materiality level and quantum of work needed to regain assurance.
Phase 2	A more in-depth risk assessment process using a bespoke, internally created methodology on an audit-by-audit basis to ascertain the appropriate risk-based approach for building back assurance on each area of the accounts where we do not have appropriate audit evidence.
Phase 3	Undertaking the detailed work as concluded upon in Phase 2.

In the table below we have set out our plan to get to an unqualified opinion for Hereford and Worcester Fire Authority in 2026/27. This is consistent with the illustrative timescale set out in *LARRIG 01 – General arrangements supporting guidance for auditors in implementing the reset and recovery*.

2023/24	2024/25	2025/26	2026/27
<b>Opinion:</b> Disclaimed	<b>Opinion:</b> Disclaimed	<b>Planned opinion:</b> Qualified	<b>Planned opinion:</b> Unqualified
<b>Audit work carried out:</b> No audit procedures were completed over the 2023/24 balances.	<b>Audit work carried out:</b> All audit procedures, including work on PPE valuations for the Authority's assets revalued in year, except for those assets revalued on a Depreciated Replacement Cost basis.	<b>Audit work planned:</b> All audit procedures.	<b>Audit work planned:</b> All audit procedures.
<b>Build back work:</b> Review of predecessor auditor working papers.  No further specific procedures completed in 2023/24 for build back, due to the late delivery of the financial statements.	<b>Build back work:</b> Phase 1 as described above.  This work included meetings with external bodies e.g. the National Audit Office, internal discussions on audit approach with colleagues (including technical leads) and other firms.	<b>Build back work:</b> Phase 2 and 3 as described above.	<b>Build back work:</b> None – all build back work planned for 2025/26.
<b>Areas with no assurance:</b> 2023/24 financial statements as a whole.	<b>Areas with no assurance:</b> <ul style="list-style-type: none"> <li>• 2024/25 opening balances</li> <li>• Valuation of land and buildings at 31 March 2025</li> <li>• Split of the reserve balances</li> </ul>	<b>Areas with no assurance:</b> Lack of sufficient, appropriate evidence over comparative figures, due to previous disclaimed opinions, but the potential effects on the final statements are not deemed to be pervasive.	<b>Areas with no assurance:</b> None

We will report back to you, as part of our Audit Completion Report, on the outcome of our work addressing the significant risk areas and progress on rebuilding assurance.

#### Value for money arrangements

As part of our planning work, we have also considered whether there are any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources that we need to perform further procedures on.

We have not identified any risks of significant weakness at this stage.

We will keep our risk assessment under continual review, and any changes will be communicated to those charged with governance.

#### **Control environment**

Through our audit planning procedures, we will continue to develop our understanding of the control environment in which the Authority operates.

At the time of issuing our Audit Plan we have concluded that the control environment in which the Authority operates is effective and we will tailor our audit approach accordingly.

Although we consider that the Authority operates effective and formalised controls, we will not incorporate controls-based testing into our audit approach. Therefore, our work will focus on substantive procedures.

## Adjusted and unadjusted items

Of the potential audit adjustments that we identify during our audit work, some may require adjustment. The decision to make an adjustment to the financial statements is one that the Authority will need to make.

At the conclusion of the audit, we shall provide you with a schedule of potential adjustments that we identified during our audit work.

We will require you to confirm that you have considered the items and whether you have decided to adjust them in the financial statements; this will be included in the letter of representation.

We shall also provide you with a schedule, detailing those items that we identified during our audit work, which have not been adjusted for in the financial statements. This summary will not include errors that are 'clearly trivial', defined by us as those errors which individually account for no more than 5% of our materiality level.

We will require you to confirm that you have duly considered these unadjusted errors and that you have decided not to adjust for them in the financial statements; this will also be included in the letter of representation.

## Fraud

While the Authority has the ultimate responsibility for the prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit approach includes the consideration of fraud throughout the audit, including making enquiries of management and those charged with governance.

## Prior year recommendations

We will follow up on the progress made by the Authority in addressing the recommendations made by us in respect of issues reported in our 2024/25 Audit Completion Report and our 2024/25 Auditor's Annual Report.

## 2. The Audit Team

Key Audit Partner:	Alex Walling
Email:	<a href="mailto:AWalling@bishopfleming.co.uk">AWalling@bishopfleming.co.uk</a>
Manager:	Jonathan Saunders
Email:	<a href="mailto:Jonathan.Saunders@bishopfleming.co.uk">Jonathan.Saunders@bishopfleming.co.uk</a>
In-Charge:	Nic Brown
Email:	<a href="mailto:NBrown@bishopfleming.co.uk">NBrown@bishopfleming.co.uk</a>

### 3. Timetable

A full audit timetable has been included below:

<b>Hereford and Worcester Fire Authority</b>			
<b>YEAR END: 31 March 2026</b>			
<b>Date</b>	<b>Requirement</b>	<b>Bishop Fleming</b>	<b>Authority</b>
<b>Throughout 2026</b>	Regular liaison meetings with management and the Chair of Audit, Scrutiny and Standards Committee	✓	✓
<b>w/c 23 February 2026</b>	Date for issue of audit deliverables	✓	
<b>February – March 2026</b>	Completion of phase 2 and 3 build back procedures as outlined above	✓	
<b>27 March 2026</b>	Date for receipt of audit deliverables		✓
<b>27 March 2026</b>	Date for receipt of VFM self-assessment from management		✓
<b>w/c 30 March 2026</b>	Planning procedures and interim audit work undertaken, examining systems and controls in place, and completion of early substantive testing on transactions to January 2026.	✓	✓
<b>w/c 30 March 2026</b>	Audit team to undertake VFM work	✓	
<b>30 June 2026</b>	Date for receipt of the draft financial statements		✓
<b>w/c 20 July 2026</b>	Audit fieldwork to be undertaken, completing work on significant risk areas and other material balances.	✓	✓
<b>w/c 28 September 2026</b>	Audit completion meeting to discuss draft Audit Completion Report	✓	✓
<b>20 January 2027</b>	Presentation of Audit Completion Report and Auditor's Annual Report to the Audit, Scrutiny and Standards Committee.	✓	✓
<b>31 January 2027</b>	Backstop date for 2025/26 local government audits	✓	✓

## 4. Audit Fees

Hereford and Worcester Fire Authority, in line with most other local government bodies, opted into the national scheme run by PSAA for the appointment of its external auditor for the five-year period with effect from 2023/24. PSAA set the scale fee for the audit of Hereford and Worcester Fire Authority under the contract. The audit scale fee set by PSAA for the Authority and our proposed variations are set out below:

	<b>2024/25</b>	<b>2025/26</b>
PSAA scale fee	£108,288	£111,320
Proposed fee variations at the planning stage:		
Variation 1 – Phase 2 detailed risk assessment for building back assurance as detailed on Page 8		TBC
Variation 2 – Phase 3 detailed work to build back assurance		TBC
Fee variations in respect of work completed as part of the 2024/25 audit:		
Review of implementation of IFRS 16	£6,092	-
Phase 1 detailed work to build back assurance	£11,626	-
Additional procedures in relation to testing floor plan Gross Internal Areas for Depreciated Replacement Cost assets	£2,243	-
<b>Total (excluding VAT)</b>	<b>£128,249</b>	<b>TBC</b>

The scale fees set by PSAA:

- are based on the expectation that complete and materially accurate financial statements, with supporting working papers, will be available within agreed timeframes (as set out in [PSAA's Statement of Responsibilities document](#)); and
- reflect as far as possible the previous assessment of audit risk and complexity.

Where work was substantially more or less than envisaged by the scale fee, we will propose that the fees should be varied. PSAA determine the outcome of any fee variations. The proposed fee variations set out above reflect issues that were not reflected in the scale fee when it was set by PSAA.

As the individual responsible for the project management of the audit, Jonathan will monitor the position in relation to any issues that could potentially give rise to a fee variation and discuss them with the Section 151 Officer at the earliest opportunity.

There are no non-audit fees proposed at the planning stage.

## 5. Ethical Issues

In order to comply with professional and ethical standards we are required to communicate to you all significant facts and matters that, in our professional judgement, may affect the firm's independence. This is for reference only, and unless you wish to make any comments, there is no need to respond.

### **Threats & safeguards**

The standards require us to consider the perceived potential threats to our objectivity and independence in carrying out the audit. We are not providing any other audit related or non-audit related services. We have not identified any threats to the firm's independence.

### **Overall assessment**

We can confirm that we comply with the Financial Reporting Council's (FRC) Ethical Standard and are able to issue an objective opinion on the financial statements. There are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

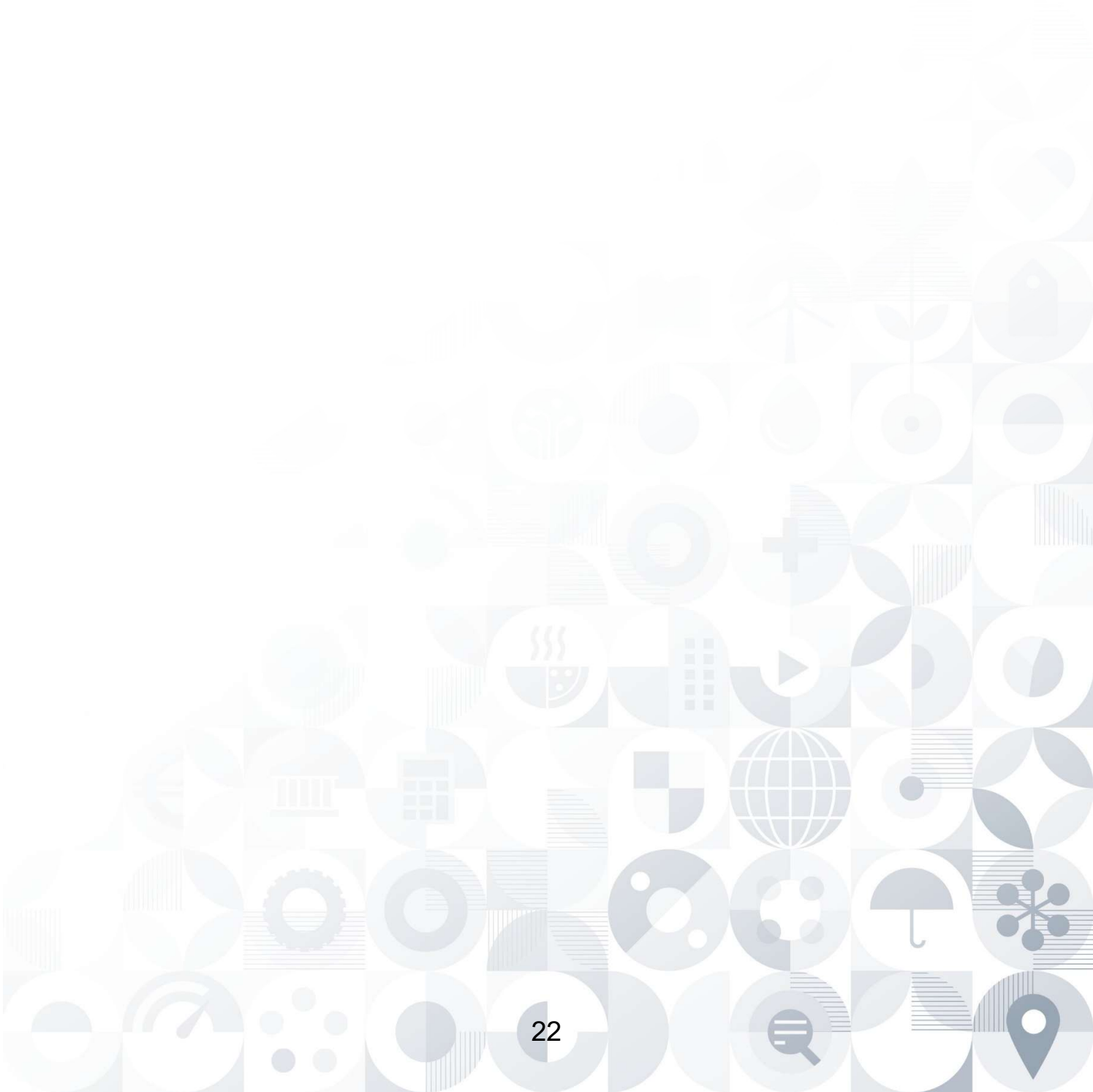
### **Maintaining objectivity & independence**

As a firm we have policies and procedures in place to monitor auditor objectivity and independence on a regular basis. If any additional threats are identified, we will of course advise you immediately.

We also perform an annual review of completed audit engagements for quality control purposes.

If you would like to discuss any of the above, please contact us.

# Appendices



# 1. Required communications with the Audit, Scrutiny and Standards Committee

Under the auditing standards, there are certain communications that we must provide to the Audit, Scrutiny and Standards Committee as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: <ul style="list-style-type: none"> <li>• uncorrected misstatements and their effect on our audit opinion;</li> <li>• the effect of uncorrected misstatements related to prior periods;</li> <li>• a request that any uncorrected misstatement is corrected; and</li> <li>• in writing, corrected misstatements that are significant.</li> </ul>	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> <li>• enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity;</li> <li>• any fraud that we have identified or information we have obtained that indicates that fraud may exist; and</li> <li>• a discussion of any other matters related to fraud.</li> </ul>	Audit Completion Report Discussions at committee meetings
Significant matters arising during the audit in connection with the entity's related parties.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none"> <li>• our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;</li> <li>• significant difficulties, if any, encountered during the audit;</li> <li>• significant matters, if any, arising from the audit that were discussed with management;</li> <li>• written representations that we are seeking;</li> <li>• expected modifications to the audit report; and</li> <li>• other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities.</li> </ul>	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at committee meetings
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report

## 2. Sector updates

### Key changes to the Code of Practice on local authority accounting in the United Kingdom 2025/26

#### Valuation of Property, Plant and Equipment

There are a number of changes required to local authority financial statements as a result of CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. The main changes are:

- A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available;
- Intangible assets to be held at historical cost only;
- Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures;
- To assist authorities, an existing adaptation has been removed to allow both options permitted by IAS 16 for the treatment of accumulated depreciation when assets are revalued. This aligns with existing arrangements in the FrEM; and
- A clarification to ensure that undertaking a full revaluation should not be a default process to demonstrate there has not been a material impairment of an asset and to comply with IAS 36 (impairment of assets).

Guidance is set out in [CIPFA Bulletin 22 Indexation application guidance](#).

#### Annual Governance Statement

Following the publication of [Delivering Good Governance in Local Government: addendum / Solace covering the annual review of governance and the annual governance statement \(2025\)](#), the content of the annual governance statement (AGS) has changed. Local authorities should refer to the addendum for full details; however, the AGS should contain the following elements:

- An executive summary, including an overall opinion on whether governance arrangements were fit for purpose;
- An assessment of effectiveness, setting out how the overall opinion was arrived at;
- Where governance needs to improve, including an action plan;
- How governance has been improved over the current financial year; and
- A forward look on governance.

### Revised guidance on minimum revenue provision

Under the Prudential Framework (the "Framework"), local authorities have wide freedoms to borrow and invest without seeking the government's prior approval.

The duty to make Minimum Revenue Provision ("MRP") is an important component of the Framework. Where local authorities finance capital expenditure with debt, they must set aside an amount of money each year to ensure that debt can be repaid ensuring that local authorities do not take on more debt than they can afford. Therefore, in deciding whether any capital expenditure is affordable, an authority must consider whether it can meet the cost of the associated MRP charged within an affordable budget. The amount of MRP should be determined with respect to a local authority's Capital Financing Requirement ("CFR").

Local authorities are required to charge MRP to their revenue account in each financial year in respect of all capital expenditure financed by debt. Before 2008, the 2003 Regulations contained details of the method that local authorities were required to use when calculating MRP. This has been replaced by the current regulation 28, which gives local

authorities flexibility in how they calculate MRP, providing the amount is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to this guidance.

The 2003 Regulations were further amended with full effect from [April 2025](#) to expressly provide that in determining a prudent provision, local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute. Further, that capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue. Specific exceptions were introduced for capital loans, alongside appropriate risk mitigations. These measures were taken to strengthen compliance with the duty to make MRP.

Local authorities must comply with the duty to make MRP and failure to do so, through under-charging of MRP, creates risk to the authority, the finance system and to local and national taxpayers. Under-provision can result in a local authority being unable to repay a proportion of its debt, passing the liability to future taxpayers, which will need to be met from capital receipts or accelerated MRP payments. Further, if a prudent charge is not made, then this can also encourage the local authority to take on greater levels of debt than might otherwise be affordable. The duty to charge MRP is an important mechanism in the Framework to constrain risk and ensure the affordability of capital expenditure.

The guidance in full can be found on [Capital finance: guidance on minimum revenue provision \(5th edition\) - GOV.UK](#).

## English Devolution and Community Empowerment Bill

In last year's Audit Plan we outlined the Government's proposals around devolution and Local Government reorganisation which were set out in the English Devolution White Paper published in December 2024.

The White Paper announced planned changes to the Devolution Framework, aimed at "completing the map" by establishing new Strategic Authorities throughout England. Although the White Paper allowed for other options, these Strategic Authorities were intended to be partnerships of multiple local authorities across a large geography with their own Mayor. These Strategic Authorities would be given "areas of competence" such as performing functions in transport and local infrastructure and skills and employment support and empowered to deliver on them.

Since then the Government has drafted the English Devolution and Community Empowerment Bill which is currently going through Parliament. Alongside the changes outlined above, provisions within the Bill will also enable the establishment of a new public body, the Local Audit Office (LAO), to oversee the local audit system. These provisions set statutory objectives for the LAO and prescribe key elements of its governance processes and structures. The LAO's functions will include setting fees, appointment of auditors to eligible bodies, setting the Code of Audit Practice and overseeing a regulatory framework.

In concert with the Devolution Framework, the White Paper also announced a significant programme of Local Government Reorganisation with an end to the remaining two-tier areas, resulting in all local authorities reorganised into unitary councils.

The Local Government and Public Involvement in Health Act 2007 (the 2007 Act) provides the statutory process for making structural changes to councils. The following paragraphs explain how this process works with specific reference to the invitation to all councils in two-tier areas (and small neighbouring unitary authorities) to develop proposals for unitary local government. Broadly, the stages are:

- 1. Stage one: Inviting unitary proposals.** Invitations went to the 21 two-tier areas and their neighbouring small unitary authorities and included statutory guidance pursuant to the 2007 Act, specifying criteria for establishing new unitary authorities and matters that should be taken into account.
- 2. Stage two: Submission of formal unitary proposals.** Each council could only make one formal proposal for unitary local government, and a proposal could either be submitted individually by a council or jointly with other councils that were invited. The Secretary of State could decide to take forward proposals that are submitted by areas with or without modification.
- 3. Stage three: Statutory consultation.** The Government will carry out a statutory consultation in accordance with the requirements of the legislation, which is that the Secretary of State must first consult any council affected that has not submitted the proposal, as well as any other persons considered appropriate, before a proposal can be implemented.
- 4. Stage four: Decision to implement a proposal.** Once a statutory consultation is concluded, Ministers will decide, subject to Parliamentary approval, which, if any, proposal is to be implemented, with or without modification. In taking these decisions, Ministers will judge proposals in the round against the criteria. In making a decision, Ministers will have

regard to all the representations that were received, including the consultation responses, and any other relevant information available. The decision taken will be subject to collective agreement across Government.

**5. Stage five: Making secondary legislation – the Structural Changes Order (SCO).** Once a decision is taken on which proposal to implement, the Ministry for Housing, Communities and Local Government (MHCLG) will prepare the necessary legislation (the SCO) for Parliamentary approval. The SCO establishes the new single tier of local government in the relevant area and makes provision to abolish the predecessor councils. MHCLG will work with the current councils during the preparation of the legislation, seeking input on specific matters which might include names of the new councils, transitional arrangements and electoral arrangements:

a. **The Order:** will specify arrangements for the first elections for the new unitary council/s, councillor numbers, the functions the new council has in the transition period and establish suitable governance arrangements for the transition period before new councils go live, by giving powers to the relevant executive or joint committee overseeing the transition.

b. **Elections:** Typically, the first elections to new unitary councils take place on electoral arrangements specified in the SCO, and which are built using a mixture of existing wards, divisions or, in some cases, parishes.

c. **Transition period arrangements:** The SCO will specify the governance arrangements for the new unitary councils in the transition period i.e. what sort of transition body will be in place during the transition period until predecessor councils are abolished and new unitary councils go live.

**6. Stage six: Transition period.** Once the SCO has been made, the existing councils carry on delivering services and fulfilling their duties until vesting day, while preparing to transfer all assets, functions and staff on vesting day when the predecessor councils are dissolved and the new unitary authority takes on the legal duties and powers for providing local government to the area.

**7. Stage seven: New unitary authority goes live.** This is vesting day. While preparatory work may start with the development of proposals and continue through the process, a minimum of around a year is allowed to enable safe and legal transfer of key services from the point the legislation is made, to when the new unitary council/s goes live. Elections to the new unitary councils, in the transition year ahead of vesting day, aid a safe and legal transition by ensuring those who will be responsible for governing the new authority/ies are accountable for decisions on transition arrangements.

Final proposals were submitted at the end of November 2025. On 5 February, a written ministerial statement was made to Parliament about the statutory consultations on proposals for unitary local government made by councils in 14 areas. Details can be found on [Local government reorganisation: Policy and programme updates - GOV.UK](#)

Following these consultations, decisions on which proposal to implement could be announced before the summer recess. Secondary legislation would then be prepared, to be laid in the House after the summer recess. The legislation could then be made, subject to Parliamentary approval. This would allow for elections to the new unitary authorities on 6 May 2027. The new authorities would then go live on 1 April 2028.

## Local audit reform and the local audit backstop

The local audit system has faced a significant backlog of outstanding unaudited accounts at local authorities (and some other local bodies including police, fire and national parks authorities), covering multiple financial years. Just one per cent of these bodies published audited accounts for 2022/23 by the original deadline. The audit backlog was also the key factor in the Comptroller and Auditor General's decision to issue disclaimed opinions on the Whole of Government Accounts for financial 2022/23 and 2023/24.

In 2024, the Government introduced a local audit backstop programme, structured around six publication dates for audited accounts, to clear the backlog and enable a greater focus on recent accounts, setting in motion the reestablishment of discipline required for the timely publication of both unaudited and audited accounts.

While the backstops have also resulted in many disclaimed audit opinions, auditors' other statutory duties – including to report on value for money arrangements, to make statutory recommendations and issue Public Interest Reports – remain a high priority.

For the next three years, the statutory publication date for unaudited accounts will be 30 June, while the planned backstop dates are:

- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028.

In the interests of transparency, the Government committed to publishing a non-compliance list of local bodies failing to publish audited accounts by the backstop dates. See [Addressing the local audit backlog in England: Non-compliance lists](#).

Given the large number of disclaimed opinions, the backstops were announced alongside a five-year programme for building back assurance, with an aspiration that local audit recovers as soon as possible within that period. The Government continues to work with local bodies and audit firms to achieve this aim, and is considering what further measures may be necessary to support the process.

The Government has written to all audit firms and to all local bodies in the process of rebuilding assurance to underline the need for everyone to work together to accelerate progress and prioritise resources accordingly.



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## **Report of the Head of Internal Audit – WIASS**

### **Annual Report of Internal Audit 2025/26**

#### **Purpose of report**

1. To present the annual report of Internal Audit for 2025/26 for scrutiny.
- 

#### **Recommendation**

***The Treasurer recommends that following scrutiny of the Annual Report of Internal Audit for 2025/26, the report be noted.***

#### **Introduction and Background**

2. The purpose of this report is to provide the Committee with the annual internal audit opinion on the organisation's framework of internal control, risk management and governance.
3. The Accounts and Audit Regulations and the Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement. The Standards also specify that the report must contain:
  - An internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment);
  - A summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
  - A statement on the extent of conformance with the Standards including progress against the improvement plan resulting from any external assessments.
4. Appendix 1 to this report provides the Internal Audit Annual Report; this includes the Head of Internal Audit's conclusion on the control environment for 2025/26 and the basis for this opinion. The Head of Internal Audit's overall conclusion is that Reasonable Assurance can be given that there is an adequate and effective governance, risk and control framework in place, designed to meet the organisation's objectives.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	There are no financial issues that require consideration. The Authority is a partner in the Internal Audit Shared Service. The Treasurer is appraised of the position quarterly during the Partner Board meetings.
<b>Strategic Policy Links &amp; Core Code of Ethics</b> (Identify how proposals link with current priorities & policy framework and align to the Core Code of Ethics)	Audit work is risk based and linked to the delivery of priorities and policy framework.
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	Yes, whole report.
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	N/A – no policy change is recommended.
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	N/A
<b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)	N/A

## Supporting Information

Appendix 1 – Annual Report of Internal Audit 2025/26



# ANNUAL REPORT OF INTERNAL AUDIT

**2025/26**

Date: April 2026

## 1. BACKGROUND

- 1.1 The Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement.
- 1.2 The Standards specify that the annual report must contain:
- An Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk management and control framework;
  - A summary of the audit work (including organisational knowledge) from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
  - A statement of the extent of conformance with the Standards including progress against the improvement plan arising from external assessments.

## 2. INTERNAL AUDIT OPINION 2025/26

- 2.1 The Head of Internal Audit's overall conclusion on the organisation's system of internal control is that:

**Reasonable assurance** can be given that there is an adequate and effective framework of governance, risk management and internal control in place, designed to meet the organisation's objectives.

Of the 7 graded assignments completed in 2025/26, 4 (57%) resulted in an opinion Substantial assurance, and 3 (43%) resulted in an opinion of Reasonable assurance.

The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has identified only 3 medium priority actions which are currently overdue. Medium priority actions are defined as "less significant". Implementation of agreed control improvement actions strengthens the organisation's framework of governance, risk management and control.

The organisation has an embedded framework of risk management in place, with a clear focus on control and treatment. Governance related audits on Risk Management, and Procurement & Contract Management, resulted in opinions of reasonable assurance, indicating a generally sound system of governance, risk management, and control.

The provisional plan for 2026/27 contains further governance related audits of Data Protection and compliance with the Transparency Code; as well as audits in areas identified by the annual risk assessment and discussion with senior leadership.

2.2 A summary of Internal Audit assurance opinions issued in 2025/26 is shown in Table 1 below:

**Table 1 – Summary of Internal Audit Opinions in 2025/26**

Assurance Area	Substantial	Reasonable	Limited	No
Financial	1	0	0	0
Strategic & Cross-Cutting	1	2	0	0
Operational Risks	2	1	0	0
<b>Totals</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>0</b>

### 3. REVIEW OF AUDIT COVERAGE

3.1 The Auditor’s Opinion for each assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The table below explains what the opinions mean:

**Table 2 – Assurance Categories**

Opinion	Definition
<b>Substantial Assurance</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable Assurance</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited Assurance</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The prioritisation of recommendations made by Internal Audit is based upon an assessment of the level of risk exposure. The Auditor’s Opinion considers the likelihood of corporate/ service objectives not being achieved, and the impact of any failure to achieve objectives. In order that recommendations can be

prioritised according to the potential severity of the risk, a traffic light system is used, aligned with the organisation's risk assessment framework, as follows:

**Table 3 – Definition of Priority of Recommendations**

Risk Level	Definition Matrix
Very Low	No action needs to be taken on these risks or these risks can be carried. They will be recorded and monitored regularly to ensure that scores do not change.
Low	These risks both unlikely to occur and may be significant in their impact. They should be managed using normal or generic planning arrangements and require minimal monitoring and control. They will be monitored regularly to ensure that scores do not change.
Medium	These risks are less significant but may cause upset and inconvenience in the short term. These risks should be monitored to ensure that they are being appropriately managed, including generic emergency planning arrangements. They will be monitored regularly to ensure that scores do not change.
High	These risks are classed as significant irrespective of likelihood of occurrence. Considerations must be given to the development of strategies to eliminate risks, as well as mitigation by multi-agency, general planning, exercising and training. These risks will be frequently monitored.
Very High	These are primary or critical risks which require immediate attention. They may have high or low likelihood of occurrence, but the consequences must be treated as high priority. Strategies must be developed to reduce or eliminate risks along with mitigation by multi-agency, general planning, exercising and training. Risk must be frequently monitored, and considerations should be made towards specific planning, rather than specific.

**Table 4 – Risk Matrix**

<b>RISK MATRIX</b>						
<b>Impact</b>	<b>Severe (5)</b>					
	<b>Major (4)</b>					
	<b>Moderate (3)</b>					
	<b>Minor (2)</b>					
	<b>Minimal (1)</b>					
		<b>Low (1)</b>	<b>Low/Medium (2)</b>	<b>Medium (3)</b>	<b>Medium/High (4)</b>	<b>High (5)</b>
	<b>Likelihood</b>					

**Table 5 – Impact Ratings**

LEVEL	SERVICE DELIVERY	FINANCIAL	REPUTATIONAL
<b>Severe</b>	Major external interruption or loss	Greater than £5m	Extensive interest by national/international media requiring continued strategic response, press management resulting in sustained media exposure
<b>Major</b>	Noticeable external interruption or loss	£2m to £5m	Interest by national media requiring strategic response
<b>Moderate</b>	Significant internal interruption or loss	£1m to £2m	Significant interest by local/regional media with formal response required.
<b>Minor</b>	Internal interruption only	£0.5m to £1m	Minimal interest by local/regional media that may require informal or formal response
<b>Insignificant</b>	Unnoticeable internal interruption only	Less than £0.5m	Rumours - potential requirement for clarification of the facts

**Table 6 –Likelihood Ratings**

Descriptor	Description	Probability (over 3 years)
<b>High</b>	Near certain to occur	>75%
<b>Medium/High</b>	Will often occur	21-75%
<b>Medium</b>	May occur	6-20%
<b>Low /Medium</b>	Will seldom occur	1-5%
<b>Low</b>	May occur in exceptional circumstances	<1%

### 3.2 Summary of Internal Audit Work

Table 7 details the assurance levels resulting from all audits completed during the year:

Audit Area	Assurance Opinion
<b>Financial</b>	
Main Ledger	Substantial
<b>Strategic &amp; Operational Risks</b>	
Procurement and Contract Management	Reasonable
Unwanted Fire Signals	Reasonable
Risk Management	Reasonable
Performance Management & Data Quality	Substantial
Project Management	Substantial
Follow up reviews	Substantial

Outlined at pages 11 to 17 is a short summary of the findings of each of the audits completed. It should be noted that most of these findings have previously been reported as part of the defined cycle of progress update reports provided to the Committee.

### 3.3 Adding Value

Much internal audit work is carried out “behind the scenes” and is demand led but is not always the subject of a formal report. Examples include:

- Governance e.g. assisting with the Annual Governance Statement.
- Dissemination of information regarding potential fraud cases likely to affect the organisation.
- Drawing managers’ attention to specific audit or risk issues.
- Internal audit recommendations: follow up review and advice.
- Day to day audit support and advice for example risk implications arising from proposed changes in controls.
- Networking with audit colleagues in other organisations on professional points of practice.

### 3.4 Service Performance in 2025/26

Description	Narrative	Target	Actual
Delivery	% of audit days delivered by Year End	90%	88% (92 days delivered against a target of 104). Note, this figure is as at 13/03/2026 and is not the final outturn.
Productivity	% of available time spent on productive audit work	85%	87% (prior year comparative 81%)
Effectiveness	% of agreed recommendations implemented by the agreed date	75%	88% (prior year comparative 100%)
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as "Very Good" or "Good"	80%	92% (result of client survey issued June 2025)  A further analysis of client feedback will be undertaken in Q1, 2026/27

## 4. QUALITY ASSURANCE AND COMPLIANCE WITH PROFESSIONAL STANDARDS

- 4.1 Quality control measures embedded in the service include individual audit reviews and regular Client Officer feedback. All staff work to a given methodology and have access to the internal audit reference material and Charter which are updated regularly to reflect the requirements of the standards and the changing environment that Internal Audit operates in. On-going dialogue is maintained with the s151 officer and the Client Officer Group which governs the shared service. The Client Officer Group for the Internal Audit Shared Service comprises all the partners' s151 Officers all whom actively encourage and support the on-going development of the service.
- 4.2 A Quality Assurance policy was approved in September 2024. In accordance with the standards, the Head of Internal Audit is required to include a statement on compliance with the policy within this annual report. The Head of Internal Audit can confirm that the service operated in compliance with the policy from the date of its approval to the end of the financial year.

#### 4.3 Global Internal Audit Standards and 2025/26 Improvement Plan

The Global Internal Audit Standards apply for the 2025/26 financial year onwards. The Standards cover five key areas (domains):

- The purpose of internal auditing
- Ethics and Professionalism
- Governing the Internal Audit function
- Managing the Internal Audit function
- Performing Internal Audit services

4.4 The Standards required that an independent External Quality Assessment (EQA) of the service be completed every 5 years. An EQA was completed in the 2024/25 financial year, and the results confirmed that the service was operating in **General Conformance to the Standards**. This is the highest of the three available assessment grades. Whilst this EQA was completed under the previous Public Sector Internal Audit Standards, it also considered the requirements of the new Global Standards. The next external assessment of the service is due in 2029/30.

4.5 The Head of Internal Audit has reviewed the new Standards with the team, and the following actions were developed to ensure compliance with the additional requirements:

Improvement Action	Implementation Date/ Comments
Ensure all members of the team are reminded of the requirements of the Code of Ethics. This covers integrity, objectivity, confidentiality, due care, professional conduct, conflicts of interest, use of information, and professional development.	Independent training on integrity and objectivity was delivered to the whole team in November 2025.
Ensure that additional professional development over and above mandatory corporate training is recorded on individual learning plans.	This will be covered off during annual appraisal and development reviews in May 2026.
Update the Internal Audit Charter to incorporate a mandate. The mandate will define why internal audit exists within the organisation. It will also specify the authority, role and responsibilities.	Completed. The document is submitted to the Audit & Standards Committee for approval in March 2026.

Improvement Action	Implementation Date/ Comments
Develop a formal Internal Audit Strategy setting out its vision, strategic objectives and supporting initiatives.	Completed. The document is submitted to the Audit & Standards Committee for approval in March 2026.
As part of audit planning, consider how data analytics and Artificial Intelligence may be used to create more efficient and effective workflows.	This has been incorporated within the new Internal Audit Strategy. The team will consider how this can be taken forward for 2026/27.
Review communications to ensure the Service adopts the use of conclusions rather than opinions.	Completed.

4.6 With the actions taken and in progress as noted in the table above, the annual self-assessment conclusion of the Head of Internal Audit is that the Internal Audit service is operating in general conformance to the Global Internal Audit Standards.

## 5. ORGANISATION INDEPENDENCE

If independence or objectivity is impaired in fact or appearance, the Head of Internal Audit is required to disclose this. The Head of Internal Audit can confirm that the Internal Audit service is independent and objective, and this is currently demonstrated in a number of ways:

- The Head of Internal Audit reports directly to the s151/ chief finance officer at all organisations in the Shared Service and the equivalent Audit Committee. He also has direct unfettered access to the Heads of Paid Service, Monitoring Officers and Chairs of the Audit Committees.
- Any attempts to unduly influence the scope of audit reviews or the contents of reports will be reported by the Head of Internal Audit to the Head of Paid Service and the Chair of the Audit Committee.
- All officers responsible for internal audit work are required to complete an annual Declaration of Interests form, which is in turn reviewed by the Head of Internal Audit. In the case of the Head of Internal Audit, the form is reviewed by the Director of Finance and Resources (s151 officer) at Worcester City Council. Auditors are required to report any interests that might compromise the impartiality of their professional judgements – or give rise to a perception that this impartiality has been compromised. Any conflicts of interest are avoided when allocating assignments.
- The Audit and Standards Committee approves any significant consultancy activity included in the Internal Audit Plan.

## 6. LIMITATIONS INHERENT TO THE WORK OF INTERNAL AUDIT

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit Committee subject to the limitations outlined below.

### ***Opinion***

Each audit assignment undertaken addresses the control objectives agreed with the relevant responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work, were excluded from the scope of individual internal audit assignments or were not brought to the attention of Internal Audit. As a consequence, the Audit Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

### ***Internal Control***

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees, management override of controls, and unforeseeable circumstances.

### ***Future Periods***

The assessment of each audit area is relevant to the time that the audit was completed. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

### ***Responsibilities of Management and Internal Auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance, and for the prevention or detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected, additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

## 7. SUMMARY OF INTERNAL AUDIT FINDINGS

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
Main Ledger including Process Changes	Final Report issued	January 2026 (actual)	<b>Substantial</b>	<p>The objective of this audit was to provide assurance that main ledger controls are adequately designed and operating as intended to support the production of accurate financial statements.</p> <p>The scope covered:</p> <ul style="list-style-type: none"> <li>• Design and operating effectiveness of process-level controls to mitigate significant risks</li> <li>• Reconciliation to subsidiary ledgers</li> <li>• Journals and suspense account</li> </ul> <p>The review found the following areas to be working well:</p> <ul style="list-style-type: none"> <li>• Journal controls are appropriately designed to mitigate the risk of fraud and were confirmed to be operating effectively.</li> <li>• Suspense account balances remained immaterial throughout the period, with most transactions relating to pensions with work ongoing to reduce pension postings to suspense. Other transactions were nonrecurring, and there is no indication that existing controls are ineffective.</li> <li>• Reconciliation processes are appropriately designed, and reconciliations have been performed at suitable intervals to reduce risk. Sample testing confirmed that approvals were correctly processed and reconciling items were appropriately addressed where present</li> </ul>

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
				No findings were identified based on the work undertaken and assessment against the authority's risk management strategy.
Procurement & Contract Management	Final Report issued	November 2025 (actual)	<b>Reasonable</b>	<p>From February 2025, the Procurement Act 2023 came into force. The objective of this audit was to provide assurance that procurement and contract management controls are sufficient and operating as intended to ensure compliance, effectiveness.</p> <p>The scope covered:</p> <ul style="list-style-type: none"> <li>• Procurement processes <ul style="list-style-type: none"> <li>○ Compliance with legislation</li> <li>○ Tendering and selection processes</li> <li>○ Segregation of duties and approval thresholds</li> </ul> </li> <li>• Contract management processes <ul style="list-style-type: none"> <li>○ Documentation and recording keeping</li> <li>○ Monitoring of performance</li> </ul> </li> <li>• Governance and oversight arrangements <ul style="list-style-type: none"> <li>○ Reporting and oversight by senior management</li> <li>○ Training and development</li> <li>○ Management of conflicts of interest</li> </ul> </li> </ul> <p>The review identified the following areas to be working well:</p> <ul style="list-style-type: none"> <li>• There are appropriate guidance and support arrangements for service managers.</li> <li>• Procurements tested by Internal Audit had been appropriately advertised using the Central Digital Platform.</li> </ul>

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
				<ul style="list-style-type: none"> <li>Tender assessment criteria are detailed, considerate of operational and strategic objectives, and have been assessed in accordance with legislation.</li> </ul> <p>The review identified 1 high level risk regarding communication and monitoring of aggregate contract value. Where contracts are retained on a rolling basis there is a risk that cumulative contract values could transcend procurement thresholds. Management has agreed to provide further training to officers, and to review existing contracts.</p>
Performance Management & Data Quality	Final Report issued	September 2025 (actual)	<b>Substantial</b>	<p>The objective of this audit was to provide assurance that information used for performance management is sufficient, appropriate, and accurate for the organisation and key stakeholders.</p> <p>The scope covered:</p> <ul style="list-style-type: none"> <li>Review of the data processing procedures including: <ul style="list-style-type: none"> <li>Gathering of data</li> <li>Review and amendments</li> <li>Analysis of data and transformation into a suitable format</li> </ul> </li> <li>Review of the process for data provision to key stakeholders, including but not limited to: <ul style="list-style-type: none"> <li>Ministry of Housing, Communities and Local Government (MHCLG), formerly Home Office</li> <li>His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services</li> <li>Senior Management and Members</li> </ul> </li> </ul> <p>The review found the following areas to be working well:</p>

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
				<ul style="list-style-type: none"> <li>• Data preparation is mostly free from intervention which may manipulate data, with appropriate controls in operation</li> <li>• The Performance and Information department has a culture of continuous improvement.</li> <li>• No indications of inaccurate or incomplete data were identified.</li> </ul> <p>The audit identified scope to improve the system of control and risk management such as increased use of data validation and entries to the department risk register.</p>
Unwanted Fire Signals – Quality Assurance Process	Final Report issued	August 2025 (actual)	<b>Reasonable</b>	<p>In September 2024, the Service introduced a new policy in order to reduce the number of unwanted fire signals (UwFS) that are attended. The objective of this audit was to provide assurance that new procedures have been consistently applied and that where inconsistency has occurred, this is reasonable and evidenced.</p> <p>The scope covered:</p> <ul style="list-style-type: none"> <li>• Review the accuracy of the application of UwFS policy, to include: <ul style="list-style-type: none"> <li>○ Consistency of call filtering</li> <li>○ Adherence to Automatic Fire Alarm (AFA) response timeframes</li> <li>○ Identification of inconsistencies in the application of the policy, as part of the internal quality assurance process, and the sharing of information to ensure shared learning and development.</li> </ul> </li> </ul> <p>The review found the following areas of the system were working well:</p>

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
				<ul style="list-style-type: none"> <li>• Testing did not identify any unexplainable instances of call filtering use outside of UwFS Policy timeframes or non-attendance to incidents where a fire was present, indicating that call handlers are consistently applying timeframes and consistently providing a response where necessary.</li> <li>• Call handlers are successfully utilising available site intel to make informed decisions when call filtering.</li> </ul> <p>The audit highlighted scope to improve the internal Quality Assurance process, for example by incorporating structured feedback to reduce the risk of recurring errors which may result in repeated attendance to false alarms.</p>
Risk Management	Final Report issued	December 2025 (actual)	<b>Reasonable</b>	<p>The objective of this audit was to provide assurance that organisation risk management controls are adequate, sufficient, and operating effectively.</p> <p>The scope covered:</p> <ul style="list-style-type: none"> <li>• Review of the Organisational Risk Management Policy, including consistency of application</li> <li>• Review of strategic and department risk registers for completeness, accuracy, and consistency of approach</li> <li>• Assessment of risk monitoring controls.</li> </ul> <p>The following areas were found to be working well:</p> <ul style="list-style-type: none"> <li>• Department review processes appear consistent, with only small variations.</li> <li>• Strategic risk register is appropriately managed by senior leadership.</li> </ul> <p>The following findings were identified:</p>

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
				<ul style="list-style-type: none"> <li>• The rationale for impact and likelihood definitions requires updating.</li> <li>• Some of the roles and responsibilities outlined in the policy do not accurately reflect actual practice.</li> <li>• There is scope to improve the documentation which evidence oversight of risk management activities. Examples include the dates of planned and actual actions taken, and reviews of control effectiveness.</li> </ul>
Project Management	Final Report Issued	November 2025 (actual)	<b>Substantial</b>	<p>The objective of this audit was to provide assurance that project management controls are robust, evidenced, and operating effectively to mitigate risk. This did not include capital projects managed in partnership with the Office of the Police and Crime Commissioner (OPCC).</p> <p>The scope covered:</p> <ul style="list-style-type: none"> <li>• Review of processes including: <ul style="list-style-type: none"> <li>○ Risk management</li> <li>○ Resource management</li> <li>○ Monitoring and reporting</li> <li>○ Retrospective review and learning</li> </ul> </li> </ul> <p>The review identified adequate process level controls in operation with only minor variations in practice, supported by robust governance controls. Control activities are deemed appropriate to manage significant risks in the audited area.</p> <p>The review identified the following scope for improvement:</p> <ul style="list-style-type: none"> <li>• Adoption of an established or hybrid methodology, such as PRINCE2, may further strengthen control activities particularly in terms of uniformity and cohesiveness.</li> </ul>

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
				<ul style="list-style-type: none"> <li>• Risk and portfolio scoring should be revised by either aligning it with the organisation's risk management framework, or through more developed definitions for scoring.</li> <li>• Post-completion learning could be enhanced by formalising lessons learnt. This may also contribute to resilience where staffing changes.</li> </ul>
Follow up of Recommendations	Work completed for 2025/26	March 2026	<b>Substantial</b>	<p>Performance has been good, with 88% of actions implemented by the agreed date. At the time of reporting, 3 medium priority actions have passed their target implementation date, with a further 8 actions not yet due.</p> <p>1 overdue action relates to rectification of bugs within the crewing roster software. Changes to the implementation date are not deemed to be concerning given management there are alternative control measures in place, and that medium priority actions are defined as "less significant".</p> <p>The remaining 2 overdue actions relate to an incident procedure policy for ICT help desk staff and minor amendments to the service intranet in respect of fraud detection guidance. The Head of ICT has confirmed that both actions are underway but are not yet at full completion. As above, management are working to resolve these "less significant" action and have communicated with Internal Audit.</p> <p>At this stage, there is no indication that management will fail to implement the agreed actions.</p>

## **Report of the Head of Internal Audit - WIASS**

### **Internal Audit Plan 2026-27**

#### **Purpose of report**

1. To present the 2026/27 Internal Audit Plan for approval.
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#### **Recommendation**

***The Treasurer recommends that the Internal Audit Plan for 2026/27 is approved, with or without amendments.***

#### **Introduction and Background**

2. The aims and objectives of the Worcestershire Internal Audit Shared Service (WIASS) are to:
  - examine, evaluate and report on the adequacy and effectiveness of internal control, governance and risk management, and recommend arrangements to address weaknesses as appropriate;
  - examine, evaluate and report on arrangements to ensure compliance with legislation and the Authority's objectives, policies and procedures;
  - examine, evaluate and report on procedures to check that the Authority's assets and interests are adequately protected and effectively managed;
  - undertake independent investigations into allegations of fraud and irregularity in accordance with policies, procedures and relevant legislation; and
  - advise upon the control and risk implications of new systems or other organisation changes, e.g. transformation.

#### **Development of the Internal Audit Plan**

3. To provide audit coverage for 2026/27, an audit operational programme delivered by WIASS was discussed and agreed with the Authority's Strategic Leadership Board and the Section 151 Officer and Treasurer, on 3<sup>rd</sup> March 2026. It is now being brought before Committee for consideration and approval, with or without amendments. The audit programme proposed is for a total provision of 96 audit days, as agreed with the Treasurer, including support days and management of delivery.

4. WIASS operates an Internal Audit Charter which sets out the standards to which it operates for this Authority. The Internal Audit Plan for 2026/27, which is included at Appendix 1, is risk based and is designed to enable the Head of Internal Audit to form an annual opinion on the framework of governance, risk management and internal control. It is designed to support the Authority in achieving its objectives and is based upon the risk priorities identified in the Strategic Risk Register as well as emerging risks identified by the Senior Leadership Board. The Plan is brought before the Committee in draft format as the involvement of the Committee is considered an important facet of good corporate governance.
5. Internal Audit recognises that there are other review functions which may provide other sources of assurance, both internally and externally, (e.g. ICT Public Service Network, Health & Safety audits) over aspects of the Authority's operations. Where possible internal audit will seek to place reliance on such work thus increasing the coverage without adding additional costs.
6. To try to reduce duplication of effort internal audit understands the importance of working with the External Auditors. The audit plan is available to the external auditors for information.
7. Bringing a plan of work before the Audit and Standards Committee allows Members to have a positive input into the work programme and make suggestions as to where they feel audit resources may be required under direction of the Treasurer and within the finite resource available. Due to the continuing changing environment that exists the plan must be seen as a framework for internal audit work and not set in stone. There is a need for improved flexibility in the plan due to a constantly changing risk profile. To ensure flexibility there is the possibility that the plan will be updated to address such challenges and any emerging risks. This is in line with the requirements of the Internal Audit Standards. Any changes will be submitted to the Audit and Standards Committee for consideration and approval.
8. Progress against the Internal Audit Plan will be closely monitored, and the Head of Internal Audit will report the position to the Audit and Standards Committee along with any exceptions identified during follow up work.

#### **Corporate Considerations**

<p><b>Resource Implications</b> (identify any financial, legal, property or human resources issues)</p>	<p>There are no financial issues that require consideration.</p> <p>The Authority is a partner in the Internal Audit Shared Service. The Treasurer is appraised of the position quarterly during the Partner Board meetings.</p>
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<p><b>Strategic Policy Links &amp; Core Code of Ethics</b> (Identify how proposals link with current priorities &amp; policy framework and align to the Core Code of Ethics)</p>	<p>Selected audits are risk based and linked to the delivery of priorities and policy framework.</p>
<p><b>Productivity &amp; Efficiency</b> (Identify how proposal improves productivity or efficiency)</p>	<p>Assurance that reviewed areas are delivering as efficiently as possible</p>
<p><b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).</p>	<p>Yes, whole report.</p>
<p><b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)</p>	<p>N/A – no policy change is recommended.</p>
<p><b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)</p>	<p>N/A</p>
<p><b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)</p>	<p>N/A</p>

## Supporting Information

Appendix 1 – Draft Internal Audit Plan 2026/27



HEREFORD & WORCESTER  
**HWFR**  
FIRE AND RESCUE SERVICE



## Appendix 1

### HEREFORD & WORCESTER FIRE AND RESCUE SERVICE

#### Appendix 1 – INTERNAL AUDIT PLAN FOR 2026/27

<b>Audit Area</b>	<b>Planned Budget in Days</b>	<b>Comment / Potential Outline Scoping</b>
Payroll & Pensions	<b>10</b>	Assurance that financial records are accurate, payments are timely and correct, and that robust controls are in place.
Purchasing Cards	<b>8</b>	Assurance that controls are suitably designed and operating effectively to mitigate risks including fraud and failure to demonstrate value for money.
Training Records	<b>12</b>	Assurance that training records for front-line staff are accurate and that processes are efficient.
Data Protection & Governance	<b>12</b>	Assurance that the Service is compliant with specified components of data protection legislation.
Freedom of Information (FOI)	<b>8</b>	Assurance that FOI requests are being managed in accordance with legislation and that the process is efficient.
Transparency Code	<b>8</b>	Assurance that the Service is compliant with the Local Government Transparency Code.
Fleet Strategy	<b>10</b>	Assurance that fleet planning is effective and adequately designed. To include additions, disposals, and the useful life of vehicles.
HR Systems	<b>10</b>	Consultancy work to assist with change management processes and control design relating to the new HR system.

Audit Area	Planned Days 2026/27	Comment / Potential Outline Scoping
Follow up Reviews	6	Assurance that actions arising from previous internal audit reviews have been implemented.
Finalisation of fieldwork and reporting for 2025/26 reviews	2	
Audit Cttee support, annual plan development, project management of delivery and management liaison	10	
<b>TOTAL CHARGEABLE</b>	<b>96 days</b>	

## **Report of the Head of Internal Audit – WIASS**

### **Internal Audit Strategy, Charter and Mandate**

#### **Purpose of report**

1. To meet the requirements of the new Global Internal Audit Standards by presenting, for approval, an Internal Audit Strategy, and updated Charter, including a mandate.

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#### **Recommendation**

***The Treasurer recommends that the Internal Audit Strategy, Charter and Mandate be approved.***

#### **Introduction and Background**

2. The Global Internal Audit Standards represent a single, principles based framework for all internal audit professionals. They define the purpose of internal audit, set out requirements in relation to ethics and professionalism, governance and management of the internal audit function, as well as setting out how internal audit work should be performed.
3. The Standards are mandatory and are designed to improve the quality of audit functions globally.

#### **Report**

4. New Global Internal Auditing Standards are in force. These new Standards require the internal audit service to formally adopt a Strategy setting out its vision, strategic objectives and initiatives. Appendix 1 sets out the proposed Strategy for the period 2026 to 2028.
5. The opportunity has also been taken to update the existing Internal Audit Charter to ensure alignment with the new Standards. The main change has been to incorporate a formal mandate, and the updated Charter is set out at Appendix 2.

#### **Conclusion**

6. Formal approval and adoption of an Internal Audit Strategy, Charter and Mandate is good practice and will demonstrate compliance with Global Internal Auditing standards. The documents also provide Members with information and assurance around the governance of the internal audit service.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	There are no financial issues that require consideration.
<b>Strategic Policy Links &amp; Core Code of Ethics</b> (Identify how proposals link with current priorities & policy framework and align to the Core Code of Ethics)	The documents are consistent with the requirements of the Authority's Core Code of Ethics.
<b>Productivity &amp; Efficiency</b> (Identify how proposal improves productivity or efficiency)	The documents set out how the Internal Audit service is governed and managed, as well as its strategic priorities. Adoption will enable the service to continue its focus on improving productivity and efficiency.
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	There are no direct risks arising from adoption of the Strategy, Charter and Mandate.
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	N/A
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	N/A – there are no equalities implications arising from adoption of the Strategy, Charter and Mandate.
<b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)	N/A

## Supporting Information

Appendix 1 – Internal Audit Strategy

Appendix 2 – Internal Audit Charter and Mandate



# INTERNAL AUDIT STRATEGY

2026 - 2028

## INTERNAL AUDIT STRATEGY

### 1. Introduction

- 1.1 The Head of Internal Audit (HOIA) oversees the Worcestershire Internal Audit Shared Service (WIASS) in accordance with the Internal Audit Charter and relevant professional internal audit standards. Under the Global Internal Audit Standards, the HOIA must have a strategy that supports the strategic objectives and priorities of our partners and aligns with the expectations of their Senior Management, the Audit Committee and other key stakeholders.

#### Purpose

- 1.2 Deliver independent, objective and client-focussed assurance and advisory services to our partners which enhance the effectiveness of governance, risk management and control processes so that strategic objectives are more likely to be achieved.

#### Vision

- 1.3 We aspire to be recognised as an efficient, effective and valued service that helps our partners to achieve their strategic objectives and remain a trusted source of assurance, advice, insight and foresight.
- 1.4 To achieve this vision, we will:
- Develop and deliver a risk-based IA plan which complies with the Institute of Internal Auditors' Global Internal Audit Standards and Public Sector Application Note.
  - Produce the statutory HOIA's annual opinion statement on the partners' internal control, risk management and corporate governance arrangements.
  - Provide progress reports to the Client Officer Group (COG) and the partner Audit Committees on a regular basis which highlight any identified significant deficiencies or potential areas for improvement in our partners' internal control, risk management and corporate governance arrangements
  - Assist and appropriately challenge the key assumptions and judgements taken by management, through IA's assurance and advisory services, to ensure they are fitting and in accordance with the relevant policies, guidelines and professional standards.

### 2. Alignment of Strategy with Partners' Objectives

- 2.1 A key underlying factor in developing this strategy was ensuring that the work of Internal Audit remains aligned with the strategic objectives and assurance needs of our partners. This consideration is not limited to ensuring a comprehensive understanding of our partners corporate priorities and objectives but also expands to an understanding of their operations and performance (financial and operational); the risks and issues they are

## INTERNAL AUDIT STRATEGY

currently facing; and those they are likely to face in the future. Consequently, in developing this strategy, we considered the following:

- The core objectives of our partners and the specific risks that can impact on the achievement of those objectives.
- The IA requirements under the Global Internal Audit Standards and Public Sector Application Note.
- Transformation priorities and ongoing changes across our partners' businesses.
- The content of our partners' risk registers and assurance frameworks to understand the risks faced and the controls in place to manage those risks.
- An analysis of the risks, strengths, weaknesses, opportunities and threats to the IA Service.

2.2 The IA Strategy will be reviewed every three years and adjusted whenever significant changes occur. Factors that may prompt a more frequent review of this strategy include significant changes to our partners' strategy, policies or legal requirements, significant stakeholder changes, or any significant findings from an assessment of the IA service.

### 3. Strategic Objectives

3.1 The table below sets out our strategic objectives:

Agile Planning and Delivery	Continuous Core Assurance	Expert Insight, Foresight and Advice	Lead Integrated Assurance
<p>Adopt an agile, fluid and risk-based approach to audit planning and delivery.</p> <p>Review, revise and update our programme of work at regular intervals throughout the year to respond to changing risks and priorities.</p>	<p>Identify the core systems and processes that will be scheduled for coverage on a periodic and cyclical basis, rather than a pure risk basis, with all scheduled to be covered at least once during the duration of this strategy.</p> <p>Ensure that outcomes,</p>	<p>Be proactive and engaging to promote our consultancy and advisory services.</p> <p>Ensure our involvement in major and essential transformation and change initiatives and projects.</p> <p>Report the results of significant consultancy and</p>	<p>Lead in developing an integrated assurance framework/model, including the mapping and coordinating of other sources of assurance from across our partners' business to ensure any gaps or overlaps are managed. Implement a joined-up, informative</p>

## INTERNAL AUDIT STRATEGY

Agile Planning and Delivery	Continuous Core Assurance	Expert Insight, Foresight and Advice	Lead Integrated Assurance
Enhance data, information and technology utilisation for continuous risk assessment development.	including follow-up outcomes, are reported and communicated to all stakeholders in a clear and joined-up way	<p>advisory work to the applicable Audit Committee.</p> <p>Leverage our relationships within partner institutions and external partners to enhance opportunity for benchmarking and cross Council learning.</p>	<p>approach to reporting assurance to senior management and the Audit Committees.</p> <p>Collaborate with other assurance providers to share resources, information and intelligence.</p>

3.2 The four goals set above are to guide the delivery of our service over the next three years. Nevertheless, these will be reviewed at the beginning of each financial year to assure they remain relevant and appropriate.

### 4. Strategy Delivery - Annual Strategic Planning

4.1 We will continue to develop annual plans in consultation with our partners' Senior Management and Audit Committees. Our planning and delivery will be more flexible and less rigid than in the past. Whilst retaining the key core assurance work, we will ensure the plan is more responsive to changing risks and challenges. To this end, the focus will be on:

- The key/core systems and processes will be reviewed on a cyclical basis with all such areas being reviewed at least once during the next 3 years. Though the plan may be flexed in reaction to significant risks and changes however, it is expected that the programme of core assurance work will remain unchanged.
- To keep pace with the changing needs and risks of our partners, the plan will be developed through several methods including assurance mapping against strategic and key inherent risks, horizon-scanning to identify emerging areas of risk, and continuous engagement with senior management.
- A portion of time each year will be retained to cater for requests from senior management for advisory and consultancy work. Consideration will be given to facilitating discussions around risks and controls, advising on design and implementation of new systems or processes, policies and procedures, and providing training.

## INTERNAL AUDIT STRATEGY

- Continuous attention will be given to follow ups via the established follow up process and tracking action to confirm implementation of management actions. This will provide assurance that improvements in our partners' governance, risk management and control have been implemented and embedded.

### **5. Assuring Value for Money and Maintaining Quality**

- 5.1 We will continue to deliver the internal audit work within the established quality standards for the planning, execution and reporting. These arrangements are set out in our Quality Assurance and Improvement Policy. The report and output from the audit work will be balanced, clear, concise and constructive, and will provide an objective and independent opinion on the effectiveness and efficiency of controls. The reports will provide recommendations, where necessary, highlighting areas to provide insight and share best practices.
- 5.2 Regular reports will continue to be produced to Senior Management and Audit Committees, to provide assurance on the effectiveness and adequacy of our partners' governance, risk management and internal control arrangements. The HOIA will provide a written annual report to those charged with governance of our partners to support their Annual Governance Statements. This report will profess the statutory opinion and conclusion on the overall adequacy and effectiveness of the system of internal controls, risk management and governance arrangements
- 5.3 Key to successful delivery of this strategy largely depends on effective deployment of collective skills and resources of the IA service. The IA team will prioritise strong business continuity and succession planning. We will provide opportunities and support internal auditors to develop their competencies and maintain up to date knowledge and skills to respond to the needs of the internal audit service and changes in the professional practice of internal audit. This includes the provision of funding to enable staff to study towards relevant professional qualifications. As such, when a more senior member of staff decides to leave the organisation, an existing member of staff should be in a strong position to obtain promotion. We will continue to promote an inclusive culture – embracing diversity of thought and background in all we do to attract, develop and retain the right people in the right roles.
- 5.4 Furthermore, we will continue to collaborate with peers in other institutions who are in our partners' business for learning and improvement opportunities. We will identify priority areas for improvement through the service's quality assurance and improvement programme and specifically through individual staff 1:1s, performance reviews and performance monitoring arrangements.

## INTERNAL AUDIT STRATEGY

### 6. Challenges and Opportunities

6.1 In identifying more opportunities for improvement, we have carried out a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, as summarised in the table below:

#### SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>➤ Effective processes and working methods.</li> <li>➤ Well positioned in our partner organisations.</li> <li>➤ Positive EQA assessment.</li> <li>➤ Well-regarded profile and reputation.</li> <li>➤ Supporting ongoing improvement efforts.</li> <li>➤ We have a good staff training and development offer.</li> <li>➤ The service has been stable and fully resourced for the last year, which compares very favourably with peer organisations.</li> <li>➤ The service is performing well and building a track record of delivery.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Promptness and swiftness of reporting.</li> <li>➤ Historic difficulty in recruiting and retaining appropriately skilled staff.</li> <li>➤ Limited use of data analytics at present.</li> <li>➤ Limited capacity and capability to undertake Fraud, bribery and corruption investigation work, particularly if multiple referrals arose at the same time.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>➤ Leveraging the use of technology for audit processes.</li> <li>➤ Expanding scope for internal audit including areas such as environmental, social and governance (ESG) in audit activities.</li> <li>➤ Increasing collaboration with management and making impactful contributions to change programmes and initiatives.</li> <li>➤ Developing staff knowledge and skillsets, including in relation to fraud investigation.</li> <li>➤ Continuing performance improvements, and developing workplans, so that the service is well positioned for Local Government Reorganisation.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Changes in regulations and standards creating compliance concerns.</li> <li>➤ Major governance, control and fraud challenges.</li> <li>➤ Competing demands and priorities.</li> <li>➤ Increased difficulty in recruiting and retaining staff during the period of uncertainty created by Local Government Reorganisation.</li> </ul>

6.2 Additionally, we continue to identify, assess and manage risks that pose threat to the achievement of our objectives through our service risk register.

## INTERNAL AUDIT STRATEGY

6.3 Informed by the outcomes of the SWOT assessment, the following improvements and development commitments will support the delivery of this strategy:

- To leverage technology, including the use of data analytics where appropriate.
- To design agile auditing methods and techniques, with a greater focus on prioritising testing where the level of risk, and therefore need for assurance, is greatest.
- A sustained focus on continuing professional development and preparing for Local Government Reorganisation.

### 7. Evaluating Success

7.1 To ensure that we remain aligned with our partners' strategic objectives, provide value to stakeholders and maintain optimal operational efficiency and effectiveness, ongoing monitoring and assessment of our work will be crucial. Consequently, the following key indicators have been set to assess performance:

Description	Narrative	Target
Delivery	% of audit days delivered by Year End	90%
Productivity	% of available time spent on chargeable audit work	85%
Effectiveness	% of agreed recommendations implemented by the target date	75%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as "Very Good" or "Good"	80%

7.2 There are a broad number of ways any internal audit function can add value to an organisation, including levels of engagement and requests for advice or consultancy work, the rate and level of the implementation of recommendations, and stakeholders feedback. Nevertheless, relying exclusively on KPIs will not give a true reflection of the value added by internal audit in a more holistic manner. As a result, in addition to the above KPIs, we also aim to:

- Obtain consistent and formal feedback from Client Officer Group (COG) and Audit Committees.
- Pinpoint areas and instances where the work of internal audit has facilitated notable improvements in processes and controls.
- Highlight any aspects and occasions where the work of internal audit has resulted to considerable savings and/ or income generation.



# INTERNAL AUDIT CHARTER

**MARCH 2026**

## **1. Introduction**

- 1.1 This charter sets out the mandate of Internal Audit (IA) including its purpose, activities, scope, management and responsibilities in the Partner Organisations.
- 1.2 Worcestershire Internal Audit Shared Service (WIASS) covers five district authorities and two Fire and Rescue Authorities as follows:
- Worcester City Council (the host Authority)
  - Wychavon District Council
  - Malvern Hills District Council
  - Redditch Borough Council
  - Bromsgrove District Council
  - Hereford and Worcester Fire and Rescue Service; and
  - Shropshire and Wrekin Fire and Rescue Authority.

Worcester City Council hosts the Shared Service provision under an on-going Administrative Collaborative Agreement. WIASS is governed by a Client Officer Group (COG) which is made up of the district and Fire Service s151 officers each having an 'equal say'. The COG meets approximately 4 times a year.

- 1.3 For line management matters internal audit will report to the Corporate Director of Resources (s151 Officer within Worcester City Council) and the Monitoring Officer in any prolonged absence.

## **2. Purpose of the Internal Audit Service**

- 2.1 Internal Audit's purpose is to promote, assist, challenge and add value to its partner organisations' operations by providing independent, risk based and objective assurance, advice, insight and foresight.
- 2.2 WIASS accomplishes this by reviewing whether significant risks are identified and appropriately reported by management to the Board and Senior Management; assessing whether they are adequately managed; and by challenging Senior Management to improve the effectiveness of governance, risk management and internal controls, enhance transparency and effectiveness in decision-making, build trust and confidence among stakeholders, and ensure there is focus on serving the public good.

### **3. Mandate for the Internal Audit Service**

3.1 The internal audit mandate is governed by the Accounts and Audit Regulations (2015) No. 234 Part 2 Regulation 5:

*(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

*(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*

*(a) make available such documents and records; and*

*(b) supply such information and explanations as are considered necessary by those conducting the internal audit.*

*(3) In this regulation “documents and records” includes information recorded in an electronic form.*

3.2 The internal audit service will comply with the mandatory components of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements, subject to Application Note (the Global Internal Audit Standards in the UK Public Sector) on how these standards should be applied in the UK Public Sector.

### **4. Scope of Activities and Right of Access**

4.1 Internal Audit is authorised to review all areas of the partner organisation and has full, free, and unrestricted access to all activities, records, property, personnel and information necessary to complete their work.

During reviews internal audit staff, under the direction of the Head of Service, shall have authority in all partner organisations to: -

- at all reasonable times after taking account of audit requirements, enter on any partners' premises or land.
- have access to, and where the internal audit deems necessary, take into their possession any records, documents and correspondence relating to any matter that is the subject of an audit.
- require and receive such explanations as may be considered necessary from any officer regardless of their position.
- require any officer to produce forthwith cash, stores or any other property under their control.

4.2 Internal Audit work will include but is not restricted to:

- Review of the process for identifying and managing risks relating to the achievement of partner's strategic objectives.
- Review and assessment of the soundness, adequacy, integrity and reliability of financial and non-financial management and performance systems, including the quality of data.
- Reviewing the means of safeguarding assets.
- Promoting and assisting in the effective use of resources.
- Examining, evaluating and reporting on the adequacy and effectiveness of internal control, and recommending arrangements to address weaknesses as appropriate.
- Advising upon the control and risk implications of new systems or other organisational changes.
- Providing a 'critical friend' approach to support services in achieving value for money.
- Reviewing compliance with policies, procedures, applicable laws, regulations, and governance standards.
- Undertaking independent investigations into allegations of fraud and irregularity in accordance with applicable policies, procedures and relevant legislation.

4.3 Internal Audit's remit extends across the entire control environment and is not limited to certain aspects or elements.

## **5. Roles and Responsibilities**

### **5.1 Audit Committee**

- Ensures that the Internal Audit function has the necessary authority and resources.
- Reviews and approves the risk-based internal audit plan.
- Oversees the quality assurance and improvement program.
- Provides input on the performance of the Head of Internal Audit.

### **5.2 Head of Internal Audit**

- Responsible for ensuring that the internal audit service functions with the highest standard of professionalism, objectivity, ethical standards, and strategic alignment.
- Develops risk-based internal audit plans with input from Audit Committees and senior management. Ensures the plan is reviewed and adjusted as needed to address changes in partner's business, risks, operations, programs, systems, and controls.

- Establishes and ensures adherence to the methodologies designed to guide the service, keeping pace with developments in internal auditing and integrating best practices.
- Develops and implements an internal audit strategy that aligns with the expectations of the board, senior management, and other key stakeholders.
- Coordinates activities and considers relying upon other internal and external assurance and advisory service providers to highlight gaps in coverage of key risks and enhance value added.
- Maintains a team with the necessary skills, qualifications, and other competencies to fulfil the internal audit mandate and meet professional standards, highlighting any resource constraints that may impact the delivery of the internal audit plan.
- Identifies trends and emerging risks with potential effects on the partners and keeps the Audit Committee and senior leadership informed as needed.
- Follows up on audit findings and confirms the implementation of agreed actions, with results communicated to the Audit Committee and senior management.
- Ensures adherence to partner policies and procedures.
- Ensures that the relevant Head of Service and/or Section 151 Officer is briefed on any matter coming to the attention of internal audit, either through a review or otherwise, that could have a material impact on the finances, create an unacceptable risk, or be fraudulent as quickly as possible, and will ensure the appropriate Officer of the Authority e.g. Director, Monitoring Officer is regularly briefed on the progress of audits having a corporate aspect. Matters involving fraud or malpractice are to be reported in line with the anti-fraud and corruption policy. The most appropriate action/ engagement of the relevant Head of Service will be determined depending on the circumstances.

5.3 **Senior Management** supports the internal audit service to perform its role and mandate by:

- Actively collaborating with the internal audit service, promoting the authority granted to the service, and commits to the principles of good governance, acknowledging its importance to the institution's strategic objectives.
- Coordinating with the Audit Committee and management to ensure internal audit service's unrestricted access to the data, records, information, personnel and physical properties required to fulfil the internal audit mandate.
- Ensuring appropriate action is taken on recommendations and advice of internal audit. Management must accept and implement the advice and

recommendations or formally reject accepting responsibility and accountability for doing so.

- Designing and maintaining adequate controls to ensure systems meet their objectives and notifying without delay of any instances where systems are failing to operate properly. However, when there is evidence or reasonable suspicion of a potential breakdown in a significant system, the Head of Internal Audit Shared Service should be promptly informed of the issue, along with any existing or proposed countermeasures, to enable the Head of Service to determine whether involvement is necessary.
- Ensuring adequate controls are in place to prevent and detect fraud or other irregularities. Internal Audit will assist Management to effectively manage these risks. All cases of actual or suspected fraud should be reported to the Head of Internal Audit who then determines the course of action while ensuring compliance with relevant policies and procedures.

## **6. Independence**

- 6.1 The Internal Audit Service is organisationally independent for all Partners. Although the Head of Internal Audit reports directly to the s151 Officers of the Partner organisations the role has direct and unrestricted access to the senior management teams and Audit Committee Chairs. The COG, which governs the Service, meets on a quarterly basis and is made up of the Partner s151 Officers. They each have an equal vote and consider the strategic direction of the Service as well as progress and performance.
- 6.2 The independence of the Internal Audit service is further safeguarded and enhanced by ensuring that any performance evaluation of the Head of Internal Audit Service is not solely influenced by those subject to audit. This is accomplished by ensuring that both the Section 151 Officers contribute on the performance evaluation of the Head of internal Audit.
- 6.3 Internal Audit must operate independently from activities it audits to enable internal auditors to make impartial professional judgments and recommendations. Internal auditors have no operational roles and responsibilities towards systems and functions audited.
- 6.4 The Head of Internal Audit confirms annually to the Audit Committees the organisational independence of the Internal Audit function. Further independence and safeguard checks are reported throughout this Charter in the form of checks, actions and process.

## 7. Planning and Reporting

7.1 To meet the objectives above, the Head of Internal Audit shall:

- Prior to the beginning of each financial year, following consultation with management and after taking into account comments from Members and other stakeholders arising from the reporting process set out below, provide each Audit Committee with:
  - A risk-based audit plan setting out which activities are due to receive audit attention in the next 12 months. The risk-based plan will take into consideration a number of factors including corporate risk registers, service risk registers, local and national knowledge, corporate promises or objectives, key strategic documents and any external audit guidance. Ongoing development of the plan remains aligned with the provision of an annual opinion that reflects the evolving risk environment in which each partner operates, and which is required to support the Annual Governance Statement.
  - A detailed operational plan using a risk-based assessment methodology showing how/ what resources will be required/ allocated in the coming financial year. The Plans will be flexible and include a small contingency contained as part of the consultancy (advisory) budget to allow for changes in priorities, emerging risks, ad hoc projects, fraud and irregularity, etc. The Head of Internal Audit will bring to the attention of the s151 Officer if this budget is depleted so an additional contingency can be agreed.
- During the course and at the close of each financial year provide the Board with:
  - Quarterly progress reports on actual progress compared to the plan and performance indicators. Such reports highlight serious problems, either affecting the implementation of the plan, or, in the take up of audit recommendations.
  - An annual report summarising the overall results for the year compared to the plan and pointing out any matters that will impact on internal audit's ability to meet the requirements in the strategic plan.
- During the course and close of each audit, provide the client manager with:
  - A copy of an audit brief and audit information request setting out the objectives and scope of the audit prior to commencement of the audit and, a confirmation of resource requirements for the audit.

- Draft recommendations, which will be discussed with the manager/s responsible prior to issuing the draft audit report. The manager is responsible for confirming the accuracy of the audit findings and is invited to discuss the report during the 'clearance' meeting prior to the issue of the draft report.
  - An audit report containing an overview of the quality of the control system, an opinion as to the level of system assurance and detailed findings and recommendations including priority.
- Shortly after the close of each financial year provide for the purposes of the Annual Governance Statement an annual audit opinion of the governance, risk management and control processes, a statement of conformance with the Global Internal Audit Standards, the Application Note: Global Internal Audit Standards in the UK Public Sector, and the results of quality assurance and improvement programme.

7.2 Managers and staff should co-operate with the Auditors, and responses should be made to draft reports. Responses should include an action plan, dates for action and responsibility where actions are delegated.

7.3 Audit reports will be drawn up following the internal audit report framework. A matrix type report displaying audit findings, risks and recommendations along with a column for management comments will be provided to management.

7.4 In accordance with professional standards, follow-up audits are undertaken to ensure that the agreed recommendations and action plans have been implemented or are in the process of being implemented. A formal follow up procedure / methodology is used to follow up audit reports and reported on an exception basis.

7.5 Escalation for late or non-return of audit reports will be instigated when after two requests the reports have not been provided by management. The escalation will commence with the s151 Officer being informed of the late return. If the report remains outstanding, then the Audit Committee will be informed of the inaction with a view to them calling in the Officer to justify the late return.

## **8. Quality Assurance and Improvement Programme**

8.1 Internal Audit maintains a Quality Assurance and Improvement Programme (QAIP) that applies to all aspects of the internal audit function. This programme aligns internal audit activities with the Global Internal Audit Standards, incorporating both internal and external assessments to evaluate performance and identify areas for enhancement. It includes performance measurement

mechanisms to track progress toward strategic objectives and drive continuous improvement. Quarterly and annual reports are issued to the Committee demonstrating trends in productivity and value. Individual reviews via 1-2-1 meetings are regularly held with the Head of Service, and internally generated client feedback forms are used to ensure improvements and changes are made. Any gaps or deficiencies identified, appropriate action plans are developed to address them and improve the function's effectiveness.

- 8.2 Every year the Head of Internal Audit Shared Service will provide updates to the Audit Committee and senior management on the status of the QAIP. External assessments will be carried out at least once every five years by an independent and qualified assessor or review team from outside the partner organisation. The assessment team must include at least one member who holds an active Certified Internal Auditor (CIA) credential.

## 9. Principles of Public Life and how WIASS interprets and applies them

**Selflessness** - protecting the public purse and ensuring all actions taken are solely in the public interest.

**Integrity** - completely independent and above undue bias or influence in the work that we do.

**Objectivity** - demonstrate impartiality and fairness in all aspects of our work and when reporting uses only the best evidence without discrimination or bias.

**Accountability** – provide transparency and assurance holding people to account in regard to decisions and actions and provide assurance to those in governance roles.

**Openness** – to promote and ensure through good governance that decisions are taken in an open and transparent manner and no information is withheld from the public unless there are clear and lawful reasons for so doing.

**Honesty** – to provide independent assurance to those in governance of confirmation of truthfulness

**Leadership** – through the audit work actively promotes and robustly supports the principles and shows a willingness to challenge poor behaviour wherever it occurs.

## **10. Ethics & Professionalism Principles: WIASS Interpretation & Application**

### **Demonstrate Integrity:**

Officers are to approach their role with honesty and professional courage. Officers that have conflicts of interest, or if they are / have been working in the area of audit, will not undertake any audits in the conflicting area for a minimum of three years, safeguarding the officers and WIASS' integrity. The Head of Service and supervisors are available to support officers and for officers to reach out to them to navigate challenges that test their integrity. Engagement supervision and periodic 1-2-1 meetings with officers provide appropriate guidance to officers to address situations that could pose a threat their honest and integrity in performance of their duties.

### **Maintain Objectivity:**

Objectivity means performing internal audit work without compromise or subordination of judgement to others. Objectivity is important in providing objective assurance and advice to the members and senior management. All WIASS staff are vetted via the Basic Disclosure Check, as well as making a Declaration of Interest on an annual basis declaring any potential conflicts of interest with the upcoming audit programme and the partners that WIASS work with to ensure objectivity is not impaired. Officers will not have direct responsibility or authority over any operational activities reviewed and should not relieve others of such responsibilities. No auditor, who has transferred from a Service, will audit that Service for a minimum of three years.

### **Demonstrate Competency:**

Officers receive financial support for their studies and are allocated time off to pursue professional qualifications. WIASS staff uses feedback provided by stakeholders, peers and supervisors to identify opportunities for improvement and competencies. The Head of Internal Audit engages external service providers when the service collectively does not possess the competencies to perform requested services. Officers are in some cases assigned to engagements involving processes or areas with which they have limited experience, albeit with appropriate supervision, so that they can develop new knowledge.

### **Exercise Due Professional Care:**

WIASS staff consider the interests of the partner's customers, other stakeholders such as fair and honest business practices, safety and potential exposure risks when planning and performing internal audit services. Officers also consider laws and regulations, policies and procedures, process flowcharts, performance reports, and external evaluations relevant to the activity under review. Workpapers are reviewed by engagement supervisors as well as all reports reviewed and approved for issue by the WIASS Head of

Service to ensure sufficient and reliable evidence are gathered to support conclusions. Training is available and provided when deemed necessary and relevant.

**Maintain Confidentiality:**

WIASS staff have unrestricted access to the data, records and other information including information that is confidential, proprietary and /or personally identifiable. Respecting the value and ownership of information received by using it for professional purposes and protecting it from unauthorised access or disclosure is important. There are procedures for retention, disposal and releasing of engagement records in place which internal auditors are required to comply with. All WIASS staff are responsible for maintaining the confidentiality of information received in the course of their work and compliance with the General Data Protection Regulation (GDPR).

**11. External Relationships**

10.1 The main contacts are with:

- Institute of Internal Auditors
- External Auditors
- Local Authorities in the Worcestershire area
- Local Authorities in the Midlands area
- Chartered Institute of Public Finance Accountants (CIPFA)

10.2 Assurance will be accepted and reported from 3rd parties as long as Internal Audit can rely on their work, and they are suitably qualified to carry out the assessment. The relevance of the work will also be a consideration in using a 3rd party certification e.g. IT integrity testing.

## 12. Version Control

Version Control:	Date of Change	Action	Updated by
1.0	2 <sup>nd</sup> March 2012	Charter for WIASS	AB
2.0	9 <sup>th</sup> August 2012	Update to Charter	AB
3.0	23 <sup>rd</sup> April 2013	Update to Charter re. International Standards	AB
4.0	21 <sup>st</sup> Janaury2016	Update to Charter re. legislative requirements & title changes	AB
5.0	1 <sup>st</sup> July 2016	Update re. titles and definition of 'consultancy' and 'assurance'.	AB
6.0	April 2017	Full review in line with Standards	HT
7.0	May 2017	COG suggestion: Update of H&WFRS name to reflect legal entity & 'Council's' to 'Partners'.	HT
8.0	June/July 2018	External Assessment recommendations:  Update to Mission & Definition  Inclusion of 3.4, IA remit  Update to 4.6 regarding HIASS responsibility on briefing  Inclusion of 5.7, escalation for late and non return audit reports  Inclusion of 6 – Principle of Public Life  Inclusion of 7 – Core Principles of Public Practice  Inclusion of 8.2, assurance from 3 <sup>rd</sup> Parties	HG, AB, HT

		Inclusion of 8.3, assurance to 3 <sup>rd</sup> Parties	
9.0	June 2021	Review of Charter	AB
10.0	June 2022	Review of Charter	AB
11.0	June 2023	Review of Charter	AB
12.0	February 2026	Full review in line with new Standards	GO-K, CG

## Report of Assistant Chief Fire Officer / Director of Protection

### Hereford Project Update

#### Purpose of report

1. To provide reassurance to Members regarding the project costs for the Hereford Fire Station.
- 

#### Recommendation

***It is recommended that it be noted that any inflationary pressures on the UK construction sector are unlikely to impact the contractual cost of the new Hereford Fire Station project.***

#### Background

2. Due to the number of property projects that are now moving forward and the significant expenditure that will be incurred, the Fire Authority will continue to be provided with regular updates on progress.

#### Hereford Project Update

3. The last property paper to the Policy & Resources Scrutiny Committee provided a project update and an overview of the project lifecycle since 2011 ([link here](#)).
4. The Authority can be assured that the recent conflict in the Middle East, and any associated inflationary pressures within the UK construction sector, will not materially impact the agreed contract sum for the new fire station project. The £13.6 million design and build contract has been procured on a fixed-price basis, providing cost certainty to the client. As such, the contractor carries the risk of market fluctuations in labour, materials, and supply chains, and there is no mechanism within the contract for these external factors to increase the agreed contract value.
5. The project continues to progress in accordance with the agreed programme, with no current indications that geopolitical or economic factors are affecting delivery. Construction activities remain on track, and the anticipated practical completion date of February 2027 is being maintained. Regular monitoring and contract management processes are in place to ensure continued performance and early identification of any risks to programme or quality.
6. The project has been let under a JCT Design and Build Contract, a widely used standard form of construction contract in the UK. Under this form of contract, the contractor assumes responsibility for both the design and construction of

the works, providing a single point of accountability, enhanced cost and programme certainty for the client.

7. Notably, the contract includes specific cost allowances (cost sums) for both design contingency and inflationary risk. These are fixed sums embedded within the contract value at the outset and are intended to manage and absorb foreseeable uncertainties, including those arising from market volatility. As these provisions have already been accounted for within the agreed contract sum, they provide an additional layer of financial resilience against the types of external pressures currently being experienced.
8. The Committee will continue to be kept informed of the project's progress through regular reporting mechanisms, including future committee papers and updates to Authority meetings as appropriate. Any material changes to programme, cost, or risk profile will be clearly communicated in a timely and transparent manner, ensuring continued oversight, accountability, and informed decision-making.

### **Summary**

9. The Hereford Fire Station project has been subject to long-term planning and is now progressing in line with the agreed programme. It is being delivered under a fixed-price JCT Design and Build Contract, which places the risk of market fluctuations with the contractor and ensures cost certainty for the Fire Authority. Despite wider geopolitical and economic pressures, including inflation linked to international events, there is no anticipated impact on the agreed contract sum or delivery timeline.
10. This position is further strengthened by built-in cost allowances for contingency and inflation, alongside robust project governance and monitoring arrangements, providing confidence that the scheme will be delivered on time and within budget.
11. The Fire Authority will be kept informed through regular reports, with any material changes to programme, cost, or risk communicated promptly.

## Corporate Considerations

<p><b>Resource Implications</b> (identify any financial, legal, property or human resources issues).</p>	<p>Note the reference to the JCT Design &amp; Build Contract, and the design contingency and inflationary risk sums included.</p>
<p><b>Strategic Policy Links &amp; Core Code of Ethics</b> (identify how proposals link with current priorities &amp; policy framework and align to the Core Code of Ethics).</p>	<p>Details underpin several key property, and environmental sustainability priorities for the Fire Authority.</p>
<p><b>Productivity &amp; Efficiency</b> (Identify how proposal improves productivity or efficiency).</p>	<p>All new building proposals have been carefully considered, e.g. new turn-out system at Hereford Fire Station.</p>
<p><b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).</p>	<p>None.</p>
<p><b>Consultation</b> (identify any public or other consultation that has been carried out on this matter).</p>	<p>The capital build programme, including the Hereford project have been fully consulted on via the Local Authority planning process.</p>
<p><b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?).</p>	<p>None.</p>
<p><b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling).</p>	<p>None.</p>

## **Report of the Assistant Chief Officer: Director of Prevention**

### **His Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) Inspection 2026**

#### **Purpose of report**

1. To provide Members with an update on the 2026 HMICFRS Inspection activity, and to inform on the next steps in the lead up to the publication of the inspection report.
- 

#### **Recommendation**

##### ***It is recommended that:***

- i. Members note that the 2026 HMICFRS inspection fieldwork stage has concluded;***
- ii. The report-writing stage is under way; and***
- iii. The inspection report and workforce survey is estimated to be published in Q2 2026-27.***

#### **Introduction and Background**

2. Between January and April 2026, HMICFRS carried out their fourth inspection of Hereford & Worcester Fire and Rescue Service (HWFRS). HWFRS is the twelfth Service to be inspected in this round of inspections.
3. The purpose of these inspections is to ascertain and report to the public on the Service's effectiveness, efficiency and how well it leads and looks after its people. The Service has been measured across ten assessment areas which fall under the umbrella of these categories.
4. The HMICFRS Service Liaison Lead was involved in ongoing engagement activities throughout 2025 and met with Service staff to discuss progress, ongoing work and inspection preparations.

#### **HMICFRS Inspection – Process**

5. The inspection commenced with a formal document request issued on Monday 5 January 2026. A workforce survey was also provided and distributed by HWFRS Corporate Communications.

6. A total of 103 documents were submitted in response to the document request including policies, reports and other core Service documents. By the close of the inspection fieldwork stage, the Service Improvement Manager had submitted over 300 documents to the inspection team.
7. The workforce survey was completed by 298 staff members and the final response rate was 40% of the workforce. This is above the average return rate for HMICFRS and an increase on the previous inspection.
8. As of April 2026, the inspection fieldwork stage has now concluded.
9. The fieldwork stage of the inspection opened with the Strategic Briefing which took place on 10 February 2026. During the meeting we hosted HMI Kathryn Stone OBE and several members of the inspection team for a presentation and discussion with Strategic Leadership Board (SLB) members and the Chair of the Fire Authority, after which she praised the professionalism and dedication of the officers present and the relationship with the Fire Authority.
10. During the fieldwork process the Service hosted a significant amount of inspection activities which included staff interviews, desktop exercises, reality testing sessions and staff focus groups. During this time the inspectors visited various locations around the Service to conduct these activities.
11. Several inspection activities were arranged outside of the formal inspection schedule to provide further context, evidence and showcase what we believe to be good practice.
12. In total, the Service hosted 35 interviews, 16 desktop exercises, 9 reality testing sessions and 8 focus groups. Over 145 staff took part in these activities over the course of the inspection.
13. The Chief Fire Officer (CFO) Interview took place on Friday 27 March 2026 and marked the end of the fieldwork stage of the inspection.

### **Post-Inspection Activity**

14. The Service will hold a debrief session with the HMICFRS inspection team on 21 April 2026 during which the CFO will discuss findings and outcomes from the inspection fieldwork.
15. Following this, the inspection will move to the report writing phase. We will not be contacted by HMICFRS during this period which includes internal moderation and factual accuracy checking.
16. Prior to the report being published, HWFRS will be given the opportunity to undertake pre-publication accuracy checking only.
17. We have been provided with an estimated publication date of Q2 2026-27 for the HMICFRS Inspection 2026 report - potentially falling in July 2026. However, this is subject to change.

18. Following consideration of the inspection report, a new HMICFRS Improvement Plan will be produced which will address the findings and outcomes in the report – including any Areas for Improvement (AFIs) identified. Progress against this Plan will then be reported to the Fire Authority on an ongoing quarterly basis.

### Conclusion/Summary

19. The fieldwork stage of the 2026 HMICFRS inspection of HWFRS will conclude following the CFO interview on 27 March 2026.
20. The publication stage will then commence, and we expect the inspection report to be released in Q2 2026-27, specifically in July 2026. However, this is subject to change.
21. The outcomes and findings from the inspection will be considered and a new Improvement Plan will be developed. The progress of which will be reported to SLB and the Fire Authority.

### Corporate Considerations

<p><b>Resource Implications</b> (identify any financial, legal, property or human resources issues)</p>	<p>The preparations, facilitation and taking part in the HMICFRS Inspection had resource implications, which were considered during preparations and throughout the inspection.</p>
<p><b>Strategic Policy Links &amp; Core Code of Ethics</b> (Identify how proposals link with current priorities &amp; policy framework and align to the Core Code of Ethics)</p>	<p>Actions proposed and developed prior to and during the inspection are directly linked to the Community Risk Management Plan (CRMP), and the Core Code of Ethics (CCoE). How we conduct ourselves in relation to our Strategic Policies and the Core Code of Ethics will be under direct scrutiny by the HMICFRS inspection team.</p>
<p><b>Productivity &amp; Efficiency</b> (Identify how proposal improves productivity or efficiency)</p>	<p>The inspection activity precedes the publication of a publicly available report. Actions arising from this report may have implications on productivity and efficiency and will continue to be considered in the subsequent improvement Plan.</p>
<p><b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).</p>	<p>Any risks associated with the inspection outcome will be assessed during preparation.</p>

<p><b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)</p>	<p>The HMICFRS inspection has the full participation of Senior Managers in relevant Service departments. The Improvement Plan, when published, will be publicly available on the Service website.</p>
<p><b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)</p>	<p>An EIA is not required for this report.</p>
<p><b>Data Protection Impact Assessment</b> (where personnel data is processed a DPIA must be completed to ensure compliant handling)</p>	<p>Impact assessments will be completed as required for specific actions related to the inspection.</p>

## **Report of Assistant Chief Fire Officer**

### **Health and Safety Committee Update: October 2025 to December 2025 (Quarter 3)**

#### **Purpose of report**

1. To provide a Health and Safety update on activities and items of significance.
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#### **Recommendation**

**It is recommended that the following issues be noted:**

- (i) **The involvement of the Service in Health and Safety initiatives;**
- (ii) **Health and Safety performance information recorded during October – December (Quarter 3); and**
- (iii) **Workforce Health & Wellbeing performance (Quarter 3).**

#### **Introduction and Background**

2. Hereford & Worcester Fire and Rescue Service (HWFRS) aim to ensure the safety and well-being of its employees and reduce and prevent accidents and injuries at work, as outlined in the People Strategy 2025-30.
3. The Health and Safety Committee is established to provide effective arrangements for the liaison and review of matters of common interest concerning Health and Safety (H&S). The Committee provides the opportunity for the Service to discuss general H&S issues and consult with the workforce via employee representatives. The Committee is chaired by the Assistant Chief Fire Officer and last met on 3<sup>rd</sup> March 2026.
4. The Committee has the facility to task work to the H&S Working Group, which sits beneath it and is chaired by the Group Commander responsible for Health and Safety. The group meets as and when required.

#### **Health & Safety Initiatives Update**

##### **HWFRS Local Activities**

5. A new digital Fire Risk Assessment form was introduced in October through the ROIL portal. This updated form includes a revised reporting process for creating, recording, and managing all required remedial actions. The new approach strengthens the consistency and accuracy of fire safety management and supports ongoing compliance with fire safety regulations across all service premises.

6. There are 25 H&S Policies in date and published.
7. A total of 315 risk assessments were reviewed in Quarter 3, as shown in figure 1 below:

**Figure 1 – Risk Assessments**

	Quarter 4 (24/25)		Quarter 1 (25/26)		Quarter 2 (25/26)		Quarter 3 (25/26)	
<b>Location</b>	PARA	TERA	PARA	TERA	PARA	TERA	PARA	TERA
North District	8	133	9	139	17	189	3	110
South District	7	85	13	97	17	121	5	90
West District	12	84	9	75	17	134	4	65
Training Centre	0	6	0	1	0	17	0	11
Others	1	26	3	27	3	28	2	25
<b>Total</b>	<b>28</b>	<b>334</b>	<b>34</b>	<b>339</b>	<b>54</b>	<b>489</b>	<b>14</b>	<b>301</b>

(PARA – Pre-Activity Risk Assessment      TERA – Training Environment Risk Assessment)

### **Quarter 3 Performance Report**

8. Appendix 1 provides details relating to all safety events reported and investigated during Quarter 3 of the 2025-26 reporting year (October to December).
9. The total number of safety events reported in Quarter 3 (45) has increased by 3 compared to the previous quarter (42) driven by an increase of near misses reported. Personal injuries have fallen in this recent quarter.
10. Two events have been reported to the Health & Safety Executive (HSE) under the Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR) regulations, due to a loss of working days or potentially dangerous occurrences. The events are as follows:
  - 2 x manual handling injuries requiring time off work over 7 days.
  - A manual handling injury occurred during a training session on station while practising knot-tying. The incident resulted in 82 days of absence from work by the end of Q3, the member of staff returned to work on the 04/01/2026. The event was investigated and the firefighter sought medical assistance. Despite examination, the medical expert was unable to determine precisely how the injury had occurred.
  - A manual handling injury occurred while lifting a gazebo for a Prevention event, leading to 65 days of absence from work at the end of Q3, the member of staff returned to work on the 29/01/26. The incident was investigated by the

Line Manager. Findings indicated that the firefighter had a pre-existing condition, which was aggravated during the lifting task, resulting in a lower back injury.

11. Four Specialist Investigations were carried out in Q3.

- 3 x BA malfunction.

The investigations into the three potential BA malfunctions found that one incident was the result of operator error, where the correct BA donning procedure was not followed. The remaining two incidents related to minor equipment faults. In both cases the BA sets were removed from service and sent to the manufacturer for further examination and a formal report back to HWFRS.

- 1 x fire appliance minor collision.

No investigations identified any significant issues or causes for concern.

## **Workforce Health & Wellbeing Update**

### **Performance Overview – Quarter 3 2025-2026**

#### **HWFRS Sickness data and activity Quarter 3 2025-2026**

12. Appendix 2 (Performance Overview) provides data relating to all sickness absence by workforce group and the main causes of sickness absence in Quarter 3 2025-2026.
13. Overall absence due to staff sickness has increased from 2.15 lost per person in Quarter 2 2025-2026 to 2.52 in Quarter 3 2025-2026. 2.85 days lost per person was reported in Quarter 3 2024-2025.
14. Wholetime sickness rates increased from 2.25 days lost per person in Quarter 2 2025-26 to 2.41 in Quarter 3 2025-26. Fire Control staff sickness rates increased from 1.66 days lost in Quarter 2 2025-26 to 4.12 in Quarter 3 2025-26. This rise is largely attributed to a higher number of absences related to Cold/Cough/Influenza during this period. Sickness rates for Support staff increased from 2.06 days lost in Quarter 2 2025-26 to 2.37 in Quarter 3 2025-26. Regarding the nature of the absences, long-term absence accounted for 64% of all staff sickness absence in this quarter.
15. The top 3 causes of sickness absence for the reporting period are Musculo Skeletal - Lower Limb (17%), Respiratory - Cold/Cough/Influenza (14%), and Musculo Skeletal - Back (13%).
16. The Service continues to monitor and review attendance levels in line with the Attendance Management policy and supports managers in the timely resolution of absence cases. These figures and trends are also monitored by the Health and Safety Committee who meet on a quarterly basis.

### **Musculo Skeletal - Lower Limb**

17. There were 174 days/shifts lost to Musculo Skeletal - Lower Limb absences. The absences were due to ankle and knee injuries or pain which were not reported as work-related. 4 individuals were absent for short term periods in the reporting Quarter as well as 4 long term sickness cases. 4 individuals have returned to work. None of the absences were reported as a work-related injury. Individuals are encouraged to seek early support via The Fire Fighter's Charity or Occupational Health (OH) Physiotherapy for any Musculo Skeletal issues they may be experiencing.

### **Respiratory - Cold/Cough/Influenza**

18. There were 148.5 days/shifts lost due to Respiratory - Cold/Cough/Influenza, predominantly due to flu or flu type symptoms. In total, 49 individuals were absent for short term periods in the Quarter, which is consistent with seasonal trends for this time of year. There were no long-term sickness cases, and all individuals have now returned to work. The Service regularly reminds employees to maintain infection control measures in the workplace to minimise Respiratory infections, In Quarter 3, the Service encouraged staff to book flu vaccinations (which can be claimed through the expenses process) to further support health and wellbeing during the winter period.

### **Musculo Skeletal - Back**

19. There were 141 days/shifts lost due to Musculo Skeletal – Back. The absences were due to back injury or pain, with 3 absences reported as work-related. 7 individuals were absent for short term periods in the reporting Quarter as well as 4 long term sickness cases. 8 individuals have returned to work. Managers can refer staff to Occupational Health (OH) for Physiotherapy for any Musculo Skeletal issues employees may be experiencing.

### **Health Management data and activity**

20. Appendix 2 (Health Management) provides data relating to management referrals to Occupational Health (OH) in Quarter 3. There were 34 new management referrals in Quarter 3, compared to 24 new management referrals made in Quarter 2. This reflects a recurring pattern, as 34 referrals were also recorded in Quarter 3 of 2024–2025. In this Quarter, there was an increase in referrals related to Musculoskeletal Disorders, Mental Health, and Heart & Circulatory conditions when compared with Quarter 2. This rise may be attributed to proactive actions ahead of scheduled fitness testing or seasonal factors commonly observed at this time of year.
21. The top reasons for referrals to OH related to Musculo Skeletal Disorders (14 referrals) and Mental Health (6 referrals).
22. Referrals for long term sickness absence cases may be reflected within the previous quarter; however review appointments are carried out throughout the absence.

## **Routine Medical Assessment Compliance and Outcomes**

23. Appendix 2 (Routine Medical Assessment) provides medical and fitness data from the Service's Operational Assurance Report for Quarter 3 2025-2026.
24. There are 21 operational employees who have an out-of-date 3-yearly medical assessment, of which 15 are unavailable (career break, long term sickness etc.) and 6 are scheduled into a forthcoming clinic date.

## **Routine Fitness Assessment Compliance and Outcomes**

25. The fitness compliance rate of operational employees who are required to have an annual fitness test has increased in Quarter 3 (95%) compared to the previous Quarter (90%). There are 28 employees out of date for their fitness date (5%), of which 18 are unavailable and 10 are booked into forthcoming fitness sessions.
26. As of 1 January 2026, 520 (99%) of employees are in the "Green zone". 0.5% of currently tested staff are in the "Amber zone" (3 individuals), which is a slight decrease from Quarter 2 (1%). These employees are currently unavailable for testing. 0.5% of currently tested staff are in the "Red zone" (2 individuals), both of which are currently being managed in line with Service procedure.

## **Corporate Considerations**

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	Contained within H&S budgets and departmental capacity.
<b>Strategic Policy Links &amp; Core Code of Ethics</b> (Identify how proposals link with current priorities & policy framework and align to the Core Code of Ethics)	Corporate Strategy: ensuring firefighter safety. In addition, develop and train in the People Strategy; and Community first and Leadership of the CCoE.
<b>Productivity &amp; Efficiency</b> (Identify how proposal improves productivity or efficiency)	Supports productivity and efficiency, in line with the People Strategy.
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	Reduces the overall impact for H&S management in the areas identified and safeguards the Services legal requirements.
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	Representative bodies attend H&S Committee and are fully consulted on H&S matters.

<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	N/A
<b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)	All personal data has been removed from the reports contained within Appendix 1 & 2.

### Supporting Information

Appendix 1: Quarter 3 (October 2025 – December 2025) Event Reporting and Summary

Appendix 2: Quarter 3 (October 2025 – December 2025) HR Data Reporting

Health and Safety Q3 (October 2025 – December 2025)  
Event Reporting and Summary

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**1. Overview**

No significant events took place during this quarter, and all minor events were investigated with recommendations made to prevent reoccurrence. Near misses were the most frequently reported incidents and occurred predominantly during Operational Activities.

	Total	Training	Operational Activities	Routine Activities	Other
<b>Total H&amp;S Events</b>	<b>45</b>	<b>10</b>	<b>19</b>	<b>14</b>	<b>2</b>
Personal Injury	12	4	4	4	0
Vehicle Collision	9	2	3	3	1
Near Misses/Cause for Concern/Equipment/Property	19	3	10	5	1
Exposure or Contamination	2	0	2	0	0
Violence or Aggression	3	1	0	2	0

**Vehicle Mileage Statistics**

Vehicle mileage statistics for the year 2024-2025 have been provided by the Operational Logistics Fleet Department and have been used to provide quarterly vehicle mileage for the year ahead. These are summarised in the table below. There were 0 white fleet safety events.

The 9 safety events involving red fleet vehicles were out of approximately 72,925 miles driven, which equates to one event for every 8,103 miles driven.

Fleet	Total Mileage 2024-2025	Predicted Mileage per quarter 2025-2026
White Fleet	751,145	187,786
Red Fleet	291,699	72,925
	<b>Totalling 1,042,844 miles</b>	<b>Totalling 260,711 miles</b>

**By Vehicle Type**

Below highlights that vehicle collisions during this quarter have involved mainly fire appliances off blue lights.

Vehicle Collisions	Fire Engines		Cars and Vans		Other
	On blue lights	Off blue lights	On blue lights	Off blue lights	
<b>Total Collisions</b>	2	7	0	0	0

### **By Injury Type**

The area identified to be the main cause of injury is Others, followed by Slips, trips & falls. Over the 12 personal injury events, 106 days have been lost through time off work (and still waiting on some return-to-work dates), these are mainly down to back injuries.

Others include manual handling (3), a trapped finger (1) and an insect sting (1).

	Fire	Fixed Object	Moving Object	Slips, trips and falls	Sharp Object	Machinery / Equipment	Others
Total Injury Types	0	1	1	4	1	0	5

## **2. Events Requiring Investigation during Q3**

### **Tier One Investigations**

A Tier One standard investigation is required for all safety events and is usually conducted by the on duty / line manager present at the time of the event. Events that are minor in nature usually remain at this tier.

### **Tier Two Specialist Investigations**

In addition to the standard investigation required for Tier One, a Specialist Investigation (SI) is required for:

- Rare, unusual, or likely events resulting in either serious injuries or losses, or with the potential to incur such injuries or losses.
- All events involving Breathing Apparatus (BA).
- Near Hits resulting from unusual conditions or with the potential to cause severe injury or loss that are rare or unlikely to reoccur.

#### **4 events required a Specialist Investigation**

The events consisted of

- 3 x potential BA equipment malfunction
- 1 x service vehicle minor collision

Please refer to the brief description section at the end of the document for further details.

### **Tier Three MERP Specialist Investigations**

A Tier Three Specialist Investigation is conducted as required by the Major Event Response Protocol (MERP) SPI. These are for the most serious events such as death or potentially life-threatening injury to a member of HWFRS whilst on duty, or a third party either occurring on Service property or as a result of an act or omission by HWFRS.

**No safety events required a Tier Three Specialist Investigation.**

### **RIDDOR Events**

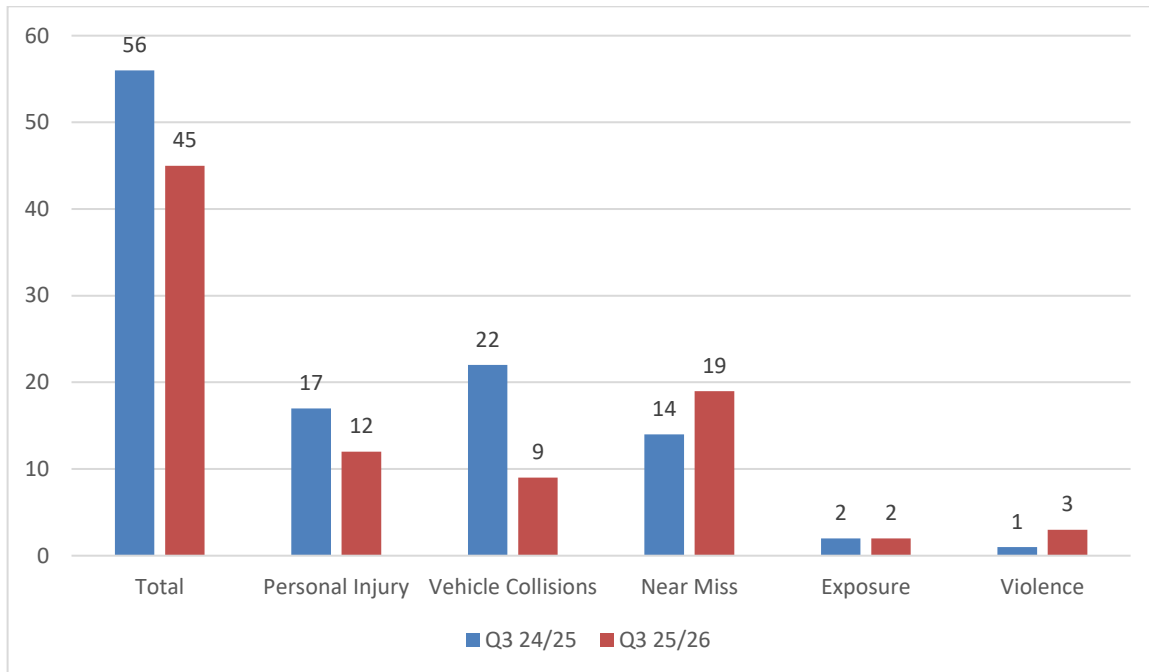
**During Q3, Two RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reports were submitted to the Health and Safety Executive (HSE).**

- 2 x manual handling injuries requiring time off work over 7 days

**For more information, please refer to the brief description section at the end of the document for details.**

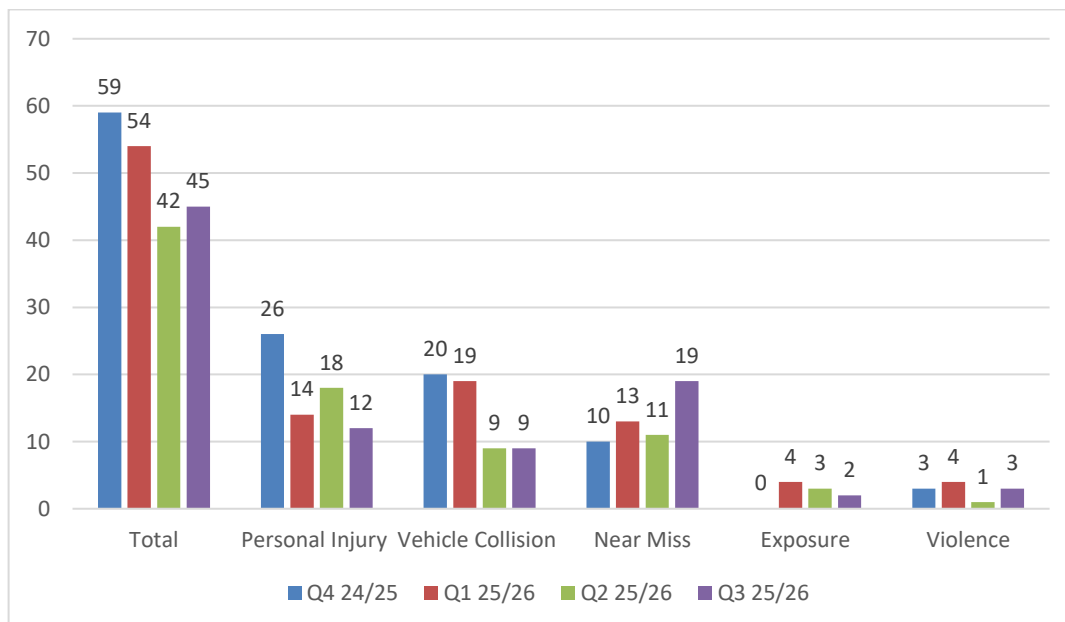
### 3. Comparison between Quarters in 2024/25 and 2025/26

Overall, event reporting has fallen by **11** reported incidents compared to the same period last year. There has been a significant decline in vehicle collisions and an increase in Near Miss reporting.



Source: Assure, ROIL

### 12 Month Trend Analysis



Source: Assure, ROIL

#### 4. Brief Description of all Safety Events

##### A1. Personal Injury

Sub-Categories	Break-down of Injuries in Each Sub-Category
4 Events during Operational work	SER-002200 – relates to an ankle injury
	SER-002175 – relates to an eyeball injury. <b>2 days lost.</b>
	SER-002189 – relates to a swollen knee, from it twisting, whilst performing a rescue
	SER-002242 – relates to impact to back when slipping over
4 Events during Operational training	SER-002183 – relates to a back injury whilst training. <b>RIDDOR. 78+ days lost.</b>
	SER-002192 – relates to knee pain after training on rough terrain
	SER-002198 – relates to a hand injury using RTC cutters, during Training. <b>1 day lost.</b>
	SER-002243 – relates to an arm injury whilst using equipment. <b>Days lost TBC</b>
4 Events during Routine Work	SER-002191 – relates to an insect sting
	SER-002201 - relates to a back injury after lifting awkwardly. <b>RIDDOR. 65 days lost.</b>
	SER-002214 - relates to a trapped finger whilst refuelling
	SER-002225 - relates to a finger getting trapped in cupboard door
	<b>Totalling 12</b>
	<b>106 days lost through time off</b>

##### A2. Vehicle Collisions

If these collisions occurred whilst responding to an operational incident the **EMERGENCY** response has been provided in bold. Driver training has sent out a Bulletin item for crews to familiarise themselves with the 'Banks person' CTR technical knowledge package.

Sub-Categories	Breakdown of Vehicle Collisions in Each Sub-Category
3 Events during Operational work	VSE-000130 – relates to a minor collision with a lorry. <b>SI. EMERGENCY.</b>
	VSE-000132 – relates to appliance reversing into a wall. <b>EMERGENCY.</b>
	VSE-000134 – relates to wing mirror damage. <b>EMERGENCY.</b>
3 Events during Routine work	VSE-000128 – relates to rear of appliance hitting another vehicle
	VSE-000131 – relates to door of appliance scratching a parked vehicle
	VSE-000133 – relates to appliance hitting bay door
2 Events during Training	VSE-000127 – relates to the vehicle ladder coming into contact with the bay door
	VSE-000135 – relates to rear bumper damage
1 Event classed as Other	VSE-000129 – relates to an accident in personal time. Small dent to Officers vehicle
	<b>Totalling 9</b>

##### A3. Near Misses (including Causes for Concern, Property or Equipment)

Sub-Categories	Breakdown of Near Hits or Causes for Concern in Each Sub-Category
10 Events during Operational Work	SER-002180 – relates to a BA malfunction. <b>SI.</b>
	SER-002213 – relates to cars not observing station warnings of an appliance exiting
	SER-002234 – relates to cars not observing station warnings of an appliance exiting
	SER-002240 – relates to cars not observing station warnings of an appliance exiting
	SER-002244 – relates to firefighters feeling unsafe at a prison incident
	SER-002245 – relates to a BA malfunction. <b>SI.</b>
	SER-002249 – relates to a public traffic accident that did not involve the appliance

	SER-002253 – relates to an incident with an unleashed aggressive dog
	SER-002255 – relates to an incident with an unleashed aggressive dog
	SER-002256 – relates to an incident with an unleashed aggressive dog
5 Events during Routine work	SER-002179 – relates to a near miss with the gantry ladder on the appliance
	SER-002184 – relates to smoke coming from the appliance (exhaust fumes)
	SER-002190 – relates to stolen equipment from the station yard
	SER-002193 – relates to a BA malfunction. <b>SI.</b>
3 Events during Training	SER-002248 – relates to the appliance ladder coming into contact with the roller frame
	SER-002227 – relates to issues with machinery and equipment (No injury)
	SER-002231 – relates to issues with machinery and equipment (No injury)
1 Event classed as Other	SER-002238 – relates to potential exposure to harmful substance
	SER-002254 – relates to a faulty dehumidifier
<b>Totalling 19</b>	

### A3. Violence or Aggression

Sub-Categories	Breakdown of Violence or Aggression in Each Sub-Category
1 Event during Operational Work	SER-002108 – relates to residents being verbally abusive at a fire incident.
<b>Totalling 1</b>	

### A4. Exposure or Contamination

Sub-Categories	Breakdown of Exposure in Each Sub-Category
3 Events during Operational Work	SER-002137 – relates to fire at a waste site. Potential biohazards.
	SER-002164 – relates to a barn fire. Potential asbestos.
	SER-002166 – relates to a fire in an agricultural building. Potential asbestos.
<b>Totalling 3</b>	

Potential exposure/contaminations are where personnel have been exposed (during training or incidents) to hazardous environments but where appropriate control measures were implemented. For example, when entering open water during training.

A contamination event occurs where a substance has adhered to or is deposited on people, equipment, or the environment, creating a risk of exposure and injury or harm.

An exposure event is where a harmful substance has entered the body through a route e.g., by inhalation, ingestion, absorption, by injection or when the body is irradiated. Where there is uncertainty as to whether any exposure has taken place, or this is negligible, then this would be recorded as a potential exposure, not an event. An investigation would only be instigated if related symptoms developed.

47 water exposure logs were recorded. All for information only.

Skin reddening is recorded following training or incidents where, immediately following exposure to high temperatures, there is some skin discolouration which may be a result of this exposure. These occurrences are recorded and if they continue past 24 hours these are reported as a Personal Injury Safety Event. There were no reports of skin reddening during Q3.

Health and Safety Quarterly Report  
 Quarter 3 (October 2025– December 2025) Data Reporting

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**1. Performance Overview**

**All sickness absences Q3 2025-2026**

- Due to the nature of the On-Call Duty System, On-Call absence is not reflected in the below figures.

Table 1: All sickness absence by workforce group Q3 25-26

<b>Days/Shifts lost due to sickness (per person)<sup>1</sup></b>			
	Short	Long	Total
All Staff	0.92	1.60	2.52
WT	0.85	1.56	2.41
FC	2.09	2.04	4.12
Support Staff	0.78	1.59	2.37

Table 2: Main causes of sickness absence

<b>Category</b>	<b>Days/Shifts Lost</b>
Musculo Skeletal - Lower Limb	174
Respiratory – Cold/Cough/Influenza	148.5
Musculo Skeletal - Back	141

**2. Health Management**

New management referrals Q3 2025-2026 (October 25 to December 25)

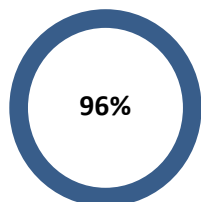
<b>Category</b>	<b>Number of referrals</b>
Musculo Skeletal	14
Other Musculo-Skeletal Problems	2
Mental Health	8
Eye, Ear, Nose & Mouth/Dental	3
Gastro- Intestinal	2
Heart and Circulatory	3
Other (sickness absence review)	2
<b>Total</b>	<b>34</b>

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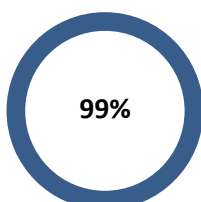
<sup>1</sup> Figures provided by P&I

### 3. Routine Medical Assessment Compliance and Outcomes

- The medical data below shows information from the Operational Assurance Report at the end of Quarter 3 2025-2026:



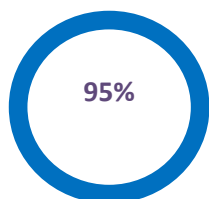
of operational employees requiring a 3 yearly medical are in date



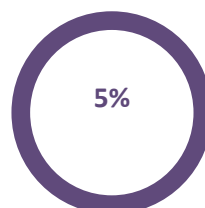
of operational employees have completed an asbestos medical

### 4. Routine Fitness Assessment Compliance and Outcomes

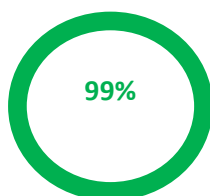
- The fitness data below shows information from the Operational Assurance Report at the end of Quarter 3 2025-2026 and is supplemented by management information provided by the Fitness Advisor at the University of Worcester. These figures include the fitness status of all operational staff based on their last fitness test and therefore includes those who are also out of date.



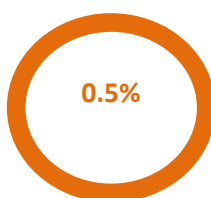
of operational employees have an in-date fitness test.  
(497 employees)



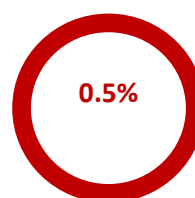
of operational employees have an out of date fitness test.  
(28 employees)



(520 employees)



(3 employees)



(2 employees)